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18TH ANNUAL GENERAL MEETING

**Wednesday, 19 APRIL 2017
@ 6.30 PM**

2016 ANNUAL REPORT

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GOOD NEWS COMMUNITY SERVICES (“GNCS”)

NOTICE IS HEREBY GIVEN that the 18th Annual General Meeting of GNCS will be held on 19th April 2017 at 6.30 p.m. at #02-15 COR Conference Room

AGENDA

1. President’s Address
2. Opening Prayer
3. Confirmation of Minutes of the 17th AGM held on 19th Apr 2016 and EGM held on the 29th April 2016
4. Matters Arising
5. To receive and adopt the audited financial statements for the year ended 31st December 2016
6. To appoint Subraco LLP as auditor and to authorize Executive Committee to approve the audit fees for the year ended 31st December 2017
7. Reports from the Centres
 - Pasir Ris Family Service Centre
 - Sonshine Child Care Centre
 - Commonwealth Student Care Centre
8. SCC Cyclical Maintenance
9. Election of Management Committee
10. Any other matters
11. Closing Prayer

President's Address

Dear Friends, thank you for making the time to be at this AGM. I warmly welcome you to the meeting.

Our AGM this year will witness the cessation of one of our three services, i.e. the Commonwealth Student Care Centre (CSCC). This is an anticipated move as we have seen the decline in student enrolment over the years, since the area has been slotted for building redevelopment, and many families have moved out. The cessation of CSCC will of course will leave us with only two services.

Our Sonshine Childcare Centre continues to function in the midst of many challenges, not least being the fact that we are operating at 20-25% below breakeven point. We are thankful to St. James' Church Kindergarten, and in particular, Pastor Richard Chung for the useful consultation that we had with him recently. We need to cross the financial breakeven point as soon as possible.

I like to bring up two further matters for consideration. The first is the way forward and direction we strategize and further develop the ministry of Pasir Ris Family Services Centre (PRFSC). Should we consider the possibility of a tie-up between PRFSC and SACS (Singapore Anglican Community Services)? The synergy that can come about from such a tie-up would further benefit the people whom we are serving in the Pasir Ris area.

The second matter for consideration is the presidency of our organisation. This is my third year of association with the Good News Community Services. I have come to the conclusion that it is better if other Christians, rather than a clergy, provide presidency leadership for GNCS. For one, we will have more people to choose from!

Finally, it leaves me to thank all present at this AGM, and in particular, Ms Tiong Siew Eng, Ms U.K. Sangeeta, Mr. Peter Chiang, James Zhou and all members of the GNCS for your service unto the Lord in the past year. God bless you. Amen.

Bishop Kuan Kim Seng,
President, GNCS

GOOD NEWS COMMUNITY SERVICES
17th ANNUAL GENERAL MEETING

MINUTES OF MEETING

Date: 19th April 2016
Time: 6.30pm – 9.00pm
Venue: Chapel of the Resurrection, #02-15
Chaired by: Bishop Kuan Kim Seng, President

Present		
1.	Bishop Kuan Kim Seng	President
2.	Dr Leong Soon Kai	Vice-President
3.	Mr Tay Khoon Eng	Honorary Treasurer
4.	Mr Gan Tian Huat	Honorary Secretary and HR Committee Chairman
5.	Mr Peter Hui Kwok Thong	MC Member
6.	Mr Simon Soh Soon Heng	MC Member
7.	Mr Vincent Wang Zexiong	MC Member
8.	Mr Christopher Krishnasamy	Ordinary Member
9.	Mr Ng Heo Yong Timothy	Ordinary Member and Audit Committee Chairman
10.	Ms Lim Huey Shan Cherly Fay	Ordinary Member
11.	Mr Lee Kong Wee	Ordinary Member
12.	Ms Carol Lee Seok Hwa	Ordinary Member
13.	Mr Peter Chang Kay Hoi	Ordinary Member and PRFSC Executive Director
By Invitation		
1.	Ms Umaglia Kancanangai Sangeeta	SCC Principal
2.	Mr James Zhou	GNCS Development Manager
Absent with Apologies		
1.	Mr Dui Sian Ling	MC Member
2.	Ms Jacqueline Tan Yi Ping	MC Member
3.	Mr Scott Lee Hon Mun	MC Member
4.	Mr Chelladurai Subasanran	Ordinary Member
Absent with Apologies (by invitation)		
1.	Ms Tiong Siew Ing	CSCC Supervisor

S/N	Item	Action
1.	Welcome and Opening Prayer	
1.1	President welcomed everyone and opened the meeting with a word of prayer.	
2.	President's Address	
2.1.	President highlighted the words "Good News". Another similar word is "Evangelical", which is used to describe us as Evangelical Christians. Good News refers to the salvation that comes through Jesus Christ which we receive by faith. It is through this Good News that we identify ourselves	

	and from which we are motivated to serve. The title of Good News Community Service hence gives us focus on the good works we do which is shaped by the gospel and expressed as Christian love in action. The good works in each centre is a reflection of God’s love for us. There are many people who do good works, but our good works is motivated by God’s love for us and the reality of God in our lives. So as we serve through our centres, we need to have the gospel of Jesus Christ at the back of our minds.																																																																									
3.	Matters Arising																																																																									
3.1.	<u>“Accountancy Fee” Terminology</u>																																																																									
3.1.1	The meeting was updated that external auditor’s works undertaken within expense item “Accountancy Fee” was for the preparation of consolidated financial statements for GNCS.																																																																									
3.1.2	Timothy enquired whether it was appropriate for Subraco to undertake this activity. Treasurer will review this with Subraco and revert on recommendations for 2016 audit.	Treasurer																																																																								
3.2	<u>Matters Arising - Sub-committees</u>																																																																									
3.2.1	The meeting was updated that the Audit Committee is currently operational with 3 members (Timothy Ng, Carol Lee and Lee Kong Wee) and the HR Committee currently operational with 4 members (Gan Tian Huat, Peter Hui, Dui Sian Ling and Vincent Wang)																																																																									
3.3	<u>Matters Arising - Allocation of Surpluses from PRFSC</u>																																																																									
3.3.1	The meeting was updated that GNCS had proposed to NCSS to undertake following adjustments to restricted and unrestricted and these adjustments were reflected in FY15 financial statements. <table><tr><td></td><td></td><td></td><td>PRFSC</td><td></td><td>GNCS</td></tr><tr><td colspan="3"><u>Restricted Funds</u></td><td></td><td></td><td></td></tr><tr><td colspan="3">Balance as at Jan 01, 2015</td><td>222,975</td><td></td><td>370,169</td></tr><tr><td colspan="3">Transfer above</td><td><u>3,144,409</u></td><td></td><td><u>3,144,409</u></td></tr><tr><td colspan="3">Adjusted Balance for Jan 01, 2015</td><td><u>3,367,384</u></td><td></td><td><u>3,514,578</u></td></tr><tr><td colspan="3"></td><td></td><td></td><td></td></tr><tr><td colspan="3"><u>General Funds</u></td><td></td><td></td><td></td></tr><tr><td colspan="3">Balance as at Jan 01, 2015</td><td>3,970,373</td><td></td><td>4,694,016</td></tr><tr><td colspan="3">Transfer above</td><td><u>3,144,409</u></td><td></td><td><u>3,144,409</u></td></tr><tr><td colspan="3">Adjusted Balance for Jan 01, 2015</td><td><u>825,964</u></td><td></td><td><u>1,549,607</u></td></tr><tr><td colspan="3"></td><td></td><td></td><td></td></tr><tr><td colspan="3">Total Funds</td><td>4,193,348</td><td></td><td>5,064,185</td></tr></table>				PRFSC		GNCS	<u>Restricted Funds</u>						Balance as at Jan 01, 2015			222,975		370,169	Transfer above			<u>3,144,409</u>		<u>3,144,409</u>	Adjusted Balance for Jan 01, 2015			<u>3,367,384</u>		<u>3,514,578</u>							<u>General Funds</u>						Balance as at Jan 01, 2015			3,970,373		4,694,016	Transfer above			<u>3,144,409</u>		<u>3,144,409</u>	Adjusted Balance for Jan 01, 2015			<u>825,964</u>		<u>1,549,607</u>							Total Funds			4,193,348		5,064,185	
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3.3.2	Tian Huat updated that NCSS had not reverted since as they were																																																																									

	awaiting to receive the audited FY15 financial statement.	
3.4	<u>Setting up of Bursary Fund</u>	
3.4.1	The meeting was updated that MSF has advised that the use of PRFSC general reserve to set up a fund to award bursary to needy candidates is not permitted. The purpose of the fund has to be FSC oriented	
3.5	<u>To Appoint Subraco LLP As Auditor And To Authorize Executive Committee To Approve The Audit Fees For The Year Ended 31st December 2015</u>	
3.5.1	The meeting was updated that GNCS had met with Subraco LLP senior partners and they have agreed to continue as auditor of GNCS for FY2016 onwards.	
3.5.2	Soon Kai highlighted the charity requirement for charities to change the person in charge of the external audit after five years. He understands that Subraco LLP currently has only one partner and GNCS will have to review their reappointment for 2017 if the partnership structure remains unchanged with a single partner.	
3.5.3	Timothy highlighted that reappointment of external auditor should be endorsed and recommended by Audit Committee (AC) in accordance with AC terms of reference which was approved by MC. [Post Meeting Note: EXCO has verified that AC TOR does not include endorsement of external auditor.]	
3.6	<u>Pasir Ris Family Service Centre (PRFSC) – Hiring of Foreign Workers</u>	
3.6.1	The meeting was updated that during MC meeting on November 2015, MC arrived at decision not to employ foreign English childcare teachers for Sonshine Childcare Centre. It was further decided that there will be a moratorium of six months. If situation changes before 2016 July, HR Committee can propose a review.	
3.7	<u>Commonwealth Student Care Centre (CSCC) – Tendering for Student Care Centre</u>	
3.7.1	The meeting was updated that MC has approved the proposal to collaborate with CITY Community Services to tender and operate primary school based student care centres within the vicinity of COR. Ms Tiong's future role will be tied closely to these new student care centres.	
3.8	<u>Data Protection Policy</u>	
3.8.1	The meeting was updated that MC has approved data protection policies and the respective SOP.	

4.	Confirmation of Minutes of the 16th AGM held on 12th Apr 2015	
4.1	<p>There being no further query or amendment to the minutes, the minutes were approved by all present.</p> <p>Proposer: Mr Tay Khoon Eng Seconder: Mr Timothy Ng Heo Yong</p>	
5.	To receive and adopt the audited financial statements for the year ended 31st December 2015	
5.1	As financial statements were not circulated prior to the meeting, Soon Kai opined that the meeting will have to waive the 2 week circulation period stipulated the constitution.	
5.2	On Timothy's query, Khoon Eng clarified that this is the first year of the implementation of Charity Accounting Standard (CAS) and the complexities of compiling the various schedules was the main cause of this delay.	
5.3	<p>All present agreed to waive the 2 week circulation period for financial statements.</p> <p>Proposer: Mr Peter Hui Kwok Thong Seconder: Dr Leong Soon Kai</p>	
5.4	For Pasir Ris Family Service Centre (PRFSC) financial statement, Khoon Eng highlighted the recurring matter of high surpluses with ~\$78k unrestricted surplus and ~\$639k restricted surplus. He added more needs to be done by MC to utilise the restricted funds for this year.	MC
5.5	For Sonshine Childcare Centre (SCC) financial statement, Khoon Eng highlighted a deficit of ~\$60k for 2015 as opposed to a surplus of ~\$53k for 2014. This is mainly due to lower income from lower enrolment. Having already raised fees from 2016 Jan, first quarter results still shows deficit, but SCC is expecting reduced deficit for remaining part of the year.	
5.6	For Commonwealth Student Care Centre (CSCC) financial statement, Khoon Eng highlighted a deficit of ~\$6k and attributed the reason to lower enrolment due to redevelopment of CSCC area.	
5.7	<p>On Peter Hui's query regarding management of CSCC reserves upon centre's closure, Khoon Eng replied that MC tasked Centre Supervisor Siew Ing to understand costs involved in restoring the premises and compensation to existing staff, but MC has not deliberated on management of balance reserves.</p> <p>Soon Kai opined that GNCS should appeal to Town Council to waive the restoration costs as the area will still be torn down after, thereby allowing better compensation for existing staff.</p>	CSCC Supervisor and Development Manager

5.8	On Simon's query regarding apportionment of "Governance cost: administrative support cost" (SCC financial statement, page 11) in relation to detailed breakdown in "Manpower Benefit Costs" (SCC financial statement, page 10), Khoon Eng will seek clarification from external auditor.	Treasurer
5.9	On Carol's query regarding under-provision under Auditor's remuneration, Soon Kai clarified that there was under-provision for work done in 2014 and 2013, thereby equating to \$3,500 of service fees for certification on statement of subsidy claims. On Timothy's query regarding quantum of this fee relative to actual audit fee of \$3,800, Khoon Eng will seek clarification from external auditor.	Treasurer
5.10	Timothy highlighted that internal audit scope was agreed to only include GNCS and PRFSC which has IPC status as part of funding agreement with NCSS. Financial statement of GNCS page 14 shows that internal audit fee of \$735 was charged to SCC and CSCC. Khoon Eng acknowledged the point raised and will seek clarification from external auditor.	Treasurer
5.11	<p>As significant matters concerning the financial statements were raised, the meeting requested advice to handle this matter. Soon Kai advised the meeting to call for an Extraordinary General Meeting (EGM) to adopt revised accounts after clarification from external auditors on all matters raised. All present agreed to proceed as proposed. The meeting agreed to serve notice on 20th April for EGM on 29th April 6.30pm with the following agenda items:</p> <ol style="list-style-type: none"> 1. To receive and adopt the audited financial statements for the year ended 31st December 2015 2. To appoint Subraco LLP as auditor and to authorize Executive Committee to approve the audit fees for the year ended 31st December 2016 	All to note
6.	To appoint Subraco LLP as auditor and to authorize Executive Committee to approve the audit fees for the year ended 31st December 2016	
6.1	The meeting agreed to review this agenda item during EGM on 29 th April after clarification from external auditors.	All to note
7.	Reports from the Centres - Pasir Ris Family Service Centre	
7.1	Peter updated the meeting on the challenges and focus areas in coming years for social service sector as highlighted by Minister Chan Chun Seng in 2015. First, social mobility. Second, our evolving family support system. Third, the aging population.	
7.2	MSF is spearheading professionalism of social work practice through the launch of Code of Social Work Practice (CSWP) facilitated through heavy investment in Social Service Net (SSNet) in 2015. CSWP aims to integrate	

	casework, group work and community work methods to meet clients' needs holistically. SSNet is a national case management system for the social service sector, with a singular vision of "One Client, One Record, One System".	
7.3	On community services program, all Community Services Program ran in previous years were terminated as the CSWP framework now provide for only Group Work and Community Work. He added that surpluses from previous years were a result of these programmes being run without hiring additional social workers which the programmes provide funding for.	
7.4	He summarised that CSWP and SSNet rollout has taken up most of Yr2015 and has also increased workload of staff. On top of this is the shortage of social worker in the industry even as the government relentlessly open new family service centres which requires more social workers. He shared a prayer request for PRFSC leadership to continue to fulfil the increasing demands and that PRFSC can hire more senior staff.	
8.	Reports from the Centres – Sonshine Childcare Centre	
8.1	Sangeeta shared a prayer request for good relationships among staff as numerous new staff was hired in 2015.	
8.2	Sangeeta also shared prayer request for staff to have a positive mind-set towards changes that may be implemented in the upcoming year.	
8.3	SCC will be applying for Singapore Pre-School Accreditation Framework (SPARK) to retain talent and attract students.	
9.	Reports from the Centres – Commonwealth Student Care Centre	
9.1	Bishop alluded the meeting to the phasing down of CSCC and with MOE working towards setting up student care centres in primary schools, he asked the meeting to think about GNCS involvement in this area.	
10.	Any Other Business	
10.1	There was no item raised under this section.	
11.	Closing Prayer	
11.1	As there was no further issues to be discussed, Rev Victor closed the meeting with a word of prayer.	

