

VIRIYA COMMUNITY SERVICES

[UEN. T01SS0059B]

[Registered under the Societies Act
(Chapter 311) in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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STATEMENT BY THE MANAGEMENT COMMITTEE

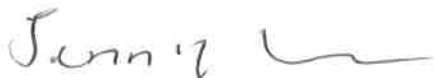
In the opinion of the Management Committee, the accompanying financial statements set out on pages 6 to 30 are drawn up so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2017 and the results, changes in funds and cash flows of the Society for the year then ended.

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

The Management Committee, comprising the following, authorised the issue of these financial statements on 20 March 2018.

President	Lim Yin Nee, Jenny
Vice President	Chia Eng Soon
Honorary Secretary	Tay Hong Beng
Honorary Treasurer	Tan Yee Peng
Committee Member	Koh Wei Peng Alex
Committee Member	Ng Mui Siang
Committee Member	Tan Yan Song
Committee Member	Teoh Eong Kow
Committee Member	Tham Khuan Heng

For and on behalf of the Management Committee,



Lim Yin Nee, Jenny
President



Tan Yee Peng
Honorary Treasurer

Singapore,
20 March 2018

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Independent auditor's report to the members of:

VIRIYA COMMUNITY SERVICES
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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Viriya Community Services (the "Society"), which comprise the statement of financial position as at 31 December 2017, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Society for the financial 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 Charities Accounting Standard in Singapore ("CAS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2017 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 Management Committee set out on page 2 but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 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 on the other information that we obtained prior to the date of this auditor's report, 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.

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(CONT'D)

Independent auditor's report to the members of:

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Other Information (Cont'd)

When we read the annual report, if we conclude that there is material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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

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

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Independent auditor's report to the members of:

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

- 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, 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 moneys 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.



Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore,

20 MAR 2013

Partner-in-charge: Lee Choon Keat
PAB No.: 01721

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

		Restricted funds	Corporate Unrestricted funds	Total	WHFSC Restricted funds	VFSC Restricted funds	2017 Total funds	2016 Total funds
	Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$
2017								
INCOME								
Income from generated funds	4	259,256	328,418	587,674	92,914	23,249	703,837	715,549
Income from charitable activities	4	1,314,457	574,641	1,889,098	1,911,541	1,713,045	5,513,684	4,819,988
Other income	4	0	197,968	197,968	43,314	48,200	289,482	410,791
Total income		<u>1,573,713</u>	<u>1,101,027</u>	<u>2,674,740</u>	<u>2,047,769</u>	<u>1,784,494</u>	<u>6,507,003</u>	<u>5,946,328</u>
LESS: EXPENDITURE								
Costs of charitable activities	5	485,483	660,468	1,145,951	1,591,565	1,269,497	4,007,013	4,441,742
Governance and other administrative costs	5	245	51,681	51,926	49,763	43,630	145,319	113,332
Total expenditure		<u>485,728</u>	<u>712,149</u>	<u>1,197,877</u>	<u>1,641,328</u>	<u>1,313,127</u>	<u>4,152,332</u>	<u>4,555,074</u>
NET INCOME FOR THE YEAR		1,087,985	388,878	1,476,863	406,441	471,367	2,354,671	1,391,254
TRANSFER OF FUNDS		(264,662)	82,499	(182,163)	105,945	76,218	0	0
TOTAL FUNDS BROUGHT FORWARD		<u>6,362,418</u>	<u>2,472,457</u>	<u>8,834,875</u>	<u>5,011,118</u>	<u>1,691,608</u>	<u>15,537,601</u>	<u>14,146,347</u>
TOTAL FUNDS CARRIED FORWARD		<u>7,185,741</u>	<u>2,943,834</u>	<u>10,129,575</u>	<u>5,523,504</u>	<u>2,239,193</u>	<u>17,892,272</u>	<u>15,537,601</u>

During the year, the Society received and recognised Care and Share grant of S\$1,284,094 (2016: S\$425,892). Certain of the qualifying expenditure, amounting to S\$570,393 (2016: 0), were expended and recognised in prior years in the unrestricted and certain restricted funds. In 2017, the Society transferred these amounts from the Care and Share Funds back to the respective funds.