Prepared by: James Zhou, Development Manager

Reviewed by: Gan Tian Huat, Honorary Secretary

Approved by:

Bishop Kuan Kim Seng, President

GOOD NEWS COMMUNITY SERVICES EXTRAORDINARY GENERAL MEETING

MINUTES OF MEETING

Date: 29th April 2016
Time: 6.30pm – 7.00pm
Venue: Chapel of the Resurrection, #02-15
Chaired by: Bishop Kuan Kim Seng, President

Present		
1.	Bishop Kuan Kim Seng	President
2.	Dr Leong Soon Kai	Vice-President
3.	Mr Tay Khoon Eng	Honorary Treasurer
4.	Mr Gan Tian Huat	Honorary Secretary and HR Committee Chairman
5.	Mr Peter Hui Kwok Thong	MC Member
6.	Mr Christopher Krishnasamy	Ordinary Member
7.	Mr Ng Heo Yong Timothy	Ordinary Member and Audit Committee Chairman
8.	Mr Lee Kong Wee	Ordinary Member
9.	Ms Carol Lee Seok Hwa	Ordinary Member
By Invitation		
1.	Ms Karen Chan	GNCS Finance Officer
2.	Mr James Zhou	GNCS Development Manager
Absent with Apologies		
1.	Mr Dui Sian Ling	MC Member
2.	Ms Jacqueline Tan Yi Ping	MC Member
3.	Mr Scott Lee Hon Mun	MC Member
4.	Mr Simon Soh Soon Heng	MC Member
5.	Mr Vincent Wang Zexiong	MC Member
6.	Mr Chelladurai Subasanran	Ordinary Member
7.	Mr Peter Chang Kay Hoi	Ordinary Member and PRFSC Executive Director
8.	Ms Lim Huey Shan Cherly Fay	Ordinary Member

S/N	Item	Action
1.	Welcome and Opening Prayer	
1.1	President welcomed everyone and opened the meeting with a word of prayer.	
2.	To receive and adopt the audited financial statements for the year ended 31st December 2015	
2.1	Khoon Eng provided clarifications to queries raised during 17 th AGM, as attached under the Treasurer's Notes in Annex A. A copy of the notes was given to all members present.	
2.2	There being no other questions, the audited financial statements for the	

	<p>year ended 31st December 2015 was received and adopted</p> <p>Proposed : Gan Tian Huat</p> <p>Seconded : Peter Hui Kwok Thong</p> <p>All present approved the audited accounts.</p>	
3.	To appoint Subraco LLP as auditor and to authorize Executive Committee to approve the audit fees for the year ended 31st December 2016	
3.1	The meeting was apprised that Subraco LLP is a single partnership firm and regulations stipulates that a person can only supervise auditing for 5 concurrent years. Ann has supervised GNCS audit for 2 years for FY2014 and FY2015. Khoon Eng recommends at the EGM to appoint Subraco for FY2016 and for MC to deliberate Subraco's reappointment for FY2017.	MC
3.2	Carol opined that it is a challenge to find audit firms to audit IPC companies as audit firms decline such jobs. She recommended to have a head start in exploring these firms and sound them out as potential replacements.	MC
3.3	Timothy reiterated that the Auditor should not be checking their own work. He recommended for GNCS to appoint another accountancy firm to undertake works related to consolidation of accounts from 3 centres to GNCS for FY2016. Khoon Eng clarified that MC will follow-up on this item.	MC
3.4	<p>The appointment was passed by EGM and the Executive Committee was authorized to approve the audit fees for the year ended 31st December 2013.</p> <p>Proposed: Tay Khoon Eng</p> <p>Seconded: Carol Lee Seok Hwa</p>	
4.	Confirmation of 16th AGM Minutes of Meeting	
4.1	During 17 th AGM, the 16 th AGM minutes was proposed by Khoon Eng. Post meeting discussion discerned that since Khoon Eng prepared the minutes it is good practice for other persons to propose or second the approval of minutes.	
4.2	<p>The 16th AGM Minutes of Meeting was approved by EGM.</p> <p>Proposed: Ng Heo Yong Timothy</p> <p>Seconded: Leong Soon Kai</p>	
5.	Closing Prayer	
5.1	As there was no further issues to be discussed, Rev Victor closed the meeting with a word of prayer.	

Prepared by: James Zhou, Development Manager

Reviewed by: Gan Tian Huat, Honorary Secretary

Approved by:

Bishop Kuan Kim Seng, President

Treasurer's Notes

Extraordinary General Meeting (EGM)
Treasurer's Report
Audited Financial Statements for Year 2015

Pursuant to the queries raised at the AGM dated 19 April 2016, with regards to the Audited Financial Statements for Year 2015, a meeting was held with the Auditors (Ms Irene and Ms Ann of Subraco LLP) on 21 Apr 2016 in the presence of GNCS Treasurer, Secretary and Audit Committee members (Tim Ng, Carol Lee, Lee KW). The issues were resolved as follows:

1. The Internal Audit (IA) fee

Question: The IA was carried out only for PRFSC. Why was the cost allocated to all the 3 Centres?

Explanation: The IA fee was allocated to the 3 Centres by default as all costs incurred by GNCS HQ must be allocated. After discussion, it has been agreed that the full fee is to be charged to PRFSC. Refer to Page 14 (Note 4) of the revised "Good News Community Services – Report and Financial Statements 31 Dec 2015"

2. Manpower Benefit Costs and Administrative support costs

Question: Referring to Page 3 of "Sonshine Childcare Centre, the Statement of Financial Activities for the Financial Year ended 31 Dec 2015" shows an amount of \$601,921 while in Note 7 (Page 10), the total of the details of manpower benefit costs is \$651,354. \$651,354 was allocated to the cost of generating funds and administrative support costs. Why did the financial statements not show a detail of \$601,921 as stated in the statement of financial activities? Why has the administration support costs reflected in Note 7 and Note 9? Similar presentations were noted for the Commonwealth Student Care Centre and Pasir Ris Family Service Centre.

Explanation: It was agreed that, the notes to the financial statements will be shown so as to agree the amount as stated in the Statement of Financial Activities. Likewise, the administrative support costs will also be shown as a separate note in the financial statements. The accounting policy for the allocation of the GNCS HQ expenditure is mentioned in Note 2(j) (iii) under the header "Significant Accounting Policies" in all the four reports.

3 Certification of Statement of Subsidy Claims – Audit fee charge and Accounting fee GNCS

On Timothy's query regarding quantum of this fee relative to actual audit fee of \$3,800, the Auditors explained that this work was necessary as required by ECDA as a certification report has to be issued. The audit certification covers extensive checks on various records as maintained by the Centre and details as mentioned on the Statement of Subsidy Claims should be reconciled and agreed to the records and also to the financial records.

Audit Committee (AC) also noted that there was an accountancy fee charge. Auditors explained that the accountancy fee charge is in respect of the assistance rendered for the consolidation of the GNCS and the three centres together with the notes to the accounts. In respect of 2015, the adoption of CAS has resulted in additional detail notes be disclosed in the financial statements. AC suggested that going forward, this accounting function be outsourced if GNCS is not able to handle.

4. Treatment of Grant received by GNCS from NCSS amounting to \$26,400.

The Auditors highlighted during the meeting that the balance of the amount not utilised amounting to \$25,000 be treated as deferred income rather than as deferred capital grant in the designated funds.

All present at the meeting agreed to the treatment and is reflected in note 9 of the GNCS financial statements.

Matters Arising

17th AGM (19th April 2016)

S/N	Item	Action
5.7	<p>Cessation of CSCC Operations</p> <p>On Peter Hui's query regarding management of CSCC reserves upon centre's closure, Khoon Eng replied that MC tasked Centre Supervisor Siew Ing to understand costs involved in restoring the premises and compensation to existing staff, but MC has not deliberated on management of balance reserves.</p> <p>Soon Kai opined that GNCS should appeal to Town Council to waive the restoration costs as the area will still be torn down after, thereby allowing better compensation for existing staff.</p> <p>[Update] CSCC reserves will be drawn down close to zero with removal costs of premises and CSCC staff compensation. HDB has given written feedback that GNCS is not expected to restore premise but is required to remove loose fittings and selected installed fixtures.</p>	

EGM (29th April 2017)

S/N	Item	Action
3	<p>Appointment of Subraco LLP as auditor</p>	
3.1	<p>The meeting was apprised that Subraco LLP is a single partnership firm and regulations stipulates that a person can only supervise auditing for 5 concurrent years. Ann has supervised GNCS audit for 2 years for FY2014 and FY2015. Khoon Eng recommends at the EGM to appoint Subraco for FY2016 and for MC to deliberate Subraco's reappointment for FY2017.</p>	
3.2	<p>Carol opined that it is a challenge to find audit firms to audit IPC companies as audit firms decline such jobs. She recommended to have a head start in exploring these firms and sound them out as potential replacements.</p> <p>[Update] MC has approved audit fee of \$19,800 quoted by Subracco for FY2017 during MC meeting on 26th January 2017.</p>	
3.3	<p>Timothy reiterated that the Auditor should not be checking their own work. He recommended for GNCS to appoint another accountancy firm to</p>	

	<p>undertake works related to consolidation of accounts from 3 centres to GNCS for FY2016. Khoon Eng clarified that MC will follow-up on this item.</p> <p>[Update] GNCS HQ Finance Officer Karen has undertaken the work of consolidating of account from 3 centres for FY2016.</p>	
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GOOD NEWS COMMUNITY SERVICES
Annual Report for Year Ended 31 December 2016

Good News Community Services (“GNCS”) was set up in 23 April 1999 as a society. It was registered under the Charities Act on 29 September 2000. The Society changed its name from “Good News Community Services Centre” to “Good News Community Services” with effect from 18 April 2008.

Charity Registration Number: 01461

IPC Number: IPC000167

ROS Registration Number: ROS 0269/1998 [UEN: S99SS0015F]

Registered Address: 1 Francis Thomas Drive #02-17
Diocesan Centre Building
Singapore 359340

Management Committee: The Management Committee was elected at the Annual General Meeting held on 12 April 2015 for a term of 2 years

- 1) Kuan Kim Seng President
- 2) Leong Soon Kai Vice President
- 3) Tay Khoon Eng Honorary Treasurer
- 4) Gan Tian Huat Honorary Secretary
- 5) Peter Hui Kwok Thong Committee Member
- 6) Tan Yi Ping Jacqueline Committee Member
- 7) Soh Soon Heng Simon Committee Member
- 8) Dui Sian Ling Committee Member
- 9) Scott Lee Hon Mun Committee Member
- 10) Wang Zexiong Vincent Committee Member

Banker: DBS and UOB

Auditor: M/s Subraco LLP

OBJECTIVE

The objective of the society is to initiate, assist and organize activities and scheme of social service for the alleviation of poverty, suffering, ignorance of ill-health whether physical or mental, without limitation of age, sex, race, nationality, religion or moral character, by the provision of assistance, education, training, service or counselling.

In furtherance, of the above objects, the Society may co-operate with recognised bodies, religion organizations and other welfare agencies, government or private, in conformity with the above objects.

POLICIES

Finance & Funding

The Society raise, receive, administer, invest or distribute funds and property for use as centres or homes for children, aged, sick or any other uses as may deemed necessary for the pursuit of the above objects.

Family Service Centre operations received funds from MSF/ NCSS, TBSSF, Comchest, and from public donations.

For the student care and childcare operations the centres collect fees from the students and clients and subsidies from ECDA.

In addition the centres received significant ongoing non-financial resource support from MSF, NCSS and ECDA for its operations.

STATEMENT OF ACCOUNTS

Audited financial statement for the financial year ended 31 December 2016 of:-

- 1) Good News Community Services (incorporating the results of PRFSC, SCC and CCCC)
- 2) Pasir Ris Family Service Centre
- 3) Sonshine Childcare Centre
- 4) Commonwealth Student Care Centre

REVIEW OF YEAR 2016

Refer to reports of each of the following centres:-

- 1) Pasir Ris Family Service Centre
- 2) Sonshine Childcare Centre
- 3) Commonwealth Student Care Centre

FUTURE PLANS AND COMMITMENTS

GNCS will explore the collaboration between PRFSC and Singapore Anglican Community Services (SACS) to better serve the community in Pasir Ris area.

GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of
Commonwealth Student Care Centre,
Sonshine Childcare Centre and
Pasir Ris Family Service Centre)

REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2016

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SUBRACO LLP
Public Accountants and
Chartered Accountants

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

STATEMENT BY MEMBERS OF THE GOOD NEWS COMMUNITY SERVICES MANAGEMENT COMMITTEE

In the opinion of the members of the Good News Community Services Management Committee, the financial statements of Good News Community Services (Incorporating the results of Commonwealth Student Care Centre, Sonshine Childcare Centre and Pasir Ris Family Service Centre) set out on pages 5 to 23 are drawn up in accordance with the provisions of the Societies Act, Cap 311, The Charities Act, Cap 37 and other regulations and Charities Accounting Standard so as to give a true and fair view of the financial position of Good News Community Services (Incorporating the results of Commonwealth Student Care Centre, Sonshine Childcare Centre and Pasir Ris Family Service Centre) as at 31 December 2016 and of its results of financial activities and cash flows of Good News Community Services (Incorporating the results of Commonwealth Student Care Centre, Sonshine Childcare Centre and Pasir Ris Family Service Centre) for the year then ended.

The Good News Community Services Management Committee authorised these financial statements for issue on 27 March 2017.

On behalf of the Good News Community Services Management Committee,



BISHOP KUAN KIM SENG
President



TAY KHOON ENG
Honorary Treasurer

Singapore,
27 March 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Good News Community Services (the "Society") (Incorporating the results of Commonwealth Student Care Centre, Sonshine Childcare Centre and Pasir Ris Family Service Centre), which comprise the statement of financial position as at 31 December 2016, the statement of financial activities and statement of cash flows 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 Charities Accounting Standards(CAS) so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2016 and the results of financial activities and cash flows of the Society for the financial 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

The Management Committee is responsible for the other information. The other information comprises the Statement by Members of the Good News Community Services Management Committee on Page 1, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Management Committee for the Financial Statements

The Management Committee 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOD NEWS COMMUNITY SERVICES (Incorporating the results of Commonwealth Student Care Centre, Sonshine Childcare Centre and Pasir Ris Family Service Centre)

Report on the Audit of the Financial Statements (continued)

In preparing the financial statements, the management committee 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.

The Management Committee's responsibilities include 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 judgment 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 the management committee.
- Conclude on the appropriateness of the management committee'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 the management committee 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.

SUBRACO LLP

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)**

Report on the Audit of the Financial Statements (continued)

Report on Other 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 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 the Society has not used the donation moneys in accordance with its objectives as required under regulation 11 of the Charities (Institution of a Public Character) Regulations.



SUBRACO LLP
Public Accountants and
Chartered Accountants

Singapore,
27 March 2017

Partner in charge of audit: Ann A. Nargeswari
Effective from year ended 31 December 2014

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	<u>Note</u>	<u>Unrestricted funds</u> \$	<u>Restricted funds</u> \$	<u>2016 Total</u> \$	<u>2015 Total</u> \$
INCOME					
<u>Income from generated funds:</u>					
Voluntary income		16,650	-	16,650	27,855
Activities for generating funds		755,363	-	755,363	801,947
Investment income		6,031	43,657	49,688	37,693
Income from charitable activities		-	1,803,031	1,803,031	1,934,558
Other income		154,486	11,800	166,286	105,746
Total income		932,530	1,858,488	2,791,018	2,907,799
EXPENDITURES					
Cost of generating funds		894,825	-	894,825	856,750
Charitable activities		3,015	1,348,476	1,351,491	1,242,572
Governance costs		75,139	137,327	212,466	156,524
Other expenditure		-	-	-	256
Total expenditures		972,979	1,485,803	2,458,782	2,256,102
Net income for the year		(40,449)	372,685	332,236	651,697
Gross transfers between funds					
Gross transfer (from restricted funds)/ to unrestricted funds	11(a)	6,000	(6,000)	-	-
Net movement in funds		(34,449)	366,685	332,236	651,697
Reconciliation of funds					
Total funds brought forward		1,903,135	3,812,747	5,715,882	5,064,185
Total funds carried forward		1,868,686	4,179,432	6,048,118	5,715,882

The notes set out on pages 8 to 23 form an integral part of these financial statements.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u> \$	<u>2015</u> \$
ASSETS			
Current assets			
Cash and cash equivalents	5	6,114,410	5,805,893
Other receivables	6	133,877	59,372
Other current assets	7	8,609	11,221
		<u>6,256,896</u>	<u>5,876,486</u>
Non-current asset			
Plant and equipment	8	<u>32,274</u>	<u>42,561</u>
Total assets		<u>6,289,170</u>	<u>5,919,047</u>
LIABILITIES			
Current liabilities			
Other payables	9	200,512	160,385
Refundable deposits		<u>40,540</u>	<u>42,780</u>
Total liabilities		<u>241,052</u>	<u>203,165</u>
NET ASSETS		<u>6,048,118</u>	<u>5,715,882</u>
FUNDS			
Unrestricted funds			
General fund	10(a)	1,484,355	1,534,801
Designated funds	10(b)	<u>384,331</u>	<u>368,334</u>
		1,868,686	1,903,135
Restricted funds	11	<u>4,179,432</u>	<u>3,812,747</u>
TOTAL FUNDS		<u>6,048,118</u>	<u>5,715,882</u>

The notes set out on pages 8 to 23 form an integral part of these financial statements.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	<u>Note</u>	<u>2016</u> \$	<u>2015</u> \$
Cash flows from operating activities:			
Net income for the year		332,236	651,697
Adjustment for:			
Depreciation of plant and equipment	8	14,090	11,988
Plant and equipment written off		-	256
Interest received		(49,688)	(37,693)
Operating income before working capital changes		296,638	626,248
Change in working capital:			
School fees receivable		-	1,053
Other receivables		(74,505)	(2,605)
Other current assets		2,612	(1,866)
Other payables		40,127	50,086
Refundable deposits		(2,240)	(6,930)
Cash generated from operations		262,632	665,986
Interest received		49,688	37,693
Net cash provided by operating activities		312,320	703,679
Cash flows from investing activities			
Purchases of plant and equipment	8	(3,803)	(22,747)
Net cash used in investing activities		(3,803)	(22,747)
Net increase in cash and cash equivalents		308,517	680,932
Cash and cash equivalents at the beginning of the year		5,805,893	5,124,961
Cash and cash equivalents at end of the year	5	6,114,410	5,805,893

The notes set out on pages 8 to 23 form an integral part of these financial statements.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

1 GENERAL INFORMATION

Good News Community Services (the "Society") is registered under the Societies Act, Cap. 311 and is a Charity domiciled in Singapore (UEN No. S99SS0015F). The registered office of the Society is located at 1 Francis Thomas Drive, #02-17, Singapore 359340.

The principal activities of the Society are to provide education, supervision care for young children, student care services, counselling services and family life education programmes targeted at parents, married couples, youths and families.

The financial statements of the Society incorporates the results of Commonwealth Student Care Centre, Sonshine Childcare Centre and Pasir Ris Family Service Centre.

In the financial statements, CPF, ECDA, NCSS, TBSFF and MSF represent Central Provident Fund, Early Childhood Development Agency, National Council of Social Service, Tote Board Social Service Fund and Ministry of Social and Family Development.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") as issued by the Singapore Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements requires the Management Committee 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 that affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the year. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

(b) Functional and presentation currency

The Management Committee has determined the currency of the primary economic environment in which the Society operates to be Singapore Dollar ("the functional currency"). The financial statements are presented in Singapore Dollar which is the Society's functional and presentation currency.

(c) Plant and equipment

(i) Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

(ii) Components of costs

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

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Plant and equipment (continued)

(iii) Depreciation

Depreciation of plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives at the following annual rates:

Computers	100%
Furniture and fittings	20%
Office equipment	20%
Renovation	20%

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

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

(iv) Subsequent expenditure

Subsequent expenditure relating to 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.

(v) Disposal

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

(d) Financial assets

The Society classifies the following financial assets as loans and receivables and are presented in the statement of financial position as follows:

- (i) cash and cash equivalents; and
- (ii) other receivables and deposits.

Financial assets 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 assets at initial recognition.

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 the statement of financial activities when the loans and receivables are derecognised or impaired and through the amortisation process.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Impairment of financial assets

The Society assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of financial activities.

The impairment allowance is reduced through the statement of financial activities in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(f) Financial liabilities

Financial liabilities includes other payables and refundable deposits.

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. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of financial activities when the liabilities are derecognised and through the amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise of short term bank deposits, cash in hand and bank balances.

(h) Funds

(i) Unrestricted funds

Unrestricted funds comprises of general fund and designated funds.

General fund is used for general purposes of the Society. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separated fund (known as "Designated funds"). The designation has an administrative purpose only and does not legally restrict the Management Committee's discretion to apply the fund.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Funds (continued)

(ii) Restricted funds

Restricted funds are funds subject to specific funded programmes by the government and charity bodies, but still within the wider objects of the Society.

Restricted funds may be utilised in accordance with the purposes established by the sources of such funds whereas unrestricted fund can be used in a manner the Society sees fit in achieving its institutional purposes.

(i) Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Society's activities.

(i) Income from generated funds

Voluntary income

Voluntary income in the form of donations is recognised when received with unconditional entitlements to the receipts.

Activities for generating funds

Programme fees, counselling fees, school fees, subsidies from ECDA and tuition fees are recognised as revenue over the period the programmes are conducted and services are rendered.

Investment income

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

(ii) Income from charitable activities

Comprise government grants for the programmes run by the Society. These are recognised as income according to the terms of the funding agreements, on an accrual basis with unconditional entitlement to the receipts.

(iii) Other Income

Comprise of government credits i.e. special employment credit, temporary employment credit, wage credit scheme and other income are recognised as and when received in the current financial year.

(j) Expenditures

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the respective activity. Where costs cannot be wholly attributed to an activity, they have been apportioned on a basis consistent with the use of resources.

(i) Costs of generating funds

Costs of generating funds are those costs attributable to generating income for the Society.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Expenditures (continued)

(ii) Costs of charitable activities

Cost of charitable activities comprises of direct costs incurred in the pursuit of the charitable objects of the Society.

(iii) Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Society as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the Society will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities and cost associated with constitutional and statutory requirements.

(iv) Administrative support costs

Support costs are costs incurred in supporting income generation activities such as fundraising and in supporting the governance of the Centre. Support costs do not in themselves constitute an activity; instead they enable output-creating activities to be undertaken. Support costs includes such as key and general management, information technology, human resources and financing and these are apportioned to the relevant activity cost category they support.

(k) 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 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.

(l) Employee benefits - defined contribution plans

The Society makes contributions to the state provident fund known as Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(Incorporating the results of Commonwealth Student Care Centre, Sonshine Childcare Centre and Pasir Ris Family Service Centre)

4 DETAILED STATEMENT OF FINANCIAL ACTIVITIES

13

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre, Sonshine Childcare Centre and Pasir Ris Family Service Centre)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

4 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (continued)

	Unrestricted funds			Restricted funds					Total funds
	General fund	Designated funds	Total	FSC Operation fund	Care and Share fund	FSC Comcare fund	NEER fund	SPMF Fund	
	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURES									
Cost of generating funds									
Cost of school programme	30,780	-	30,780	-	-	-	-	-	30,780
Manpower benefit costs:									
- Staff salaries and bonuses	642,459	-	642,459	-	-	-	-	-	642,459
- Employer CPF contribution and Skills Development levy	96,857	-	96,857	-	-	-	-	-	96,857
- Staff medical and insurance	9,076	-	9,076	-	-	-	-	-	9,076
- Staff training	-	2,336	2,336	-	-	-	-	-	2,336
- Staff transport	312	-	312	-	-	-	-	-	312
- Staff welfare	747	-	747	-	-	-	-	-	747
- Honorarium	1,058	-	1,058	-	-	-	-	-	1,058
Advertisement	959	-	959	-	-	-	-	-	959
Amortisation charge	-	799	799	-	-	-	-	-	799
Bank charges	336	-	336	-	-	-	-	-	336
Depreciation of plant and equipment	1,754	-	1,754	-	-	-	-	-	1,754
Food and beverages	30,128	-	30,128	-	-	-	-	-	30,128
General expenses	443	-	443	-	-	-	-	-	443
Insurance	906	-	906	-	-	-	-	-	906
Maintenance of equipment	422	-	422	-	-	-	-	-	422
Maintenance of premises	9,680	-	9,680	-	-	-	-	-	9,680
Non-capitalised purchases	356	-	356	-	-	-	-	-	356
Printing, stationery and postage	4,068	-	4,068	-	-	-	-	-	4,068
Rent and conservancy fees	28,927	-	28,927	-	-	-	-	-	28,927
Rent of equipment	2,413	-	2,413	-	-	-	-	-	2,413
Student healthcare and medical expenses	198	-	198	-	-	-	-	-	198
Teaching materials and toys	14,517	-	14,517	-	-	-	-	-	14,517
Telecommunications	3,133	-	3,133	-	-	-	-	-	3,133
Utilities	12,161	-	12,161	-	-	-	-	-	12,161
Total cost of generating funds	891,690	3,135	894,825	-	-	-	-	-	894,825

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

4 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (continued)

	Unrestricted funds			Restricted funds					Total funds	
	General fund	Designated funds	Total	FSC		Care and Share fund	FSC			SPMF Fund
				Operation fund	NEER fund		Comcare fund	NEER fund		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	
EXPENDITURES (continued)										
Charitable activities										
Programme costs	-	2,815	2,815	18,832	11,628	3,500	361	73,240	107,561	
Manpower benefit costs	-	-	-	990,009	-	-	-	-	990,009	
- Staff salaries and bonuses	-	-	-	156,291	-	-	-	-	156,291	
- Employer CPF contribution and Skills Development levy	-	-	-	7,789	-	-	-	-	7,789	
- Staff medical and insurance	-	-	-	14,797	-	-	-	-	14,797	
- Staff training	-	-	-	6,096	-	-	-	-	6,096	
- Staff welfare	-	-	-	600	-	-	-	-	600	
- Honorarium	-	-	-	1,275	-	-	-	-	1,275	
Advertisement	-	-	-	506	-	-	-	-	506	
Bank charges	-	-	-	-	-	-	-	-	200	
Amortisation charge	-	200	200	-	-	-	-	-	-	
Depreciation of plant and equipment	-	-	-	11,663	-	-	-	-	11,663	
General expenses	-	-	-	4,546	-	-	-	-	4,546	
Insurance	-	-	-	231	-	-	-	-	231	
Maintenance of equipment	-	-	-	3,521	-	-	-	-	3,521	
Maintenance of premises	-	-	-	2,277	-	-	-	-	2,277	
Non-capitalised purchases	-	-	-	744	-	-	-	-	744	
Printing, stationery and postage	-	-	-	4,113	-	-	-	-	4,113	
Refreshments	-	-	-	860	-	-	-	-	860	
Rent and conservancy fees	-	-	-	14,227	-	-	-	-	14,227	
Rental of equipment	-	-	-	3,120	-	-	-	-	3,120	
Resource material	-	-	-	10	-	-	-	-	10	
Telecommunications	-	-	-	2,445	-	-	-	-	2,445	
Transport	-	-	-	8,731	-	-	-	-	8,731	
Utilities	-	-	-	7,064	-	-	-	-	7,064	
	-	3,015	3,015	1,259,747	11,628	3,500	361	73,240	1,348,476	
	-	-	-	1,259,747	11,628	3,500	361	73,240	1,351,491	

(Incorporating the results of Commonwealth Student Care Centre, Sonshine Childcare Centre and Pasir Ris Family Service Centre)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

4 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (continued)

EXPENDITURES (continued)

Governance costs

- Administrative support costs
- Manpower benefit costs
- Other operating expenses

Auditors' remuneration

- current year
- certification of subsidy claims

License fees

Internal audit fees

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**
5 CASH AND CASH EQUIVALENTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Cash and bank balances:		
Bank balances	2,366,387	2,100,024
Cash in hand	4,300	4,500
	<u>2,370,687</u>	<u>2,104,524</u>
Short term bank deposits	3,743,723	3,701,369
	<u>6,114,410</u>	<u>5,805,893</u>

Short term bank deposits at reporting date have an average maturity of 7 months (2015: 7 months) from the end of the financial year with weighted average effective interest rate of 1.25% (2015: 1.38%) per annum.