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017

		2017				2016			
	Note	Corporate S\$	Restricted WHFSC S\$	VFSC S\$	Total S\$	Corporate S\$	Restricted WHFSC S\$	VFSC S\$	Total S\$
ASSETS									
Current assets									
Cash and cash equivalents	6	8,368,765	5,593,499	2,292,025	16,254,289	7,081,870	4,931,740	1,657,358	13,670,968
Other receivables	7	90,130	3,437	3,352	96,919	110,233	106,589	101,122	317,944
		<u>8,458,895</u>	<u>5,596,936</u>	<u>2,295,377</u>	<u>16,351,208</u>	<u>7,192,103</u>	<u>5,038,329</u>	<u>1,758,480</u>	<u>13,988,912</u>
Non-current assets									
Investments in financial assets	8	2,050,000	0	0	2,050,000	2,050,000	0	0	2,050,000
Property, plant and equipment	9	0	71,721	3,029	74,750	38,189	117,094	6,498	161,781
		<u>2,050,000</u>	<u>71,721</u>	<u>3,029</u>	<u>2,124,750</u>	<u>2,088,189</u>	<u>117,094</u>	<u>6,498</u>	<u>2,211,781</u>
Total assets		<u>10,508,895</u>	<u>5,668,657</u>	<u>2,298,406</u>	<u>18,475,958</u>	<u>9,280,292</u>	<u>5,155,423</u>	<u>1,764,978</u>	<u>16,200,693</u>
LIABILITY									
Current liability									
Other payables	10	<u>379,320</u>	<u>145,153</u>	<u>59,213</u>	<u>583,686</u>	<u>445,417</u>	<u>144,305</u>	<u>73,370</u>	<u>663,092</u>
NET ASSETS		<u>10,129,575</u>	<u>5,523,504</u>	<u>2,239,193</u>	<u>17,892,272</u>	<u>8,834,875</u>	<u>5,011,118</u>	<u>1,691,608</u>	<u>15,537,601</u>
FUNDS									
Unrestricted									
Accumulated surplus		<u>2,943,834</u>	<u>NA</u>	<u>NA</u>	<u>2,943,834</u>	<u>2,472,457</u>	<u>NA</u>	<u>NA</u>	<u>2,472,457</u>
Restricted									
Government capital fund	11	0	68,725	0	68,725	0	111,371	0	111,371
Expendable endowment fund	12	3,743,895	1,595,400	0	5,339,295	3,678,268	1,569,769	0	5,248,037
Other restricted and designated funds	13	<u>3,441,846</u>	<u>3,859,379</u>	<u>2,239,193</u>	<u>9,540,418</u>	<u>2,684,150</u>	<u>3,329,978</u>	<u>1,691,608</u>	<u>7,705,736</u>
		<u>7,185,741</u>	<u>5,523,504</u>	<u>2,239,193</u>	<u>14,948,438</u>	<u>6,362,418</u>	<u>5,011,118</u>	<u>1,691,608</u>	<u>13,065,144</u>
		<u>10,129,575</u>	<u>5,523,504</u>	<u>2,239,193</u>	<u>17,892,272</u>	<u>8,834,875</u>	<u>5,011,118</u>	<u>1,691,608</u>	<u>15,537,601</u>

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	Balance at beginning of year S\$	Net income / (expenditure) for the year S\$	Transferred to / (from) S\$	Balance at end of year S\$
2017					
<u>Unrestricted fund</u>					
Accumulated surplus		<u>2,472,457</u>	<u>388,878</u>	<u>82,499</u>	<u>2,943,834</u>
<u>Restricted funds</u>					
Government capital fund	11	<u>111,371</u>	<u>(42,646)</u>	<u>0</u>	<u>68,725</u>
Expendable endowment fund	12	<u>5,248,037</u>	<u>91,258</u>	<u>0</u>	<u>5,339,295</u>
Other restricted and designated funds	13				
Learn My Dialect Fund		27,655	(3,900)	0	23,755
LHCST - NKF Dialysis Medical Fund		210,110	39,714	0	249,824
Viriya - Care and Share Fund		0	1,028,693	(500,874)	527,819
Viriya - Children's Medical Fund		869,186	(35,000)	0	834,186
Viriya - Elderly Medical Fund		772,006	(59,470)	0	712,536
Viriya - Gap Fund		309,038	45,121	8,742	362,901
Viriya - KPMG Scholarship Fund		175,322	15,400	0	190,722
Viriya - MediAssist Fund		91,105	(3,200)	219,030	306,935
Viriya - Sunray Education Fund		8,630	(500)	0	8,130
Viriya - Wan Boo Sow Fund		221,098	(4,500)	8,440	225,038
VFSC - Accumulated surplus		1,691,608	471,367	76,218	2,239,193
WHFSC - Care and Share Fund		0	74,085	(69,519)	4,566
WHFSC - Accumulated surplus		<u>3,329,978</u>	<u>349,371</u>	<u>175,464</u>	<u>3,854,813</u>
		<u>7,705,736</u>	<u>1,917,181</u>	<u>(82,499)</u>	<u>9,540,418</u>
TOTAL FUNDS		<u>15,537,601</u>	<u>2,354,671</u>	<u>0</u>	<u>17,892,272</u>