6 OTHER RECEIVABLES

	<u>2016</u>	<u>2015</u>
	\$	\$
Fixed deposit interest receivable	27,725	20,587
Programme fund receivable from MSF	13,647	38,027
Programme fund receivable from NCSS	92,505	-
Others	-	758
	<u>133,877</u>	<u>59,372</u>

7 OTHER CURRENT ASSETS

	<u>2016</u>	<u>2015</u>
	\$	\$
Deposits	4,096	6,848
Prepayments	4,513	4,373
	<u>8,609</u>	<u>11,221</u>

8 PLANT AND EQUIPMENT

	<u>Computers</u>	<u>Furniture and fittings</u>	<u>Office equipment</u>	<u>Renovation</u>	<u>Total</u>
	\$	\$	\$	\$	\$
Cost					
At 1 January 2015	36,331	137,035	67,415	225,628	466,409
Additions	1,615	4,205	16,927	-	22,747
Disposals	-	(2,560)	(1,280)	-	(3,840)
At 31 December 2015	<u>37,946</u>	<u>138,680</u>	<u>83,062</u>	<u>225,628</u>	<u>485,316</u>
At 1 January 2016	37,946	138,680	83,062	225,628	485,316
Additions	756	-	-	3,047	3,803
Disposals	(8,500)	(15)	-	-	(8,515)
At 31 December 2016	<u>30,202</u>	<u>138,665</u>	<u>83,062</u>	<u>228,675</u>	<u>480,604</u>

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**
8 PLANT AND EQUIPMENT (continued)

	<u>Computers</u>	<u>Furniture and fittings</u>	<u>Office equipment</u>	<u>Renovation</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Accumulated depreciation					
At 1 January 2015	35,773	136,653	40,720	221,205	434,351
Charge for the year	1,500	708	8,069	1,711	11,988
Disposals	-	(2,560)	(1,024)	-	(3,584)
At 31 December 2015	37,273	134,801	47,765	222,916	442,755
At 1 January 2016	37,273	134,801	47,765	222,916	442,755
Charge for the year	1,114	841	10,169	1,966	14,090
Disposals	(8,500)	(15)	-	-	(8,515)
At 31 December 2016	29,887	135,627	57,934	224,882	448,330
Net carrying amount					
At 31 December 2015	673	3,879	35,297	2,712	42,561
At 31 December 2016	315	3,038	25,128	3,793	32,274

9 OTHER PAYABLES

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
Accrued operating expenses	173,277	133,775
Amount to be refunded to ECDA	1,572	-
Deferred income	13,200	25,000
School fees received in advance	3,577	580
Others	8,886	1,030
	<u>200,512</u>	<u>160,385</u>

10 UNRESTRICTED FUNDS**(a) General fund**

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
Beginning balance for the year	1,534,801	4,694,016
Transferred to restricted funds	-	(3,144,409)
Net income for the year	<u>1,534,801</u> <u>(50,446)</u>	<u>1,549,607</u> <u>(14,806)</u>
Ending balance for the year	<u>1,484,355</u>	<u>1,534,801</u>

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**
10 UNRESTRICTED FUNDS (continued)
(b) Designated funds

	Balance at 01.01.2016	Transferred from restricted funds	Income	Expenditure	Amortisation	Balance at 31.12.2016
	\$	\$	\$	\$	\$	\$
2016						
Bursary fund	8,000	-	-	-	-	8,000
Deferred capital grants	3,086	-	-	-	(1,502)	1,584
Dwelling place tuition fund	1,834	-	-	-	-	1,834
Economic downturn assistance fund	5,500	-	-	(1,300)	-	4,200
Elderly fund	47,320	-	-	-	-	47,320
Five loaves and two fish fund	54,429	-	16,650	-	-	71,079
GNCS Financial assistance fund	14,430	-	-	-	-	14,430
PRFSC Financial assistance fund	-	6,000	-	(1,515)	-	4,485
Property maintenance fund	13,014	-	-	-	-	13,014
Renovation fund	113,989	-	-	-	-	113,989
Sinking fund	102,550	-	-	-	-	102,550
Staff training fund	4,182	-	-	(2,336)	-	1,846
	368,334	6,000	16,650	(5,151)	(1,502)	384,331

	Balance at 01.01.2015	Income	Expenditure	Amortisation	Balance at 31.12.2015
	\$	\$	\$	\$	\$
2015					
Bursary fund	8,000	-	-	-	8,000
Deferred capital grants	3,901	1,207	-	(2,022)	3,086
Dwelling place tuition fund	1,834	-	-	-	1,834
Economic downturn assistance fund	6,700	-	(1,200)	-	5,500
Elderly fund	47,320	-	-	-	47,320
Financial assistance fund	14,430	-	-	-	14,430
Five loaves and two fish fund	26,574	27,855	-	-	54,429
Property maintenance fund	13,014	-	-	-	13,014
Renovation fund	113,989	-	-	-	113,989
Sinking fund	102,550	-	-	-	102,550
Staff training fund	4,182	-	-	-	4,182
	342,494	29,062	(1,200)	(2,022)	368,334

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

10 DESIGNATED FUNDS (continued)

The designated funds were established for the following purposes:

Bursary fund - to grant bursary to children of needy families at Sonshine Childcare Centre.

Deferred capital grants - to reflect the corresponding credit of the capitalised plant and equipment and expenses which were financed from government grants. The deferred capital grants would be amortised over a period between one to five years to match the estimated useful lives of the capitalised plant and equipment.

Dwelling place tuition fund - for the publicity of the tuition programme, holiday outings for the students, and also for future development of the tuition work at Commonwealth Student Care Centre.

Economic downturn assistance fund - to provide financial aid to people in the Pasir Ris community directly affected by retrenchment or loss of employment by Pasir Ris Family Service Centre.

Elderly fund - to be used by Pasir Ris Family Service Centre for the work of elderly care.

Financial assistance fund by Good News Community Services - to help needy families to reduce their burden in meeting school fees payable to Centre managed by Good News Community Service.

Five loaves and two fish fund - to provide groceries and other daily essentials for families seeking help because of financial difficulties or loss of employment at the Pasir Ris Family Service Centre.

Property maintenance fund - for the upkeep and repairs on the premises occupied by Sonshine Childcare Centre.

Financial assistance fund by Pasir Ris Family Service Centre - to support deserving students with continuation of monthly pocket money at SPMF level, beyond their eligible period.

Renovation fund - for capital expenditure to be incurred for major replacements and repairs of Pasir Ris Family Service Centre.

Sinking fund - for capital expenditure to be incurred for major replacements, repairs and cyclical maintenance of Sonshine Childcare Centre.

Staff training fund - to provide training subsidies for teachers of Sonshine Childcare Centre attending training institutions.

11 RESTRICTED FUNDS

	Balance at 01.01.2016	Transferred to designated funds	Income	Expenditure	Balance at 31.12.2016
	\$	\$	\$	\$	\$
2016					
Family Service Centre (FSC)					
Operation Fund	3,757,988	(6,000)	1,765,024	(1,397,074)	4,119,938
Care and Share Fund	22,573	-	12,000	(11,628)	22,945
Family Service Centre					
Comcare Fund (FCF)	8,020	-	3,080	(3,500)	7,600
North East Essential Relief					
Fund (NEER)	850	-	-	(361)	489
School Pocket Money Fund (SPMF)	23,316	-	78,384	(73,240)	28,460
	<u>3,812,747</u>	<u>(6,000)</u>	<u>1,858,488</u>	<u>(1,485,803)</u>	<u>4,179,432</u>

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**
11 RESTRICTED FUNDS (continued)

	Balance at 01.01.2015	Transferred from unrestricted funds	Income	Expenditure	Balance at 31.12.2015
	\$	\$	\$	\$	\$
2015					
Family Service Centre (FSC)					
Operation Fund	-	3,144,409	1,821,247	(1,207,668)	3,757,988
Care and Share Fund	-	-	34,138	(11,565)	22,573
Family Service Centre					
Comcare Fund (FCF)	5,000	-	5,200	(2,180)	8,020
North East Essential Relief					
Fund (NEER)	1,090	-	-	(240)	850
School Pocket Money Fund (SPMF)	21,585	-	107,211	(105,480)	23,316
	<u>27,675</u>	<u>3,144,409</u>	<u>1,967,796</u>	<u>(1,327,133)</u>	<u>3,812,747</u>

(a) Family Service Centre Operation Fund ("FSC")

FSC supports the low-income families, especially those with a socially disadvantaged background, and to help them out of the poverty cycle. The Centre facilitates the access to social services, financial and other resources; enhancing the ability to achieve sustainable financial independence and strengthening their integration into the neighbourhoods or communities.

The FSC service model includes Casework and Counselling where community workers help families reach mutually satisfactory resolutions to the problems presented. If the specific needs of the families cannot be met by the FSC, they will provide the necessary information and referrals to appropriate agencies.

(b) FSC Comcare Fund ("FCF")

Established by the Ministry of Social and Family Development to support the FSC's role in helping needy Singaporeans. FCF provides immediate assistance to clients of FSC who require urgent and temporary financial relief to tide over their current situations.

(c) School Pocket Money Fund ("SPMF")

The SPMF is a charity fund-raising project organised by the Straits Times to heighten public awareness of the plight of the children from low-income families who were attending school without proper breakfast or pocket money to sustain their day in school. The fund is distributed to all FSC through NCSS to benefit the eligible clients of the Centre.

(d) North East Essential Relief Fund ("NEER")

The Centre participates in the North East Essential Relief scheme with North East CDC. The Centre can provide provisions as well as transport assistance to needy residents capped at \$40 per household per month.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

11 RESTRICTED FUNDS (continued)

(e) Care and Share Fund

Integral to the SG50 Celebration, the National Council of Social Service initiated the Care and share movement – a national fund-raising and volunteerism movement. With the support from Government, eligible donations raised by the Volunteer Welfare Organisations (“VWO”) is matched dollar-for-dollar to develop social service related VWOs and their programmes to better serve beneficiaries. VWOs can use the grant in four areas namely (i) capability building, (ii) capacity building, (iii) new programmes/enhancement/expansion of existing services and (iv) critical existing needs.

12 TAX-EXEMPT RECEIPTS

The Society is an Institution of Public Character (IPC). The IPC status was renewed for a period of two years and three months with effect from 1 July 2015. Tax-exempt receipts issued for donations during the year amounted to \$16,650 (2015: \$27,855).

13 INCOME TAX

The Society is a recognised Charity under the Charities Act, Chapter 37 and is exempted from income tax.

14 LEASE COMMITMENTS

The future aggregate minimum lease payments under a non-cancellable operating lease in respect of the rental of photocopiers contracted for at the reporting date but not recognised as liabilities, is as follows:

	<u>2016</u>	<u>2015</u>
	\$	\$
Not later than one year	5,534	3,120
Later than one year but not later than five years	14,596	8,060
	<u>20,130</u>	<u>11,180</u>

15 RELATED PARTY TRANSACTIONS

Included in the expenditure are compensation paid to key management personnel, comprising of the Heads of the Service Centres as follows:

Key management compensation

	<u>2016</u>	<u>2015</u>
	\$	\$
Salaries, bonuses and employer's CPF contribution	226,050	184,300
Number of key management in remuneration bands: \$50,000 - \$100,000	<u>3</u>	<u>3</u>

Members of the Management Committee did not receive any remuneration from the Society during the financial year (2015: Nil).

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

16 FINANCIAL RISK INSTRUMENTS

(a) Risk management

The Society's operations do not expose itself to any significant financial risk arising from financial instruments.

(b) Sensitivity analysis

The operation of the Society does not expose itself to any significant market risk. In view of this, the sensitivity analysis of market risk is not disclosed as the effect on the statement of financial activities is considered not significant.

(c) Fair value

The carrying amounts of current financial assets and current financial liabilities recorded in the financial statements approximates their respective net fair values due to the relatively short term maturity of these financial instruments.

17 FUND MANAGEMENT POLICY

The primary objective of the Society is to safeguard its assets; to effectively and efficiently manage the usage of available capital resources towards supporting the Centre's principal and related activities, and ensuring long-term financial sustainability.

18 EVENTS OCCURRING AFTER REPORTING DATE

As part of the Housing Development Board's (HDB) redevelopment plans for Queenstown, the HDB had given notice to Commonwealth Student Care Centre ("Centre") in 2014 regarding the end of the Centre's lease in 2021 and the Centre was offered an alternative site at Dawson area. The Good News Community Service Management Committee deliberated on the matter during the Management Committee meeting on 28 January 2015 and decided not to take up the alternative site. It was decided at the Management Committee meeting on 22 March 2017, to end the lease of the Centre with HDB and to cease to operate with effect from 30 June 2017, as it is not viable to operate the Centre with the decreased student enrolment.

19 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements were authorised for issue in accordance with a resolution of the Management Committee of Goods News Community Services on 27 March 2017.

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of
Good News Community Services)

REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2016

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SUBRACO LLP
Public Accountants and
Chartered Accountants

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

**STATEMENT BY MEMBERS OF THE GOOD NEWS COMMUNITY
SERVICES MANAGEMENT COMMITTEE**

In the opinion of the members of the Good News Community Services Management Committee, the financial statements of Pasir Ris Family Service Centre (the "Centre") set out on pages 4 to 19 are drawn so as to give a true and fair view of the financial position of the Centre as at 31 December 2016 and the results of financial activities and cash flows of the Centre for the year then ended.

The Good News Community Services Management Committee authorised these financial statements for issue on 27 March 2017.

On behalf of the Good News Community Services Management Committee,



BISHOP KUAN KIM SENG
President



TAY KHOON ENG
Honorary Treasurer

Singapore,
27 March 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GOOD NEWS COMMUNITY SERVICES -
PASIR RIS FAMILY SERVICE CENTRE**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pasir Ris Family Service Centre (the "Centre") (A Community Service Project of Good News Community Services), which comprise the statement of financial position as at 31 December 2016, the statement of financial activities and statement of cash flows 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 Charities Accounting Standards so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2016 and the results of the financial activities and cash flows of the Centre for the financial 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 Centre 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

The Management Committee is responsible for the other information. The other information comprises the Statement by Members of the Good News Community Services Management Committee on Page 1, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Management Committee for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the Charities Accounting Standard, 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, the management committee is responsible for assessing the Charity'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 the management committee either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

The Management Committee's responsibilities include overseeing the Centre's financial reporting process.

SUBRACO LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOD NEWS COMMUNITY SERVICES - PASIR RIS FAMILY SERVICE CENTRE

Report on the Audit of the Financial Statements (continued)

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 judgment 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 Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management committee'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 Centre'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 Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management committee 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.



SUBRACO LLP
Public Accountants and
Chartered Accountants

Singapore,
27 March 2017

Partner in charge of audit: Ann A. Nargeswari
Effective from year ended 31 December 2014

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	<u>Note</u>	<u>Unrestricted Funds</u> \$	<u>Restricted Funds</u> \$	<u>2016 Total</u> \$	<u>2015 Total</u> \$
INCOME					
<u>Income from generated funds:</u>					
Voluntary income					
- Tax deductible donations		16,650	-	16,650	27,855
Investment income		-	43,657	43,657	32,755
Income from charitable activities	4	-	1,803,031	1,803,031	1,933,351
Other income	5	64,757	11,800	76,557	54,317
Total income		81,407	1,858,488	1,939,895	2,048,278
EXPENDITURES					
<u>Charitable activities</u>					
Manpower benefit costs	6	-	1,175,582	1,175,582	1,046,678
Programme costs	7	2,815	107,561	110,376	137,537
Other operating expenses	8	200	65,333	65,533	57,333
Governance costs	9	-	137,327	137,327	88,735
Total expenditures		3,015	1,485,803	1,488,818	1,330,283
Net income for the year		78,392	372,685	451,077	717,995
Gross transfers between funds					
Gross transfers from restricted funds to designated funds		6,000	(6,000)	-	-
		6,000	(6,000)	-	-
Net income after funds transfer		84,392	366,685	451,077	717,995
Reconciliation of funds					
Total funds brought forward		1,098,596	3,812,747	4,911,343	4,193,348
Total funds carried forward		1,182,988	4,179,432	5,362,420	4,911,343

The notes set out on pages 7 to 19 form an integral part of these financial statements.

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	11	5,420,517	5,007,229
Other receivables	12	118,248	43,870
Other current assets	13	3,934	2,733
		<u>5,542,699</u>	<u>5,053,832</u>
Non-current asset			
Plant and equipment	14	<u>27,077</u>	<u>38,740</u>
Total assets		<u>5,569,776</u>	<u>5,092,572</u>
LIABILITIES			
Current liabilities			
Other payables	15	<u>207,356</u>	<u>181,229</u>
Total liabilities		<u>207,356</u>	<u>181,229</u>
NET ASSETS		<u>5,362,420</u>	<u>4,911,343</u>
FUNDS			
Unrestricted funds			
General fund	16(a)	941,598	876,841
Designated funds	16(b)	<u>241,390</u>	<u>221,755</u>
		1,182,988	1,098,596
Restricted funds	17	<u>4,179,432</u>	<u>3,812,747</u>
TOTAL FUNDS		<u>5,362,420</u>	<u>4,911,343</u>

The notes set out on pages 7 to 19 form an integral part of these financial statements

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

STATEMENT OF CASH FLOWS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		<u>\$</u>	<u>\$</u>
Cash flows from operating activities			
Net income for the year		451,077	717,995
Adjustment for:			
Depreciation of plant and equipment	14	11,663	8,862
Interest received		(43,657)	(32,755)
Operating income before working capital changes		419,083	694,102
Change in working capital:			
Other receivables		(74,378)	6,276
Other current assets		(1,201)	499
Other payables		26,127	69,175
Cash generated from operations		369,631	770,052
Interest received		43,657	32,755
Net cash provided by operating activities		<u>413,288</u>	<u>802,807</u>
Cash flows from investing activities			
Purchases of plant and equipment		-	(19,832)
Net cash used in investing activities		<u>-</u>	<u>(19,832)</u>
Net increase in cash and cash equivalents		413,288	782,975
Cash and cash equivalents at the beginning of the year		<u>5,007,229</u>	<u>4,224,254</u>
Cash and cash equivalents at end of the year	11	<u>5,420,517</u>	<u>5,007,229</u>

The notes set out on pages 7 to 19 form an integral part of these financial statements.

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

1 GENERAL INFORMATION

The Pasir Ris Family Service Centre is a community service project of Good News Community Services, which is registered with the Registry of Societies. The Pasir Ris Family Service Centre is located at Blk 256, Pasir Ris Street 21, #01-289, Singapore 510256.

The principal activities of the Centre are to provide counselling services and family life education programmes targeted at parents, married couples, youths and families.

In the financial statements, CDC, CPF, NCSS, TBSFF and MSF represent Community Development Council, Central Provident Fund, National Council of Social Service, Tote Board Social Service Fund and Ministry of Social and Family Development.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements requires the Management Committee to exercise its judgement in the process of applying the Centre's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the year. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

(b) Functional and presentation currency

The Good News Community Services Management Committee has determined the currency of the primary economic environment in which the Centre operates to be Singapore Dollar ("the functional currency"). The financial statements are presented in Singapore Dollar which is the Centre's functional and presentation currency.

(c) Plant and equipment

(i) Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

(ii) Components of costs

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Plant and equipment (continued)

(iii) Depreciation

Depreciation of plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives at the following annual rates:

Computers	100%
Furniture and fittings	20%
Office equipment	20%
Renovation	20%

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

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

(iv) Subsequent expenditure

Subsequent expenditure relating to 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 Centre and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of financial activities during the financial year in which it is incurred.

(v) Disposal

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

(d) Financial assets

The Centre classifies the following financial assets as loans and receivables and are presented in the statement of financial position as follows:

- (i) cash and cash equivalents; and
- (ii) other receivables and deposits.

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

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 the statement of financial activities when the loans and receivables are derecognised or impaired and through the amortisation process.

(e) Impairment of financial assets

The Centre assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Impairment of financial assets (continued)

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of financial activities.

The impairment allowance is reduced through income or expenditure in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(f) Financial liabilities

Financial liabilities includes other payables.

Financial liabilities are recognised when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument. The Centre determines the classification of its financial liabilities at initial recognition. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of financial activities when the liabilities are derecognised and through the amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise of short term bank deposits, cash in hand and bank balance.

(h) Funds

(i) Unrestricted funds

Unrestricted funds comprises of general fund and designated funds.

General fund is used for general purposes of the Centre. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separated fund (known as "Designated fund"). The designation has an administrative purpose only and does not legally restrict the Management Committee's discretion to apply the fund.

(ii) Restricted funds

Restricted funds are funds subject to specific funded programmes by the government and charity bodies, but still within the wider objects of the Centre.

Restricted funds may be utilised in accordance with the purposes established by the sources of such funds and are in contrast with unrestricted funds over which the management committee retains full control to use in achieving its institutional purposes.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Centre's activities.

(i) Income from generated funds

Investment income

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

(ii) Income from charitable activities

Comprise government grants for the programmes run by the Centre. These are recognised as income according to the terms of the funding agreements, on an accrual basis with unconditional entitlement to the receipts.

(iii) Other Income

Comprise of government credits i.e. special employment credit, temporary employment credit, wage credit scheme, and other income which are recognised as and when received in the current financial year.

(j) Expenditures

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the respective activity. Where costs cannot be wholly attributed to an activity, they have been apportioned on a basis consistent with the use of resources.

(i) Costs of charitable activities

Cost of charitable activities comprises of direct costs incurred in the pursuit of the charitable objects of the Centre.

(ii) Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Centre as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the Centre will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities and cost associated with constitutional and statutory requirements.

(iii) Administrative support costs

Support costs are costs incurred in supporting income generation activities such as fundraising and in supporting the governance of the Centre. Support costs do not in themselves constitute an activity; instead they enable output-creating activities to be undertaken. Support costs includes such as key and general management, information technology, human resources and financing and these are apportioned to the relevant activity cost category they support.

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016****2 SIGNIFICANT ACCOUNTING POLICIES (continued)****(k) 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 are recognised in 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.

(l) Employee benefits - defined contribution plans

The Centre makes contributions to the state provident fund known as Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Centre makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 INCOME FROM CHARITABLE ACTIVITIES

	<u>2016</u>	<u>2015</u>
	\$	\$
Restricted funds:		
Capital grant received from MSF	-	10,773
Care and share matching grant	12,000	34,138
Casework and counselling from MSF	16,534	40,247
Children programme	-	26,988
Enhanced step up grant	(1,440)	(540)
Family Service Centre Com care grant	3,080	5,200
Funding grant from MSF	1,282,016	1,165,540
Funding grant from NCSS - ComChest	68,374	91,370
Funding grant from NCSS - TBSFF	341,871	413,038
Hope mentoring programme from MSF	-	37,706
School Pocket Money Fund administrative fee	2,212	1,680
School Pocket Money Fund grant	78,384	107,211
	<u>1,803,031</u>	<u>1,933,351</u>

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016****5 OTHER INCOME**

	<u>2016</u>	<u>2015</u>
	\$	\$
Unrestricted funds:		
Amortisation of deferred capital grant	200	200
Special and temporary employment credit	14,255	11,736
Supervision fees	400	1,690
Wage credit scheme	46,956	38,680
Other income	2,946	611
	<hr/> 64,757	<hr/> 52,917
Restricted funds:		
Consultancy grant for internal audit	11,800	1,400
	<hr/> 76,557	<hr/> 54,317

6 MANPOWER BENEFIT COSTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Restricted funds:		
Staff salaries and bonuses	990,009	877,453
Employer CPF contribution and Skills Development levy	156,291	135,162
Staff medical and insurance	7,789	8,987
Staff training	14,797	15,617
Staff welfare	6,096	7,409
Honorarium	600	2,050
	<hr/> 1,175,582	<hr/> 1,046,678

7 PROGRAMME COSTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Unrestricted funds:		
Economic downturn assistance	1,300	1,200
PRFSC Financial Assistance fund	1,515	-
	<hr/> 2,815	<hr/> 1,200
Restricted funds:		
Casework and counselling	880	3,340
Care and share fund	11,628	11,565
Children programme expenses	5,019	3,632
Community outreach fund	10,560	1,800
FSC Comcare fund	3,500	2,180
Hope mentoring expenses	(4,000)	8,100
North East Community Development Council fund	361	240
School Pocket Money Fund disbursement	73,240	105,480
Non-funded programme fee	6,373	-
	<hr/> 107,561	<hr/> 136,337
	<hr/> 110,376	<hr/> 137,537

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

8 OTHER OPERATING COSTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Unrestricted funds:		
Amortisation charge for deferred capital grant	200	200
Restricted funds:		
Advertisement	1,275	-
Bank charges	506	494
Depreciation charge	11,663	8,862
General expenses	4,546	903
Insurance	231	365
Maintenance of equipment	3,521	1,862
Maintenance of premises	2,277	1,314
Non-capitalised purchases	744	119
Printing, stationery and postage	4,113	4,333
Refreshments	860	510
Resource materials	10	-
Rental of equipment	3,120	3,120
Rent and conservancy fees	14,227	14,227
Telecommunication	2,445	5,802
Transport	8,731	7,259
Utilities	7,064	7,963
	<u>65,333</u>	<u>57,133</u>
	<u>65,533</u>	<u>57,333</u>

9 GOVERNANCE COSTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Restricted funds:		
Accountancy fee	-	1,740
Administrative support costs (Note 10)	97,420	75,842
Auditors' remuneration	10,334	9,080
Internal audit fees	29,250	1,750
License fees	323	323
	<u>137,327</u>	<u>88,735</u>

10 ADMINISTRATIVE SUPPORT COSTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Restricted funds:		
Manpower benefit costs	93,311	71,678
Other operating costs	4,109	4,164
	<u>97,420</u>	<u>75,842</u>

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

11 CASH AND CASH EQUIVALENTS

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
Cash and bank balances:		
Bank balance	2,105,489	1,729,004
Cash in hand	1,600	1,600
	<hr/>	<hr/>
	2,107,089	1,730,604
Short term bank deposits	3,313,428	3,276,625
	<hr/>	<hr/>
	5,420,517	5,007,229

Short term bank deposits at the reporting date have an average maturity of 6 months (2015: 7 months) from the end of the financial year with weighted average effective interest rate of 1.65% (2015: 1.39%) per annum.

12 OTHER RECEIVABLES

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
Receivable from CPF Board	438	-
Fixed deposit interest receivable	25,305	18,616
Programme fund receivable from MSF	-	24,827
Programme fund receivable from NCSS	92,505	-
Others	-	427
	<hr/>	<hr/>
	118,248	43,870

13 OTHER CURRENT ASSETS

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
Deposits	1,452	2,132
Prepayments	2,482	601
	<hr/>	<hr/>
	3,934	2,733

14 PLANT AND EQUIPMENT

	<u>Computers</u>	<u>Office equipment</u>	<u>Furniture and fittings</u>	<u>Renovation</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Cost					
At 1 January 2015	27,313	43,258	57,632	167,850	296,053
Additions	-	15,627	4,205	-	19,832
Disposals	-	-	(2,560)	-	(2,560)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	27,313	58,885	59,277	167,850	313,325
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2016	27,313	58,885	59,277	167,850	313,325
Disposals	(2,440)	-	-	-	(2,440)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2016	24,873	58,885	59,277	167,850	310,885

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

14 PLANT AND EQUIPMENT (continued)

	<u>Computers</u>	<u>Office equipment</u>	<u>Furniture and fittings</u>	<u>Renovation</u>	<u>Total</u>
	\$	\$	\$	\$	\$
Accumulated depreciation					
At 1 January 2015	27,313	19,911	57,632	163,427	268,283
Charge for the year	-	6,825	326	1,711	8,862
Disposals	-	-	(2,560)	-	(2,560)
At 31 December 2015	27,313	26,736	55,398	165,138	274,585
At 1 January 2016	27,313	26,736	55,398	165,138	274,585
Charge for the year	-	9,110	841	1,712	11,663
Disposals	(2,440)	-	-	-	(2,440)
At 31 December 2016	24,873	35,846	56,239	166,850	283,808
Carrying amount					
At 31 December 2015	-	32,149	3,879	2,712	38,740
At 31 December 2016	-	23,039	3,038	1,000	27,077

15 OTHER PAYABLES

	<u>2016</u>	<u>2015</u>
	\$	\$
Accrued operating expenses	119,212	102,851
Amount due to Commonwealth Student Care Centre	-	7
Amount due to Good News Community Services	87,368	77,511
Amount due to Sonshine Childcare Centre	-	140
Others	776	720
	<u>207,356</u>	<u>181,229</u>

16 UNRESTRICTED FUNDS

(a) General fund

	<u>2016</u>	<u>2015</u>
	\$	\$
Beginning balance for the year	876,841	3,970,373
Transferred to restricted funds	-	(3,144,409)
	<u>876,841</u>	<u>825,964</u>
Net income for the year	64,757	50,877
Ending balance for the year	<u>941,598</u>	<u>876,841</u>

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016****16 UNRESTRICTED FUNDS (continued)****(b) Designated funds (continued)**

	Balance at 01.01.2016	Income	Expenditure	Amortisation	Balance at 31.12.2016
	\$	\$	\$	\$	\$
2016					
Economic downturn assistance fund	5,500	-	(1,300)	-	4,200
Elderly fund	47,320	-	-	-	47,320
Five loaves and two fish fund	54,429	16,650	-	-	71,079
PRFSC financial assistance fund	-	6,000	(1,515)	-	4,485
Renovation fund	113,989	-	-	-	113,989
Deferred capital grants	517	-	-	(200)	317
	<u>221,755</u>	<u>22,650</u>	<u>(2,815)</u>	<u>(200)</u>	<u>241,390</u>
	Balance at 01.01.2015	Income	Expenditure	Amortisation	Balance at 31.12.2015
	\$	\$	\$	\$	\$
2015					
Economic downturn assistance fund	6,700	-	(1,200)	-	5,500
Elderly fund	47,320	-	-	-	47,320
Five loaves and two fish fund	26,574	27,855	-	-	54,429
Renovation fund	113,989	-	-	-	113,989
Deferred capital grants	717	-	-	(200)	517
	<u>195,300</u>	<u>27,855</u>	<u>(1,200)</u>	<u>(200)</u>	<u>221,755</u>

The designated funds were established for the following purposes:

- (i) Economic downturn assistance fund is to provide financial aid to people in the Pasir Ris community directly affected by retrenchment or loss of employment.
- (ii) Elderly fund is to be used by the Centre for the work of elderly care.
- (iii) Five loaves and two fish fund is to provide groceries and other daily essentials for families seeking help because of financial difficulties or loss of employment.
- (iv) PRFSC financial assistance fund is set up to support deserving students with continuation of monthly pocket money at SPMF level, beyond their eligible period. The allowance will be part of other intervention efforts to address family issues experience by beneficiaries of Code of Social Work Practice framework.
- (iv) Renovation fund is set up for capital expenditure to be incurred for major replacements and repairs of the Family Service Centre.
- (v) Deferred capital grant is to reflect the corresponding credit of the capitalised plant and equipment which were financed from government grants. The deferred capital donations would be amortised over a period between one to five years to match the estimated useful lives of the capitalised plant and equipment.