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (CONT'D)**

	Note	Balance at beginning of year S\$	Net income / (expenditure) for the year S\$	Balance at end of year S\$
2016				
Unrestricted fund				
Accumulated surplus		<u>2,005,918</u>	<u>466,539</u>	<u>2,472,457</u>
Restricted funds				
Government capital fund	11	<u>124,859</u>	<u>(13,488)</u>	<u>111,371</u>
Expendable endowment fund	12	<u>5,180,262</u>	<u>67,775</u>	<u>5,248,037</u>
Other restricted and designated funds	13			
Learn My Dialect Fund		7,445	20,210	27,655
LHCST - NKF Dialysis Medical Fund		220,043	(9,933)	210,110
Viriya - Children's Medical Fund		812,697	56,489	869,186
Viriya - Elderly Medical Fund		712,243	59,763	772,006
Viriya - Gap Fund		224,587	84,451	309,038
Viriya - KPMG Scholarship Fund		166,822	8,500	175,322
Viriya - MediAssist Fund		177,630	(86,525)	91,105
Viriya - Sunray Education Fund		9,630	(1,000)	8,630
Viriya - Wan Boo Sow Fund		135,095	86,003	221,098
VFSC - Accumulated surplus		1,177,564	514,044	1,691,608
WHFSC - Accumulated surplus		3,191,552	138,426	3,329,978
		<u>6,835,308</u>	<u>870,428</u>	<u>7,705,736</u>
TOTAL FUNDS		<u>14,146,347</u>	<u>1,391,254</u>	<u>15,537,601</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Note	2017 S\$	2016 S\$
Cash flows from operating activities			
Net income for the year		2,354,671	1,391,254
Adjustments for:			
- Depreciation of property, plant and equipment	9	54,745	91,058
- Gain on disposal of property, plant and equipment	4	(214)	0
- Interest and dividend income		(252,482)	(177,423)
Operating cash flow before working capital changes		2,156,720	1,304,889
Changes in working capital			
- Other receivables		221,025	(232,842)
- Other payables		(79,406)	154,332
Net cash provided by operating activities		<u>2,298,339</u>	<u>1,226,379</u>
Cash flows from investing activities			
Interest and dividend income received		252,482	177,423
Proceed from disposal of plant and equipment		32,500	0
Purchases of property, plant and equipment	9	0	(22,591)
Net cash provided by investing activities		<u>284,982</u>	<u>154,832</u>
Net increase in cash and cash equivalents		2,583,321	1,381,211
Cash and cash equivalents at beginning of financial year		<u>13,670,968</u>	<u>12,289,757</u>
Cash and cash equivalents at end of financial year	6	<u>16,254,289</u>	<u>13,670,968</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

1. General information

Viriya Community Services ("the Society") is registered and domiciled in Singapore. Its corporate office and registered address is at 72 Shrewsbury Road, Singapore 307837 and its principal place of activities are at 646 Jurong West St 61, #01 - 142, Singapore 640646 and at 142 Potong Pasir Ave 3, #01-224, Singapore 350142.

The Society was registered on 8 March 2001 under the Societies Act (Chapter 311) and is a charity registered under the Charities Act (Cap 37) since 3 July 2001. The Society is a full member of the National Council of Social Service and has been accorded Institution of a Public Character ("IPC") status until 30 September 2020.

The principal activities of the Society are aimed at bringing joy and enhancing the quality of life by providing care and assistance to families and individuals in need of support regardless of race and religion. Its community projects include Dreams, LHCST - NKF Dialysis Centre, My Centre @ Moulmein, Viriya Children's Education Fund, Viriya Children's Medical Programme, Viriya - KK Children's Hospital HomeCare Programme, Viriya Elderly Medical Programme, Viriya Gap Fund, Viriya MediAssist Programme, Viriya Family Service Centre ("VFSC"), Whispering Hearts Family Service Centre ("WHFSC"), and Whispering Hearts Student Care Centre.

During the year, the Society ceased its operations at Whispering Hearts Child Care Centre.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") and the disclosure requirements of the Societies Act, Chapter 311 and Charities Act, Chapter 37. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar (S\$), which is the Society's functional currency.

The preparation of these financial statements in conformity with CAS requires management to exercise its judgement in the process of applying the Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Society's activities. Income is recognised as follows:

2.2.1 Government grants

Government grants are recognised as income in the financial statements over the periods necessary to match them with the related costs, which they are intended to compensate, on a systematic basis.

Government grants related to assets after recognition will then be reduced over the useful life of the asset in line with its depreciation.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.2 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations subject to donor-imposed conditions that specify the time period in which the expenditure can take place are accounted for as deferred income and recognised as a liability until the financial period in which the Society is allowed by the condition to expend the income.

2.2.3 Rendering of services

When the outcome of a transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the reporting date.

2.2.4 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.2.5 Dividend income

Dividend income is recognised when the right to receive payment is established.

2.2.6 Other income

Other income is recognised when received.

2.3 Expenditure recognition

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.3.1 Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Society and an apportionment of overhead and shared costs.

2.3.2 Governance and administrative costs

Governance costs include the cost of governance arrangement, which related to the general running of the Society, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.4 Employee benefits

2.4.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Society has no further payment obligations once the contribution has been paid. The Society's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

2. Significant accounting policies (Cont'd)

2.4 Employee benefits (Cont'd)

2.4.2 Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

2.5 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities. Contingent rents are recognised as an expense in the statement of financial activities in the financial year in which they are incurred.

2.6 Currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the reporting of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

2.7 Financial assets

2.7.1 Recognition and measurement

Receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

Investments in financial assets are investments in debt or equity instruments, which are recognised when it becomes a party to the contractual provisions of the instrument. These are initially measured at the transaction price excluding transaction costs, if any, which are recognised as expenditure immediately in the statement of financial activities. They are included in non-current assets unless management intends to dispose of the assets within twelve months after the reporting date.

Receivables and investments in financial assets are subsequently measured at cost less accumulated impairment losses.

2.7.2 Derecognition

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

2. Significant accounting policies (Cont'd)

2.7 Financial assets (Cont'd)

2.7.3 Impairment

The Society assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of other receivables is recognised when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities within "Governance and administrative costs".