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016****17 RESTRICTED FUNDS**

	Balance at 01.01.2016	Transferred to unrestricted funds	Income	Expenditure	Balance at 31.12.2016
	\$	\$	\$	\$	\$
2016					
Family Service Centre					
Operation Fund (FSC)	3,757,988	(6,000)	1,765,024	(1,397,074)	4,119,938
Care and Share Fund	22,573	-	12,000	(11,628)	22,945
Family Service Centre					
Comcare Fund (FCF)	8,020	-	3,080	(3,500)	7,600
North East Essential Relief					
Fund (NEER)	850	-	-	(361)	489
School Pocket Money Fund (SPMF)	23,316	-	78,384	(73,240)	28,460
	<u>3,812,747</u>	<u>(6,000)</u>	<u>1,858,488</u>	<u>(1,485,803)</u>	<u>4,179,432</u>
	Balance at 01.01.2015		Income	Expenditure	Balance at 31.12.2015
	\$		\$	\$	\$
2015					
Family Service Centre					
Operation Fund (FSC)	-	3,144,409	1,821,247	(1,207,668)	3,757,988
Care and Share Fund	-	-	34,138	(11,565)	22,573
Family Service Centre					
Comcare Fund (FCF)	5,000	-	5,200	(2,180)	8,020
North East Essential Relief					
Fund (NEER)	1,090	-	-	(240)	850
School Pocket Money Fund (SPMF)	21,585	-	107,211	(105,480)	23,316
	<u>27,675</u>	<u>3,144,409</u>	<u>1,967,796</u>	<u>(1,327,133)</u>	<u>3,812,747</u>

(a) Family Service Centre Operation Fund ("FSC")

FSC supports the low-income families, especially those with a socially disadvantaged background, and to help them out of the poverty cycle. The Centre facilitates the access to social services, financial and other resources; enhancing the ability to achieve sustainable financial independence and strengthening their integration into the neighbourhoods or communities.

The FSC service model includes Casework and Counselling where community workers help families reach mutually satisfactory resolutions to the problems presented. If the specific needs of the families cannot be met by the FSC, they will provide the necessary information and referrals to appropriate agencies.

(b) FSC Comcare Fund ("FCF")

Established by the Ministry of Social and Family Development to support the FSC's role in helping needy Singaporeans. FCF provides immediate assistance to clients of FSC who require urgent and temporary financial relief to tide over their current situations.

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

17 RESTRICTED FUNDS (continued)

(c) School Pocket Money Fund ("SPMF")

The SPMF is a charity fund-raising project organised by the Straits Times to heighten public awareness of the plight of the children from low-income families who were attending school without proper breakfast or pocket money to sustain their day in school. The fund is distributed to all FSC through NCSS to benefit the eligible clients of the Centre.

(d) North East Essential Relief Fund ("NEER")

The Centre participates in the North East Essential Relief scheme with North East CDC. The Centre can provide provisions as well as transport assistance to needy residents capped at \$40 per household per month.

(e) Care and Share Fund

Integral to the SG50 Celebration, the National Council of Social Service initiated the Care and share movement – a national fund-raising and volunteerism movement. With the support from Government, eligible donations raised by the Volunteer Welfare Organisations ("VWO") is matched dollar-for-dollar to develop social service related VWOs and their programmes to better serve beneficiaries. VWOs can use the grant in four areas namely (i) capability building, (ii) capacity building, (iii) new programmes/enhancement/expansion of existing services and (iv) critical existing needs.

18 OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under a non-cancellable operating lease in respect of the rental of photocopier contracted for at the reporting date but not recognised as liabilities, is as follows:

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
Not later than one year	3,120	3,120
Later than one year but not later than five years	4,940	8,060
	<u>8,060</u>	<u>11,180</u>

19 FINANCIAL RISK INSTRUMENTS

(a) **Risk management**

The Centre's operations do not expose itself to any significant financial risk arising from financial instruments.

(b) **Sensitivity analysis**

The operation of the Centre does not expose itself to any significant market risk. In view of this, the sensitivity analysis of market risk is not disclosed as the effect on the statement of financial activities is considered not significant.

(c) **Fair value**

The carrying amounts of current financial assets and current financial liabilities recorded in the financial statements approximates their respective net fair values due to the relatively short term maturity of these financial instruments.

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

20 FUND MANAGEMENT POLICY

The primary objective of the Centre is to safeguard its assets; to effectively and efficiently manage the usage of available capital resources towards supporting the Centre's principal and related activities, and ensuring long-term financial sustainability.

21 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements were authorised for issue in accordance with a resolution of the Good News Community Services Management Committee on 27 March 2016.

SONSHINE CHILDCARE CENTRE
(A Community Service Project of
Good News Community Services)

REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2016

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SUBRACO LLP
Public Accountants and
Chartered Accountants

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

**STATEMENT BY MEMBERS OF THE GOOD NEWS COMMUNITY
SERVICES MANAGEMENT COMMITTEE**

In the opinion of the members of the Good News Community Services Management Committee, the financial statements of Sonshine Childcare Centre (the "Centre") set out on pages 4 to 15 are drawn up so as to give a true and fair view of the financial position of the Centre as at 31 December 2016 and of its results of the financial activities and cash flows of the Centre for the year then ended.

The Good News Community Services Management Committee authorised these financial statements for issue on 27 March 2017.

On behalf of the Good News Community Services Management Committee,



BISHOP KUAN KIM SENG
President



TAY KHOON ENG
Honorary Treasurer

Singapore,
27 March 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GOOD NEWS COMMUNITY SERVICES -
SONSHINE CHILDCARE CENTRE**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sonshine Childcare Centre (the "Centre") (A Community Service Project of Good News Community Services), which comprise the statement of financial position as at 31 December 2016, the statement of financial activities and statement of cash flows 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 Charities Accounting Standards so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2016 and the results of the financial activities and cash flows of the Centre for the financial 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 Centre 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

The Management Committee is responsible for the other information. The other information comprises the Statement by Members of the Good News Community Services Management Committee on Page 1, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Management Committee for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the Charities Accounting Standard, 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, the management committee is responsible for assessing the Charity'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 the management committee either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

The Management Committee's responsibilities include overseeing the Centre's financial reporting process.

SUBRACO LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOD NEWS COMMUNITY SERVICES - SONSHINE CHILDCARE CENTRE

Report on the Audit of the Financial Statements (continued)

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 judgment 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 have 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 Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management committee'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 Centre'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 Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management committee 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.



SUBRACO LLP
Public Accountants and
Chartered Accountants

Singapore,
27 March 2017

Partner in charge of audit: Ann A Nargeswari
Effective from year ended 31 December 2014

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	<u>Note</u>	<u>Unrestricted Funds</u>	
		<u>2016</u>	<u>2015</u>
		<u>\$</u>	<u>\$</u>
INCOME			
<u>Income from generated funds:</u>			
Activities for generating fund	4	667,613	688,347
Investment income		5,256	4,269
Other income	5	78,822	42,937
Total income		751,691	735,553
EXPENDITURES			
<u>Cost of generating funds: Activities</u>			
Direct operating costs	6	70,277	80,552
Manpower benefit costs	7	655,400	601,921
Other operating expenses	8	51,698	49,831
<u>Governance costs</u>			
Accountancy fees		-	1,200
Administrative support costs	9	61,537	52,306
Auditors' remuneration			
- current year		4,720	4,200
- certification on statement of subsidy claims		3,500	3,500
- certification on statement of subsidy claims			
- underprovision in respect of the previous year		-	1,700
License fees		438	434
<u>Other expenditure</u>			
Plant and equipment written off		-	256
Total expenditures		847,570	795,900
NET EXPENDITURE	15	(95,879)	(60,347)
Reconciliation of funds			
Total funds brought forward	15	568,597	628,944
Total funds carried forward	15	472,718	568,597

The notes set out on pages 7 to 15 form an integral part of these financial statements.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		<u>\$</u>	<u>\$</u>
ASSETS			
Current assets			
Cash and cash equivalents	10	602,444	661,203
Other receivables	11	2,083	1,989
Other current assets	12	2,873	5,559
		<u>607,400</u>	<u>668,751</u>
Non-current asset			
Plant and equipment	13	4,882	3,148
Total assets		<u>612,282</u>	<u>671,899</u>
LIABILITIES			
Current liabilities			
Other payables	14	102,784	67,932
Refundable deposits		36,780	35,370
Total liabilities		<u>139,564</u>	<u>103,302</u>
NET ASSETS		<u>472,718</u>	<u>568,597</u>
FUNDS			
Unrestricted funds			
General fund	15	346,042	438,786
Designated funds	15	126,676	129,811
TOTAL FUNDS		<u>472,718</u>	<u>568,597</u>

The notes set out on pages 7 to 15 form an integral part of these financial statements.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

STATEMENT OF CASH FLOWS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		<u>\$</u>	<u>\$</u>
Cash flows from operating activities			
Net expenditure for the year		(95,879)	(60,347)
Adjustment for:			
Depreciation of plant and equipment	13	1,313	1,244
Interest received		(5,256)	(4,269)
Plant and equipment written off		-	256
Operating cash flows before working capital changes		(99,822)	(63,116)
Changes in working capital:			
School fees receivable		-	1,053
Other receivables		(94)	4,148
Other current assets		2,686	(1,652)
Other payables		34,852	8,300
Refundable deposits		1,410	(6,330)
Cash used in operations		(60,968)	(57,597)
Interest received		5,256	4,269
Net cash used in operating activities		<u>(55,712)</u>	<u>(53,328)</u>
Cash flows from investing activities			
Purchase of plant and equipment	13	<u>(3,047)</u>	<u>(1,300)</u>
Net cash used in investing activities		<u>(3,047)</u>	<u>(1,300)</u>
Net decrease in cash and cash equivalents		(58,759)	(54,628)
Cash and cash equivalents at the beginning of the year		<u>661,203</u>	<u>715,831</u>
Cash and cash equivalents at end of the year	10	<u>602,444</u>	<u>661,203</u>

The notes set out on pages 7 to 15 form an integral part of these financial statements.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

1 GENERAL INFORMATION

The Sonshine Childcare Centre (the "Centre") is a community service project of Good News Community Services, which is registered with the Registry of Societies. The Sonshine Childcare Centre is located at Blk 211 Bukit Batok Street 21, #01-252, Singapore 650211.

The principal activities of the Centre are to provide education, supervision and care for young children.

In the financial statements, CPF and ECDA represent Central Provident Fund and Early Childhood Development Agency.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements requires the Management Committee to exercise its judgement in the process of applying the Centre's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenses during the year. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

(b) Functional and presentation currency

The Good News Community Services Management Committee has determined the currency of the primary economic environment in which the Centre operates to be Singapore Dollar ("the functional currency"). The financial statements are presented in Singapore Dollar which is the Centre's functional and presentation currency.

(c) Plant and equipment

(i) Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

(ii) Components of costs

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

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Plant and equipment (continued)

(iii) Depreciation

Depreciation of plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives at the following annual rates:

Computers	100%
Furniture and fittings	20%
Office equipment	20%
Renovation	20%

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

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

(iv) Subsequent expenditure

Subsequent expenditure relating to 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 Centre and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of financial activities during the financial year in which it is incurred.

(v) Disposal

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

(d) Financial assets

The Centre classifies the following financial assets as loans and receivables and are presented in the statement of financial position as follows:

- (i) cash and cash equivalents; and
- (ii) other receivables and deposits.

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

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 the statement of financial activities when the loans and receivables are derecognised or impaired and through the amortisation process.

(e) Impairment of financial assets

The Centre assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Impairment of financial assets (continued)

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of financial activities.

The impairment allowance is reduced through income or expenditure in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(f) Financial liabilities

Financial liabilities include other payables and refundable deposits.

Financial liabilities are recognised when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument. The Centre determines the classification of its financial liabilities at initial recognition. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of financial activities when the liabilities are derecognised and through the amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise of short term bank deposits, cash in hand and bank balance.

(h) Unrestricted Funds

Unrestricted fund comprises of general fund and designated funds.

General fund is used for general purposes of the Centre. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separated fund (known as "Designated fund"). The designation has an administrative purpose only and does not legally restrict the Management Committee's discretion to apply the fund.

(i) Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Centre's activities.

(i) Income from generated funds

Activities for generating funds

Income from school fees and school programme are recognised as revenue over the period the services are rendered and school programme are conducted.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income recognition (continued)

(i) Income from generated funds (continued)

Investment income

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

(ii) Other income

Comprised of government grants i.e. special employment credit, temporary employment credit, wage credit scheme and other income are recognised as and when received in the current financial year.

(j) Expenditures

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the respective activity. Where costs cannot be wholly attributed to an activity, they have been apportioned on a basis consistent with the use of resources.

(i) Costs of generating funds

Costs of generating funds are those costs attributable to generating income for the Centre, and include an apportionment of the support costs.

(ii) Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Centre as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the Centre will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities and cost associated with constitutional and statutory requirements.

(iii) Administrative support costs

Support costs are costs incurred in supporting income generation activities such as fundraising and in supporting the governance of the Centre. Support costs do not in themselves constitute an activity; instead they enable output-creating activities to be undertaken. Support costs includes such as key and general management, information technology, human resources and financing and these are apportioned to the relevant activity cost category they support.