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed. The reversal will not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits with financial institutions, which are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at cost.

2.9 Property, plant and equipment

2.9.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

Where the cost of an item is S\$2,000 and below, it is expensed off to revenue and expenditure account in the year of purchase unless these items are purchased for the setting up of a new office, including refurbishment of an existing office.

2.9.2 Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Furniture and fittings	3 years
Office equipment and computer	3 years
Renovation	5 years

2. Significant accounting policies (Cont'd)

2.9 Property, plant and equipment (Cont'd)

2.9.2 Depreciation (Cont'd)

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the statement of financial activities in the financial year in which the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.9.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of financial activities when incurred.

2.9.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of financial activities.

2.10 Financial liabilities

Financial liabilities are recognised when the Society becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liability includes "Other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or 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 respective carrying amounts is recognised in the statement of financial activities.

2.11 Other payables

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.12 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated.

2. Significant accounting policies (Cont'd)

2.13 Funds

Restricted fund balances are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Management Committee. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

2.14 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Society if that person:
 - (i) Has control or joint control over the Society;
 - (ii) Has significant influence over the Society; or
 - (iii) Is a governing board, trustee or member of the key management personnel of the Society or of a parent of the Society;
- (b) An entity is related to the Society if any of the following conditions applies:
 - (i) The entity and the Society are members of the same group which means that each parent, subsidiary and fellow subsidiary is related to the others;
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. Critical accounting estimates, assumptions and judgements

The Society makes estimates, assumptions and judgements concerning the future. Although these are based on the Society's best knowledge of current events and actions, actual results may ultimately differ from the resulting accounting estimates and judgements. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

3.1. Estimated useful lives of property, plant and equipment

The Society reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

3.2 Impairment of receivables

The Society reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual debtor. If there are indications that the financial position of a debtor has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

4. Income

	Restricted funds S\$	Corporate Unrestricted funds S\$	Total S\$	WHFSC Restricted funds S\$	VFSC Restricted funds S\$	2017 Total funds S\$	2016 Total funds S\$
2017							
Income from generated funds							
Voluntary income							
- Donations - Non tax exempt	30,000	8,974	38,974	0	165	39,139	54,213
- Donations - Tax exempt	163,620	245,496	409,116	3,100	0	412,216	483,913
Investment income							
- Interest and dividend income	65,636	73,948	139,584	89,814	23,084	252,482	177,423
	<u>259,256</u>	<u>328,418</u>	<u>587,674</u>	<u>92,914</u>	<u>23,249</u>	<u>703,837</u>	<u>715,549</u>
Income from charitable activities							
Counselling fee	0	0	0	3,085	1,055	4,140	4,590
Government funding							
- Capital grant	0	0	0	0	0	0	102,344
- Comchest	0	0	0	73,001	69,159	142,160	131,803
- Recurrent (MSF)	0	0	0	1,368,765	1,296,729	2,665,494	2,471,302
- Programme	0	131,013	131,013	0	0	131,013	276,223
- Matching Grant	1,183,751	0	1,183,751	100,343	0	1,284,094	425,892
- Tote Board	121,646	0	121,646	365,003	345,794	832,443	777,174
Programme fee	9,060	13,487	22,547	1,344	308	24,199	63,605
School fee	0	430,141	430,141	0	0	430,141	567,055
	<u>1,314,457</u>	<u>574,641</u>	<u>1,889,098</u>	<u>1,911,541</u>	<u>1,713,045</u>	<u>5,513,684</u>	<u>4,819,988</u>
Other income							
MOM Enhanced Employment Credit	0	34,075	34,075	28,955	31,532	94,562	240,880
Gain on disposal of property, plant and equipment	0	214	214	0	0	214	0
Management fee	0	71,320	71,320	0	0	71,320	86,000
Miscellaneous	0	92,359	92,359	14,359	16,668	123,386	83,911
	<u>0</u>	<u>197,968</u>	<u>197,968</u>	<u>43,314</u>	<u>48,200</u>	<u>289,482</u>	<u>410,791</u>
Total income	<u>1,573,713</u>	<u>1,101,027</u>	<u>2,674,740</u>	<u>2,047,769</u>	<u>1,784,494</u>	<u>6,507,003</u>	<u>5,946,328</u>

5. Expenditure

	Note	Corporate			WHFSC	VFSC	2017	2016
		Restricted funds S\$	Unrestricted funds S\$	Total S\$	Restricted funds S\$	Restricted funds S\$	Total funds S\$	Total Funds S\$
2017								
Cost of charitable activities								
Activities and events		262,599	18,334	280,933	29,290	7,909	318,132	361,449
Bank charges		114	737	851	0	0	851	1,306
Capacity building		8,795	0	8,795	308	0	9,103	104,568
Charitable expenses		30,000	2,000	32,000	0	2,000	34,000	43,250
Course and training		37,594	0	37,594	0	0	37,594	133,530
Depreciation of property, plant and equipment		0	5,902	5,902	45,374	3,469	54,745	91,058
Food for children		0	49,976	49,976	0	0	49,976	60,603
Fund raising expenses		0	80	80	0	0	80	(2,200)
Insurance		33	1,518	1,551	1,748	1,420	4,719	4,069
Maintenance		302	5,705	6,007	3,058	1,650	10,715	14,298
Management fee	18	3,720	0	3,720	33,800	33,800	71,320	86,000
Miscellaneous expenses		4,644	2,992	7,636	0	671	8,307	2,555
Postage and courier		6	85	91	153	88	332	218
Printing and stationery		267	1,306	1,573	1,201	1,383	4,157	8,667
Professional fees		0	0	0	188	188	376	664
Publicity materials		0	0	0	0	0	0	942
Rental of equipment		700	3,098	3,798	1,984	1,772	7,554	8,682
Rental of premises and service charges		5,613	13,453	19,066	22,088	23,497	64,651	45,404
Staffing costs	19	121,925	531,566	653,491	1,437,679	1,177,956	3,269,126	3,365,601
Supplies and materials		241	11,274	11,515	794	433	12,742	23,314
Telecommunication		693	3,368	4,061	3,154	3,411	10,626	11,659
Transportation		55	127	182	744	474	1,400	1,236
Travelling		6,524	0	6,524	0	0	6,524	43,268
Utilities		1,658	8,947	10,605	10,002	9,376	29,983	31,601
		<u>485,483</u>	<u>660,468</u>	<u>1,145,951</u>	<u>1,591,565</u>	<u>1,269,497</u>	<u>4,007,013</u>	<u>4,441,742</u>
Governance and other administrative costs								
Auditors' remuneration		245	5,539	5,784	2,403	2,513	10,700	11,856
Course and training		0	0	0	0	0	0	578
Professional fees		0	1,200	1,200	0	0	1,200	15,340
Staffing costs		0	44,942	44,942	47,360	41,117	133,419	85,558
		<u>245</u>	<u>51,681</u>	<u>51,926</u>	<u>49,763</u>	<u>43,630</u>	<u>145,319</u>	<u>113,332</u>
Total expenditure		<u>485,728</u>	<u>712,149</u>	<u>1,197,877</u>	<u>1,641,328</u>	<u>1,313,127</u>	<u>4,152,332</u>	<u>4,555,074</u>

6. Cash and cash equivalents

	2017 S\$	2016 S\$
Cash on hand	2,200	3,700
Cash at banks	980,248	437,286
Fixed deposits	15,271,841	13,229,982
	<u>16,254,289</u>	<u>13,670,968</u>

Fixed deposits at the reporting date have tenures ranging from 6 months to 18 months (2016: 6 months to 13 months) and have interest rates ranging from 1.15% to 1.46% (2016: 0.85% to 1.91%) per annum.

Fixed deposits maturing more than 12 months after the reporting date are included as cash and cash equivalents as these can be readily converted into cash without incurring significant penalty.

As at reporting date, the maturity dates of the fixed deposits fall:

	2017 S\$	2016 S\$
Within 12 months	15,151,841	13,229,982
Between 12 months to 18 months	120,000	0
	<u>15,271,841</u>	<u>13,229,982</u>

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair value.

7. Other receivables

	2017 S\$	2016 S\$
Deposits	8,225	7,283
Grant receivables	0	191,858
Prepayments	5,757	11,054
Other receivables	82,937	107,749
	<u>96,919</u>	<u>317,944</u>

Other receivables are unsecured, non-interest bearing and collectible on demand.

8. Investments in financial assets

	2017 S\$	2016 S\$
Investment funds	2,000,000	2,000,000
Quoted equity shares in Singapore, at cost	50,000	50,000
	<u>2,050,000</u>	<u>2,050,000</u>

The movement of account is as follows:

	2017 S\$	2016 S\$
Balances at the beginning and end of the year	<u>2,050,000</u>	<u>2,050,000</u>

8. Investments in financial assets (Cont'd)

The investment funds pertain to United SGD Fund securities under custody of UOB Asset Management Ltd.

The equity shares pertain to Suntec Real Estate Investment Trust securities under custody of The Central Depository Pte Limited.

The values of these investments in financial assets, based on the closing prices on the last market day of the financial year, were S\$2,265,759 (2016: S\$2,190,524).

Investments in financial assets are all investment assets in Singapore.

9. Property, plant and equipment

	Balance b/f S\$	Additions S\$	(Disposals) S\$	Balance c/f S\$
2017				
At cost				
Furniture and fittings	64,867	0	0	64,867
Office equipment and computer	56,141	0	(2,996)	53,145
Renovation	276,806	0	(44,117)	232,689
	<u>397,814</u>	<u>0</u>	<u>(47,113)</u>	<u>350,701</u>
	Balance b/f S\$	Depreciation charge S\$	(Written back/off) S\$	Balance c/f S\$
Accumulated depreciation				
Furniture and fittings	54,285	8,207	0	62,492
Office equipment and computer	56,141	0	(2,996)	53,145
Renovation	125,607	46,538	(11,831)	160,314
	<u>236,033</u>	<u>54,745</u>	<u>(14,827)</u>	<u>275,951</u>
	Balance b/f S\$			Balance c/f S\$
Net book value				
Furniture and fittings	10,582			2,375
Office equipment and computer	0			0
Renovation	151,199			72,375
	<u>161,781</u>			<u>74,750</u>
	Balance b/f S\$	Additions S\$	(Disposals) S\$	Balance c/f S\$
2016				
At cost				
Furniture and fittings	66,305	7,125	(8,563)	64,867
Office equipment and computer	98,992	(3,599)	(39,252)	56,141
Renovation	424,592	19,065	(166,851)	276,806
	<u>589,889</u>	<u>22,591</u>	<u>(214,666)</u>	<u>397,814</u>