(k) Employee benefits - defined contribution plans

The Centre makes contributions to the state provident fund known as Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Centre makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016****4 ACTIVITIES FOR GENERATING FUND**

	<u>2016</u>	<u>2015</u>
	\$	\$
School fees, net of discounts	296,903	286,318
School fees subsidies from ECDA	332,378	354,836
Registration fees	1,140	1,170
Income from school programme	37,192	46,023
	<u>667,613</u>	<u>688,347</u>

5 OTHER INCOME

	<u>2016</u>	<u>2015</u>
	\$	\$
Amortisation of deferred capital grants	799	798
Government paid - child care leave	905	-
Government paid - paternity leave	271	-
Special and temporary credit	28,106	18,177
Wage credit scheme	46,175	23,411
Others	2,566	551
	<u>78,822</u>	<u>42,937</u>

6 DIRECT OPERATING COSTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Cost of school programme	28,150	30,967
Food and beverages	27,412	29,936
Student healthcare and medical expenses	198	91
Teaching materials and toys	14,517	17,412
Impairment loss on school fees receivables	-	2,146
	<u>70,277</u>	<u>80,552</u>

7 MANPOWER BENEFIT COSTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Staff salaries and bonuses	560,305	492,329
Employer's CPF contribution and Skill Development Levy	83,805	70,301
Honorarium	162	29,384
Staff medical and insurance	7,848	8,023
Staff training	2,336	672
Staff transport	258	130
Staff welfare	686	1,082
	<u>655,400</u>	<u>601,921</u>

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016****8 OTHER OPERATING COSTS**

	<u>2016</u>	<u>2015</u>
	\$	\$
Advertisement	959	1,005
Amortisation of deferred capital grant	799	798
Bank charges	229	252
Depreciation of plant and equipment	1,313	1,244
General expenses	306	655
Insurance	593	648
Maintenance of equipment	128	-
Maintenance of premises	9,355	7,685
Non-capitalised purchases	356	665
Printing, stationery and postage	3,824	3,988
Rent and conservancy fees	19,913	19,913
Rent of equipment	2,414	222
Telecommunication expenses	2,259	1,587
Utilities	9,250	11,169
	<u>51,698</u>	<u>49,831</u>

9 ADMINISTRATIVE SUPPORT COSTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Manpower benefit costs	58,703	49,433
Other operating costs	<u>2,834</u>	<u>2,873</u>
	<u>61,537</u>	<u>52,306</u>

10 CASH AND CASH EQUIVALENTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Cash and bank balances:		
Bank balance	222,309	285,835
Cash in hand	<u>2,200</u>	<u>2,200</u>
	224,509	288,035
Short term bank deposits	<u>377,935</u>	<u>373,168</u>
	<u>602,444</u>	<u>661,203</u>

Short term bank deposits at the statement of financial position date have an average maturity of 8 months (2015: 8 months) from the end of the financial year with weighted average effective interest rate of 1.31% (2015: 1.29%) per annum.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016****11 OTHER RECEIVABLES**

	<u>2016</u>	<u>2015</u>
	\$	\$
Amount due from Pasir Ris Family Service Centre	-	140
Fixed deposit interest receivable	2,083	1,624
Others	-	225
	<u>2,083</u>	<u>1,989</u>

12 OTHER CURRENT ASSETS

	<u>2016</u>	<u>2015</u>
	\$	\$
Deposits	1,880	3,633
Prepayments	993	1,926
	<u>2,873</u>	<u>5,559</u>

13 PLANT AND EQUIPMENT

	<u>Computers</u>	<u>Office equipment</u>	<u>Furniture and fittings</u>	<u>Renovation</u>	<u>Total</u>
	\$	\$	\$	\$	\$
Cost					
At 1 January 2015	4,194	14,893	57,823	42,015	118,925
Additions	-	1,300	-	-	1,300
Disposals	-	(1,280)	-	-	(1,280)
At 31 December 2015	<u>4,194</u>	<u>14,913</u>	<u>57,823</u>	<u>42,015</u>	<u>118,945</u>
At 1 January 2016	4,194	14,913	57,823	42,015	118,945
Additions	-	-	-	3,047	3,047
Disposals	(2,935)	-	-	-	(2,935)
At 31 December 2016	<u>1,259</u>	<u>14,913</u>	<u>57,823</u>	<u>45,062</u>	<u>119,057</u>
Accumulated depreciation					
At 1 January 2015	4,194	11,545	57,823	42,015	115,577
Charge for the year	-	1,244	-	-	1,244
Disposals	-	(1,024)	-	-	(1,024)
At 31 December 2015	<u>4,194</u>	<u>11,765</u>	<u>57,823</u>	<u>42,015</u>	<u>115,797</u>
At 1 January 2016	4,194	11,765	57,823	42,015	115,797
Charge for the year	-	1,059	-	254	1,313
Disposals	(2,935)	-	-	-	(2,935)
At 31 December 2016	<u>1,259</u>	<u>12,824</u>	<u>57,823</u>	<u>42,269</u>	<u>114,175</u>
Carrying amount					
At 31 December 2015	<u>-</u>	<u>3,148</u>	<u>-</u>	<u>-</u>	<u>3,148</u>
At 31 December 2016	<u>-</u>	<u>2,089</u>	<u>-</u>	<u>2,793</u>	<u>4,882</u>

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016****14 OTHER PAYABLES**

	<u>2016</u>	<u>2015</u>
	<u>\$</u>	<u>\$</u>
Accrued operating expenses	35,984	14,290
Amount due to ECDA	1,572	-
Amount due to Good News Community Services	60,254	53,582
School fees received in advance	3,287	-
Others	1,687	60
	<u>102,784</u>	<u>67,932</u>

15 UNRESTRICTED FUNDS

	<u>Balance at</u> <u>01.01.2016</u>	<u>Net</u> <u>expenditure</u> <u>for the year</u>	<u>Expenditure</u>	<u>Amortisation</u>	<u>Balance at</u> <u>31.12.2016</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
2016					
General fund	438,786	(92,744)	-	-	346,042
Designated funds:					
Bursary fund	8,000	-	-	-	8,000
Deferred capital grants	2,065	-	-	(799)	1,266
Property maintenance fund	13,014	-	-	-	13,014
Sinking fund	102,550	-	-	-	102,550
Staff training fund	4,182	-	(2,336)	-	1,846
Total designated funds	129,811	-	(2,336)	(799)	126,676
Total unrestricted funds	568,597	(92,744)	(2,336)	(799)	472,718

	<u>Balance at</u> <u>01.01.2015</u>	<u>Net income</u> <u>for the year</u>	<u>Amortisation</u>	<u>Balance at</u> <u>31.12.2015</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
2015				
General fund	498,335	(59,549)	-	438,786
Designated funds:				
Bursary fund	8,000	-	-	8,000
Deferred capital grants	2,863	-	(798)	2,065
Property maintenance fund	13,014	-	-	13,014
Sinking fund	102,550	-	-	102,550
Staff training fund	4,182	-	-	4,182
Total designated funds	130,609	-	(798)	129,811
Total unrestricted funds	628,944	(59,549)	(798)	568,597

The designated funds were established for the following purposes:

Bursary fund - to grant bursary to children of needy families at the childcare centre.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

15 UNRESTRICTED FUNDS (continued)

Deferred capital grants - to reflect the corresponding credit of the capitalised plant and equipment which were financed from government grants. The deferred capital grants are amortised over a period that match the estimated useful lives of the capitalised plant and equipment.

Property maintenance fund - for the upkeep and repairs on the premises occupied by the Centre.

Staff training fund - to provide training subsidies to teachers attending training institutions.

Sinking fund - for capital expenditure to be incurred for major replacements, repairs and cyclical maintenance.

16 OPERATING LEASE COMMITMENTS

The future aggregate minimum lease payments under a non-cancellable operating lease in respect of the rental of photocopier contracted for at the reporting date but not recognised as liabilities, is as follows:

	<u>2016</u>	<u>2015</u>
	\$	\$
Not later than one year	2,414	-
Later than one year but not later than five years	9,656	-
	<hr/> 12,070	<hr/> -

17 FINANCIAL RISK INSTRUMENTS**(a) Risk management**

The Centre's operations do not expose itself to any significant financial risk arising from financial instruments.

(b) Sensitivity analysis

The operation of the Centre does not expose itself to any significant market risk. In view of this, the sensitivity analysis of market risk is not disclosed as the effect on the statement of financial activities is considered not significant.

(c) Fair value

The carrying amounts of current financial assets and current financial liabilities recorded in the financial statements approximates their respective net fair values due to the relatively short term maturity of these financial instruments.

18 FUND MANAGEMENT POLICY

The primary objective of the Centre is to safeguard its assets; to effectively and efficiently manage the usage of available capital resources towards supporting the Centre's principal and related activities, and ensuring long-term financial sustainability.

19 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements were authorised for issue in accordance with a resolution of the Good News Community Services Management Committee on 27 March 2017.

COMMONWEALTH STUDENT CARE CENTRE
(A Community Service Project of
Good News Community Services)

REPORT AND FINANCIAL STATEMENTS
31 DECEMBER 2016

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SUBRACO LLP
Public Accountants and
Chartered Accountants

COMMONWEALTH STUDENT CARE CENTRE

(A Community Service Project of Good News Community Services)

**STATEMENT BY MEMBERS OF THE GOOD NEWS COMMUNITY SERVICES
MANAGEMENT COMMITTEE**

In the opinion of the members of the Good News Community Services Management Committee, the financial statements of Commonwealth Student Care Centre (the "Centre") set out on pages 4 to 14 are drawn up so as to give a true and fair view of the financial position of the Centre as at 31 December 2016 and of its results of financial activities and cash flows of the Centre for the year then ended.

The Good News Community Services Management Committee authorised these financial statements for issue on 27 March 2017.

On behalf of the Good News Community Services Management Committee,



BISHOP KUAN KIM SENG
President



TAY KHOON ENG
Honorary Treasurer

Singapore,
27 March 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
GOOD NEWS COMMUNITY SERVICES -
COMMONWEALTH STUDENT CARE CENTRE**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Commonwealth Student Care Centre (the "Centre") (A Community Service Project of Good News Community Services), which comprise the statement of financial position as at 31 December 2016, the statement of financial activities and statement of cash flows 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 Charities Accounting Standards so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2016 and the results of the financial activities and cash flows of the Centre for the financial 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 Centre 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

The Management Committee is responsible for the other information. The other information comprises the Statement by Members of the Good News Community Services Management Committee on Page 1, but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of the Management Committee for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the Charities Accounting Standard, 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, the management committee is responsible for assessing the Charity'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 the management committee either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

The Management Committee's responsibilities include overseeing the Centre's financial reporting process.

SUBRACO LLP

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GOOD NEWS COMMUNITY SERVICES - COMMONWEALTH STUDENT CARE CENTRE

Report on the Audit of the Financial Statements (continued)

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 judgment 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 have 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 Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management committee.
- Conclude on the appropriateness of the management committee'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 Centre'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 Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the management committee 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.



SUBRACO LLP
Public Accountants and
Chartered Accountants

Singapore,
27 March 2017

Partner in charge of audit: Ann A. Nargeswari
Effective from year ended 31 December 2014

COMMONWEALTH STUDENT CARE CENTRE
(A Community Service Project of Good News Community Services)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	<u>Note</u>	<u>Unrestricted Funds</u>	
		<u>2016</u>	<u>2015</u>
		<u>\$</u>	<u>\$</u>
INCOME			
<u>Income from generated funds:</u>			
Activities for generating funds:			
- Dwelling Place Tuition programme		950	1,100
- Holiday programmes		7,435	11,875
- School fees, registration and other fees		79,365	100,625
		87,750	113,600
Investment income:			
- Fixed deposits interest income		775	669
		88,525	114,269
Other income	4	10,907	8,492
Total income		99,432	122,761
EXPENDITURES			
<u>Cost of generating funds: Activities</u>			
Bank charges		107	107
Depreciation of plant and equipment	9	441	100
Dwelling place Tuition program expenses		256	252
Food and beverages		2,716	3,121
General expenses		137	191
Insurance		314	369
Holiday program expenses		2,374	2,847
Manpower benefit costs	5	97,444	102,571
Maintenance of equipment		293	620
Maintenance of premises		325	530
Non-capitalised purchases		-	221
Printing, stationery and postage		244	137
Rent and conservancy fees		9,014	9,014
Telecommunication		874	803
Utilities		2,911	3,563
		117,450	124,446
<u>Governance costs</u>			
Accountancy fees		-	60
Administrative support costs	6	3,077	2,615
Auditors' remuneration		1,246	1,520
License fees		118	254
		4,441	4,449
Total expenditures		121,891	128,895
NET EXPENDITURE FOR THE YEAR		(22,459)	(6,134)
Reconciliation of funds			
Total funds brought forward		68,459	74,593
Total funds carried forward	11	46,000	68,459

The notes set out on pages 7 to 14 form an integral part of these financial statements.

COMMONWEALTH STUDENT CARE CENTRE
(A Community Service Project of Good News Community Services)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	7	57,185	80,314
Other receivables		346	460
Other current assets	8	790	1,141
		<u>58,321</u>	<u>81,915</u>
Non-current asset			
Plant and equipment	9	315	-
Total assets		<u>58,636</u>	<u>81,915</u>
LIABILITIES			
Current liabilities			
Other payables	10	8,876	6,046
Refundable deposits		3,760	7,410
Total liabilities		<u>12,636</u>	<u>13,456</u>
NET ASSETS		<u>46,000</u>	<u>68,459</u>
FUNDS			
Unrestricted funds			
General fund	11	44,166	66,625
Designated fund	11	1,834	1,834
TOTAL FUNDS		<u>46,000</u>	<u>68,459</u>

The notes set out on pages 7 to 14 form an integral part of these financial statements.

COMMONWEALTH STUDENT CARE CENTRE
(A Community Service Project of Good News Community Services)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		<u>\$</u>	<u>\$</u>
Cash flows from operating activities			
Net expenditure for the year		(22,459)	(6,134)
Adjustment for:			
Depreciation of plant and equipment	9	441	100
Fixed deposits interest income		(775)	(669)
Operating cash flow before working capital changes		(22,793)	(6,703)
Changes in working capital:			
Other receivables		114	24
Other current assets		351	130
Other payables		2,830	(2,829)
Refundable deposits		(3,650)	(600)
Cash used in operations		(23,148)	(9,978)
Interest received		775	669
Net cash used in operating activities		<u>(22,373)</u>	<u>(9,309)</u>
Cash flows from investing activities			
Purchase of plant and equipment	9	(756)	-
Net cash used in investing activities		<u>(756)</u>	<u>-</u>
Net decrease in cash and cash equivalents		(23,129)	(9,309)
Cash and cash equivalents at the beginning of the year		<u>80,314</u>	<u>89,623</u>
Cash and cash equivalents at end of the year	7	<u>57,185</u>	<u>80,314</u>

The notes set out on pages 7 to 14 form an integral part of these financial statements.

COMMONWEALTH STUDENT CARE CENTRE
(A Community Service Project of Good News Community Services)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

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

1 GENERAL INFORMATION

The Commonwealth Student Care Centre (the "Centre") is a community service project of Good News Community Services, which is registered with the Registry of Societies. The Commonwealth Student Care Centre is located at Blk 37B Commonwealth Drive, #01-01 and #02-01, Singapore 140370.

The principal activities of the Centre are to provide student care services.

2 SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements requires the Management Committee to exercise its judgement in the process of applying the Centre's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenditure during the year. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

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

(b) Functional and presentation currency

The Good News Community Services Management Committee has determined the currency of the primary economic environment in which the Centre operates to be Singapore Dollar ("the functional currency"). The financial statements are presented in Singapore Dollar which is the Centre's functional and presentation currency.

(c) Plant and equipment

(i) Measurement

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

(ii) Components of costs

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

COMMONWEALTH STUDENT CARE CENTRE
(A Community Service Project of Good News Community Services)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Plant and equipment (continued)

(iii) Depreciation

Depreciation of plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives at the following annual rates:

Computers	100%
Office equipment	20%
Furniture and fittings	20%
Renovation	20%

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

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

(iv) Subsequent expenditure

Subsequent expenditure relating to 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 Centre and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of financial activities during the financial year in which it is incurred.