9. Property, plant and equipment (Cont'd)

	Balance b/f S\$	Depreciation charge S\$	(Written back/off) S\$	Balance c/f S\$
2016 (Cont'd)				
Accumulated depreciation				
Furniture and fittings	31,212	31,636	(8,563)	54,285
Office equipment and computer	96,865	(1,472)	(39,252)	56,141
Renovation	231,564	60,894	(166,851)	125,607
	<u>359,641</u>	<u>91,058</u>	<u>(214,666)</u>	<u>236,033</u>
	Balance b/f S\$			Balance c/f S\$
Net book value				
Furniture and fittings	35,093			10,582
Office equipment and computer	2,127			0
Renovation	193,028			151,199
	<u>230,248</u>			<u>161,781</u>

In 2016, additions are net of reversed purchases in prior years that are funded by grants received during the year. Depreciation charge is also net of reversal of the accumulated depreciation from prior years for the related property, plant and equipment.

10. Other payables

	2017 S\$	2016 S\$
Accruals	312,993	344,192
Deposits received	22,265	66,366
Deferred income	115,000	115,000
Funds received for restricted purposes	61,107	34,889
Other payables	<u>72,321</u>	<u>102,645</u>
	<u>583,686</u>	<u>663,092</u>

Deferred income relates to grant received from President's Challenge 2015 which has been deferred pending approval for the funds to be utilised for alternative purposes.

Funds received for restricted purposes are from ComCare Fund, Lee Foundation, Roxy Education Fund, South East CDC Grow Up Milk Fund, The Straits Times School Pocket Money Fund and The Traffic Accident Fund. The total contributions received from these funds and total disbursements to beneficiaries during the year amounted to S\$107,207 (2016: S\$71,941) and S\$80,989 (2016: S\$93,286), respectively.

Other payables are unsecured, non-interest bearing and are payable on demand.

11. Government capital fund

	Corporate S\$	WHFSC S\$	VFSC S\$	Total S\$
2017				
Amount of funding received				
- Balance at beginning of year	57,029	269,893	42,787	369,709
- Received during the year	0	0	0	0
- Balance at end of year	<u>57,029</u>	<u>269,893</u>	<u>42,787</u>	<u>369,709</u>
Accumulated amortisation				
- Balance at beginning of year	(57,029)	(158,522)	(42,787)	(258,338)
- Depreciation during the year	0	(42,646)	0	(42,646)
- Balance at end of year	<u>(57,029)</u>	<u>(201,168)</u>	<u>(42,787)</u>	<u>(300,984)</u>
	<u>0</u>	<u>68,725</u>	<u>0</u>	<u>68,725</u>
2016				
Amount of funding received				
- Balance at beginning of year	57,029	167,549	42,787	267,365
- Received during the year	0	102,344	0	102,344
- Balance at end of year	<u>57,029</u>	<u>269,893</u>	<u>42,787</u>	<u>369,709</u>
Accumulated amortisation				
- Balance at beginning of year	(51,645)	(82,304)	(8,557)	(142,506)
- Depreciation during the year	(5,384)	(76,218)	(34,230)	(115,832)
- Balance at end of year	<u>(57,029)</u>	<u>(158,522)</u>	<u>(42,787)</u>	<u>(258,338)</u>
	<u>0</u>	<u>111,371</u>	<u>0</u>	<u>111,371</u>

The grants received are amortised in proportion to the depreciation of the related assets.

12. Expendable endowment fund

	Corporate S\$	WHFSC S\$	Total S\$
2017			
Balance at beginning of year	3,678,268	1,569,769	5,248,037
Net income for the year	<u>65,627</u>	<u>25,631</u>	<u>91,258</u>
Balance at end of year	<u>3,743,895</u>	<u>1,595,400</u>	<u>5,339,295</u>
2016			
Balance at beginning of year	3,632,455	1,547,807	5,180,262
Net income for the year	<u>45,813</u>	<u>21,962</u>	<u>67,775</u>
Balance at end of year	<u>3,678,268</u>	<u>1,569,769</u>	<u>5,248,037</u>

The fund was established to receive bequests, gifts and donations and transfer from unrestricted fund that is in excess of two years' operating expenditure, to strengthen the financial position of the Society and to enable the Society to use the return from the investment of the Fund to launch sustainable community projects.

12. Expendable endowment fund (Cont'd)

While the capital is not available for general use, the investment returns from the fund and or part of the capital, can be used to launch/fund community projects and initiatives where the Society can make a significant contribution and which are truly important, meaningful and in keeping with the Society's mission.

It is the Society's intention to build up an endowment fund of S\$10 million.

The balance in the fund is represented by cash and cash equivalents shown in Note 6.

13. Other restricted and designated funds

	2017 S\$	2016 S\$
Restricted		
Learn My Dialect Fund	23,755	27,655
Viriya - Care and Share Fund	527,819	0
Viriya - Wan Boo Sow Fund	225,038	221,098
VFSC - Accumulated surplus	2,239,193	1,691,608
WHFSC - Care and Share Fund	4,566	0
WHFSC - Accumulated surplus	<u>3,854,813</u>	<u>3,329,978</u>
	<u>6,875,184</u>	<u>5,270,339</u>
Designated		
LHCST - NKF Dialysis Medical Fund	249,824	210,110
Viriya - Children's Medical Fund	834,186	869,186
Viriya - Elderly Medical Fund	712,536	772,006
Viriya - Gap Fund	362,901	309,038
Viriya - KPMG Scholarship Fund	190,722	175,322
Viriya - MediAssist Fund	306,935	91,105
Viriya - Sunray Education Fund	<u>8,130</u>	<u>8,630</u>
	<u>2,665,234</u>	<u>2,435,397</u>
	<u>9,540,418</u>	<u>7,705,736</u>

Except for the balances in the accounts of VFSC and WHFSC where the assets and liabilities are shown separately in the statement of financial position, the balances in the above restricted and designated funds are represented by cash and cash equivalents shown in Note 6.

13. Other restricted and designated funds (Cont'd)

13.1 Care and Share matching grants

The Society is a qualifying VWO under the Care and Share scheme, which is a national fund-raising and volunteerism movement for the social service sector. Grant income received and expenditure charged under the Care and Share scheme during the year are as follows:

	2017 S\$	2016 S\$
Balance at beginning of year	0	0
Grant received during the year	<u>1,284,094</u>	<u>425,892</u>
Less: Expenditure incurred in prior years		
- Capacity building	48,015	0
- Critical existing needs	5,580	0
- Capability building	259,070	0
- New/ enhanced programmes	<u>257,728</u>	<u>0</u>
	<u>570,393</u>	<u>0</u>
Less: Expenditure incurred during the year		
- Capacity building	9,102	104,568
- Critical existing needs	8,903	39,130
- Capability building	44,134	26,403
- New/ enhanced programmes	<u>119,177</u>	<u>255,791</u>
	<u>181,316</u>	<u>425,892</u>
Balance at end of year	<u>532,385</u>	<u>0</u>

The balance at end of year is made up as follows:

	2017 S\$	2016 S\$
Viriya - Care and Share Fund	527,819	0
WHFSC - Care and Share Fund	<u>4,566</u>	<u>0</u>
	<u>532,385</u>	<u>0</u>

During the year, the Society received and recognised Care and Share grant of S\$1,284,094 (2016: S\$425,892). Certain of the qualifying expenditure, amounting to S\$570,393 (2016: 0), were expended and recognised in prior years in the unrestricted and certain restricted funds. In 2017, the Society transferred these amounts from the Care and Share Funds back to the respective funds.

13.2 Learn My Dialect Fund

The fund is to support programmes that are aimed at promoting intergenerational bonding by facilitating communication between the elderly and the young. Details of income and expenditure during the year are as follows:

	2017 S\$	2016 S\$
Income		
Income from charitable activities		
Government funding – Tote Board	121,646	118,161
Programme fee	<u>9,060</u>	<u>15,360</u>
Total income	<u>130,706</u>	<u>133,521</u>

13. Other restricted and designated funds (Cont'd)

13.2 Learn My Dialect Fund (Cont'd)

	2017 S\$	2016 S\$
Expenditure		
Cost of charitable activities		
Activities and events	3,935	7,932
Insurance	33	65
Maintenance	302	638
Miscellaneous expenses	144	134
Postage and courier	6	6
Printing and stationery	267	772
Management fee	3,720	8,000
Publicity materials	0	124
Rental of equipment	700	700
Rental of premises and service charges	5,613	0
Staffing costs		
- CPF contributions	12,658	10,320
- Salaries and bonus	103,392	81,120
- Staff welfare	944	322
Supplies and materials	241	189
Telecommunication	693	695
Transportation	55	95
Utilities	1,658	1,873
Governance and other administrative costs		
Auditors' remuneration	245	326
Total expenditure	<u>134,606</u>	<u>113,311</u>
Net (loss)/ income for the year	<u>(3,900)</u>	<u>20,210</u>

13.3 LHCST NKF Dialysis Medical Fund

The fund is to support needy patients requiring dialysis treatment.

13.4 Viriya Children's Medical Fund

This fund is used to assist low-income families with children who require long-term medical attention.

13.5 Viriya Elderly Medical Fund

The fund is for supporting elderly who require appropriate medical care and assistance to age in place with dignity.

13.6 Viriya Gap fund

The fund is used to support individuals or families where assistance is unavailable from existing funds, including to support funding of children's enrichment programmes.

13. Other restricted and designated funds (Cont'd)

13.7 Viriya Children's Education Fund

The Viriya Children's Education Fund offers several scholarships and education funds to our students and clients in our programmes. There are currently two awards, the Viriya - KPMG Scholarship Fund and the Viriya Sunray Education Fund. The former is to reward children for their excellent academic achievement in school while the latter is to motivate and support the children registered in approved programmes to strive for even greater achievement in their studies.

The Viriya - Wan Boo Sow Fund is to support children's programmes run by our centres. The fund also supports school fees of children from needy families.

13.8 Viriya MediAssist Fund

The fund is a collaboration with Potong Pasir CCC. Like our other medical funds, the Viriya MediAssist Fund helps individuals with chronic medical conditions; however, it is used to benefit only residents from Potong Pasir Constituency.

14. Income tax expense

As the Society is an approved charity, no provision for taxation has been made in the financial statements as the Society is exempted from income tax under Section 13(1) of the Income Tax Act.

15. Related party transactions

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Society. The key management personnel for the reporting period are the Executive Director, Assistant Director and Senior Managers.

The annual remuneration of key management personnel are classified as follows:

	2017 S\$	2016 S\$
Salaries and other short-term employee benefits	702,286	571,755
Post-employment benefits – Contributions to CPF	95,143	81,966
	<u>797,429</u>	<u>653,721</u>

None of the Management Committee members received remuneration for their contributions as Management Committee.

16. Remuneration of the three highest paid staff

	2017 No. of personnel	2016 No. of personnel
Remuneration band S\$100,001 to S\$200,000	<u>3</u>	<u>3</u>

17. Operating lease commitments

At the reporting date, the Society has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2017 S\$	2016 S\$
Not later than one year	8,224	10,352
Later than one year but not later than five years	14,225	18,918
Later than five years	0	3,531
	<u>22,449</u>	<u>32,801</u>

18. Management fee

The management fee charged to WHFSC and VFSC by the corporate office are for the following functions:

	2017		2016	
	WHFSC S\$	VFSC S\$	WHFSC S\$	VFSC S\$
Strategy	6,177	6,178	10,860	6,786
Human resources	6,178	6,177	10,387	6,492
Accounting and finance	15,442	15,442	18,885	11,803
Internal audit and regulatory compliance	2,573	2,573	4,721	2,951
Corporate communications	1,286	1,286	1,180	738
General matters	2,144	2,144	1,967	1,230
	<u>33,800</u>	<u>33,800</u>	<u>48,000</u>	<u>30,000</u>

19. Staffing costs

2017	Corporate S\$	WHFSC S\$	VFSC S\$	Total S\$
CPF contributions	85,198	200,405	145,733	431,336
Salaries and bonus	595,911	1,269,469	1,057,356	2,922,736
Staff welfare	17,244	15,165	15,984	48,393
Staff recruitment	80	0	0	80
	<u>698,433</u>	<u>1,485,039</u>	<u>1,219,073</u>	<u>3,402,545</u>

The staff costs were allocated as follows:

- Costs of charitable activities	653,491	1,437,679	1,177,956	3,269,126
- Governance and administrative costs	44,942	47,360	41,117	133,419
	<u>698,433</u>	<u>1,485,039</u>	<u>1,219,073</u>	<u>3,402,545</u>

19. Staffing costs (Cont'd)

2016	Corporate S\$	WHFSC S\$	VFSC S\$	Total S\$
CPF contributions	104,189	209,847	130,906	444,942
Salaries and bonus	718,890	1,337,017	938,661	2,994,568
Staff welfare	3,589	3,297	4,203	11,089
Staff recruitment	20	320	220	560
	<u>826,688</u>	<u>1,550,481</u>	<u>1,073,990</u>	<u>3,451,159</u>
The staff costs were allocated as follows:				
- Costs of charitable activities	822,349	1,506,756	1,036,496	3,365,601
- Governance and administrative costs	4,339	43,725	37,494	85,558
	<u>826,688</u>	<u>1,550,481</u>	<u>1,073,990</u>	<u>3,451,159</u>

20. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2017 is as follows:

		2017 S\$	2016 S\$	Increase/ (Decrease) %
A	Unrestricted funds			
	Accumulated surplus	2,943,834	2,472,457	19.07
B	Restricted and designated funds			
	Government capital fund	68,725	111,371	(38.29)
	Other restricted and designated funds	9,540,418	7,705,736	23.81
C	Expendable endowment fund	5,339,295	5,248,037	1.74
D	Total funds	17,892,272	15,537,601	15.15
E	Total annual operating expenditure	4,152,332	4,555,074	(8.84)
F	Ratio of funds to annual operating expenditure (A/E)	0.71	0.54	

Reference:

- C. An expendable endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a society to spend as grants.
- D. Total funds include unrestricted, restricted / designated and endowment funds.
- E. Total annual operating expenditure includes expenses related to cost of charitable activities and governance and other operating and administrative expenditure.

The Society's reserve policy is as follows:

The Society desires to build up reserves to meet up to two years' of operating expenditure.

21. Management of conflict of interest

There is no paid staff in the Society's Management Committee.

Management Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Society Management Committee members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

22. Comparative figures

Certain reclassifications have been made to the prior year comparative figures to conform with the current year's presentation.

	As previously reported S\$	Reclassification S\$	As restated S\$
2016			
Note 5 Expenditure			
Management fee	0	86,000	86,000
Professional fee	86,664	(86,000)	664
	<u>86,664</u>	<u>0</u>	<u>86,664</u>
Note 13.2 Learn My Dialect Fund			
Management fee	0	8,000	8,000
Professional fee	8,000	(8,000)	0
	<u>8,000</u>	<u>0</u>	<u>8,000</u>

23. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on 20 March 2018.