(v) Disposal

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

(d) Financial assets

The Centre classifies the following financial assets as loans and receivables and are presented in the statement of financial position as follows:

- (i) cash and cash equivalents; and
- (ii) other receivables and deposits

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

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 the statement of financial activities when the loans and receivables are derecognised or impaired and through the amortisation process.

(e) Impairment of financial assets

The Centre assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

COMMONWEALTH STUDENT CARE CENTRE
(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Impairment of financial assets (continued)

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of financial activities.

The impairment allowance is reduced through income or expenditure in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(f) Financial liabilities

Financial liabilities include other payables and refundable deposits.

Financial liabilities are recognised when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument. The Centre determines the classification of its financial liabilities at initial recognition. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of financial activities when the liabilities are derecognised and through the amortisation process. A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(g) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash in hand, bank balance and short term bank deposits.

(h) Unrestricted Funds

Unrestricted fund comprises of general fund and designated fund.

General fund is used for general purposes of the Centre. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separated fund (known as "Designated fund"). The designation has an administrative purpose only and does not legally restrict the Management Committee's discretion to apply the fund.

(i) Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Centre's activities.

(i) Income from generated funds

Activities for generating funds

Income from school fees and school programme are recognised as revenue over the period the services are rendered and school programme are conducted.

COMMONWEALTH STUDENT CARE CENTRE
(A Community Service Project of Good News Community Services)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Income recognition (continued)

(i) Income from generated funds (continued)

Investment income

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

(ii) Other income

Comprised of government grants i.e. special employment credit, temporary employment credit, wage credit scheme and other income are recognised as and when received in the current financial year.

(j) Expenditures

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the respective activity. Where costs cannot be wholly attributed to an activity, they have been apportioned on a basis consistent with the use of resources.

(i) Costs of generating funds

Costs of generating funds are those costs attributable to generating income for the Centre, and include an apportionment of the support costs.

(ii) Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Centre as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the Centre will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities and cost associated with constitutional and statutory requirements.

(iii) Administrative support costs

Support costs are costs incurred in supporting income generation activities such as fundraising and in supporting the governance of the Centre. Support costs do not in themselves constitute an activity; instead they enable output-creating activities to be undertaken. Support costs includes such as key and general management, information technology, human resources and financing and these are apportioned to the relevant activity cost category they support.

(k) 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 are recognised in 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.

(l) Employee benefits - defined contribution plans

The Centre makes contributions to the state provident fund known as Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

COMMONWEALTH STUDENT CARE CENTRE

(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016****3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Centre makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4 OTHER INCOME

	<u>2016</u>	<u>2015</u>
	\$	\$
Special employment credit	4,488	4,481
Wage credit scheme	6,110	3,990
Refundable deposit forfeited	240	-
Others	69	21
	<u>10,907</u>	<u>8,492</u>

5 MANPOWER BENEFIT COSTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Staff salaries and bonuses	82,153	80,857
Employer's Central Provident Fund contribution and Skills Development Levy	13,052	12,131
Staff medical and insurance	1,228	1,540
Staff training	-	10
Staff transport	54	-
Staff welfare	61	151
Honorarium	896	7,882
	<u>97,444</u>	<u>102,571</u>

6 ADMINISTRATIVE SUPPORT COSTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Manpower benefit costs	2,935	2,471
Other operating costs	142	144
	<u>3,077</u>	<u>2,615</u>

COMMONWEALTH STUDENT CARE CENTRE
(A Community Service Project of Good News Community Services)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

7 CASH AND CASH EQUIVALENTS

	<u>2016</u>	<u>2015</u>
	\$	\$
Cash and bank balances:		
Bank balance	4,325	28,238
Cash in hand	500	500
	<hr/>	<hr/>
	4,825	28,738
Short term bank deposits	52,360	51,576
	<hr/>	<hr/>
	57,185	80,314

8 OTHER CURRENT ASSETS

	<u>2016</u>	<u>2015</u>
	\$	\$
Deposits	763	1,083
Prepayments	27	58
	<hr/>	<hr/>
	790	1,141

9 PLANT AND EQUIPMENT

	<u>Computers</u>	<u>Office</u>	<u>Furniture</u>	<u>Renovation</u>	<u>Total</u>
	\$	\$	\$	\$	\$
Cost					
At 1 January 2015	1,572	9,264	17,107	15,763	43,706
At 31 December 2015	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 1 January 2016	1,572	9,264	17,107	15,763	43,706
Additions	756	-	-	-	756
Write-off	(973)	-	(15)	-	(988)
At 31 December 2016	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,355	9,264	17,092	15,763	43,474
Accumulated depreciation					
At 1 January 2015	1,472	9,264	17,107	15,763	43,606
Charge for the year	100	-	-	-	100
At 31 December 2015	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,572	9,264	17,107	15,763	43,706
At 1 January 2016	1,572	9,264	17,107	15,763	43,706
Charge for the year	441	-	-	-	441
Write-off	(973)	-	(15)	-	(988)
At 31 December 2016	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	1,040	9,264	17,092	15,763	43,159
Carrying amount					
At 31 December 2015	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	-	-	-	-
At 31 December 2016	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	315	-	-	-	315

COMMONWEALTH STUDENT CARE CENTRE
(A Community Service Project of Good News Community Services)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

10 OTHER PAYABLES

	<u>2016</u>	<u>2015</u>
	\$	\$
Accrued operating expenses	5,265	2,453
Amount due to Good News Community Services	3,013	2,763
School fees received in advance	290	580
Others	308	250
	<u>8,876</u>	<u>6,046</u>

11 UNRESTRICTED FUNDS

	<u>2016</u>	<u>2015</u>
	\$	\$
General fund:		
Beginning of the year	66,625	72,759
Less: Net expenditure	<u>(22,459)</u>	<u>(6,134)</u>
End of the year	44,166	66,625
Designated fund:		
The Dwelling Place Tuition Fund	<u>1,834</u>	<u>1,834</u>
	<u>46,000</u>	<u>68,459</u>

The Dwelling Place Tuition fund is established for the publicity of the tuition programme, holiday outings for the students, and also for future development of the tuition work in the Centre.

12 FINANCIAL RISK INSTRUMENTS

(a) Risk management

The Centre's operations do not expose itself to any significant financial risk arising from financial instruments.

(b) Sensitivity analysis

The operation of the Centre does not expose itself to any significant market risk. In view of this, the sensitivity analysis of market risk is not disclosed as the effect on the statement of financial activities is considered not significant.

(c) Fair value

The carrying amounts of current financial assets and current financial liabilities recorded in the financial statements approximates their respective net fair values due to the relatively short term maturity of these financial instruments.

COMMONWEALTH STUDENT CARE CENTRE
(A Community Service Project of Good News Community Services)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

13 FUND MANAGEMENT POLICY

The primary objective of the Centre is to safeguard its assets; to effectively and efficiently manage the usage of available capital resources towards supporting the Centre's principal and related activities, and ensuring long-term financial sustainability.

14 EVENTS OCCURRING AFTER REPORTING DATE

As part of the Housing Development Board's (HDB) redevelopment plans for Queenstown, the HDB had given notice in 2014 regarding the end of the Centre's lease in 2021 and the Centre was offered an alternative site at Dawson area. The Good News Community Service Management Committee deliberated on the matter during the Management Committee meeting on 28 January 2015 and decided not to take up the alternative site. It was decided at the Management Committee meeting on 22 March 2017, to end the lease of the Centre with HDB and to cease to operate with effect from 30 June 2017, as it is not viable to operate the Centre with the decreased student enrolment.

15 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements were authorised for issue in accordance with a resolution of the Good News Community Services Management Committee on 27 March 2017.

5.1 REPORTS FROM THE CENTRES

5.1 Pasir Ris Family Service Centre

5.2 Sonshine Childcare Centre

5.3 Commonwealth Student Care Centre

Reports from Centres - Pasir Ris Family Service Centre

Block 256 Pasir Ris Street 21 #01-289 Singapore 510256

<u>STAFF</u>	<u>NAME</u>	<u>ADDRESS</u>	<u>TEL NO.</u>
President	Bishop Kuan Kim Seng	1 Francis Thomas Dr #02-17 Singapore 359340	6289 7611
Executive Director	Peter Chang Kay Hoi	Blk 256 Pasir Ris St 21 #01-289 Singapore 510256	6581 2159

1. MAJOR CHANGES IN 2016

In April, we joined the third batch of Family Service Centres in Singapore to go live on SSNet using the CSWP framework. It was a long and arduous process of transiting from a manual paperwork system to a cloud based system. Staff finally managed to transfer all existing paper records and active casework to SSNet by October.

2. MAJOR EVENTS IN 2016

2.1 Went live with CSWP/SSNet framework. MSF provided all staff with a notebook computer and installed a closed network to allow us to access the cloud-based database. Scanners, printer and signature tablets complete the equipment that is allowing us to capture all documents into electronic formats for cloud storage.

2.2 Community Services Program

We had to reduce our community outreach and group support programs in 2016 as the workload from conversion of paper-based records over to SSNet took up a lot of our time.

We continue the Community Work collaboration with the Pasir Ris Social Service Office and Hai Seng Catholic School to run the program "Wonder Kids" for latch-key children residing in a block of HDB rental flats. Student leaders from Hai Seng were paired with these children to provide a mentoring environment through games and outings, and to be positive role model for the latch-key children. Some noteworthy activities were a block party for elderly and children in July and house cleaning for 3 families.

We have noticed a growing trend in corporations adopting Corporate Social Responsibility (CSR) by working with FSCs to reach out to those who are in need of encouragement and resources. 27 staff from Prudential Insurance took 26 children to

the River Safari in March, and 10 staff from Zebra Technologies took 11 of our children beneficiaries to the Science Centre in November. 14 families were also hosted to an outing to Gardens by the Bay in December. Capital Land also provided gifts to 140 children under their “Gift of Love” program.

Pentecost Methodist Church in Pasir Ris also hosted 10 families to their Chinese New Year Steamboat Dinner. Subsequently we conducted befriending training to 16 of their members to help them continue support to these and other families.

2.3 Group Work

12 children from difficult family environment were provided with a 4 days “Young Heroes Groupwork” program to impart desirable values and coping abilities to help them develop strong characters.

2.3 Food, groceries and essential assistance and relief

- a) Families seeking help from our Centre because of financial difficulties or loss of employment, often need groceries and other daily essentials to tide them over till we can link them up with jobs or financial assistance schemes. Since 2012, we have been receiving public donations for our “**Five Loaves and Two Fish**” project, which helped us purchase canned food, infant milk formula and child/adult diapers to provide relief. We are happy to report that we continue to receive regular donations from a few parish members of COR as well as public donors, and all donations qualify for tax reliefs. For 2016, we expended a total of S\$11,564 to purchase daily essentials for this project.
- b) Christmas – The COR Mentor Ministry continues to organize SAJC students to prepare hampers of foodstuff and tidbits for families of PRFSC clients who celebrate Christmas. These hampers were very well received by those families who have children with the seasonal tidbits much in demand.
- c) In July, under the Singapore Red Cross “Project R.I.C.E”, we helped to distribute food packages to 140 families.
- d) We continue to provide “Back-to-School” assistance to children of needy families, with Bata and Popular Book Store vouchers to help them equip for a new year (2017) of school.

3. RELIGIOUS TEACHING

Regular devotions for our Christian staff were conducted every Friday. Once a month, the chaplain of Good News Community Service, Rev Victor Teo visits our Centre to provide pastoral ministry to staff members.

4. **FINANCE**

For the year ended 31 December 2016 (Unaudited)

Income	\$1,832,090.93
Expenditure	\$1,407,074.39
Surplus / Deficit	\$ 425,016.54

FSC Operating Fund	\$360,259.85
<u>Unrestricted Surplus</u>	\$ 64,756.69
Total	\$425,016.54

5. **EVALUATION**

5.1 **Mission Purpose/Statement**

To enhance lives and build resilient families through quality services and active collaboration.

5.2 **Vision Statement**

We are an organization of competent Social Service Professionals striving towards Excellence in nurturing and empowering individuals and families.

5.3 **Review of 2016 Goals**

Though the demographics of Pasir Ris has changed with the occupancy of the HDB rental block and two-room flats in 2016, we have not seen an increase in caseload. Rather, we are seeing less new Information & Referral cases.

In 2015, PRFSC handled a total referral of 583 cases, but in 2016, our total referral and inquiries dropped to 460 cases. We are not sure of the reason for the drop, but possibly those in need of financial assistance knows that public assistance are now handled by the Pasir Ris Social Service Office. Of the 460 cases, our team of Social Workers provided casework and counselling to 394 seekers of help. Financial/Employment still remain top at (22%) with Family (16%) and Marital (13%) cases making up the other two top presenting problems by people seeking help at our Centre. Health/Mental and Gambling issues are seeing a slight increase in people seeking help from the Centre.

The breakdown of clients by ethnicity for 2016 saw a slight drop in Chinese caseload to 55%; Malay increasing to 27%, while Indian and others making up the balance 18%. The distributions by age group of clients were 40% in the 40-54 years and 33% in the 25-39 years, mirroring the national ageing population. Clients aged 55 and above dropped to 15%.

We continue to be a disbursing agency for the FSC Comcare Fund established by MSF in late 2012 which enables FSC to provide immediate assistance to clients requiring urgent or temporary financial relief to tide over a difficult situation.

Of those families who have financial hardship with school going children, we disbursed \$73,240 of Straits Times Pocket Money Fund to 143 children in Pasir Ris. These beneficiaries are 118 primary and secondary and 25 post-secondary students. The aim of SPMF is to provide children from low-income families with pocket money to attend school. Beneficiaries of SPMF can also use this monthly allowance to buy food at school, pay for bus fares, books and stationery.

5.4 Development Projects/Other Special Projects

We have completed the needs survey of residents in the rental block (476A) and the two-room flats (Costa Ris), and one of the help identified is in medical care for chronic sickness like hypertension, diabetes and high cholesterol. All are under medical care at polyclinic or Changi General Hospital. We are working with SATA to explore bringing their mobile clinic to provide door-step medical consultation to save these elderlies from making a long journey to obtain medicine and follow-up of chronic illnesses.

Mr Peter Chang
Executive Director

Reports from Centres - Sonshine Child Care Centre

Blk 211 Bukit Batok Street 21 #01-252 Singapore 650211

<u>STAFF</u>	<u>NAME</u>	<u>ADDRESS</u>	<u>TEL NO.</u>
President	Bishop Kuan Kim Seng	1 Francis Thomas Dr #02-17 Singapore 359340	6289 7611
Principal	U.K Sangeeta	Blk 211 Bukit Batok St 21 #01-252 Singapore 650211	6581 2159

1. **MAJOR CHANGES IN 2016**

Implemented weekly devotion sessions among staff.

2. **MAJOR EVENTS IN 2016**

K2 Graduation and Sports Day

Let's Makan

N1 Parent Engagement Session

3. **FINANCE**

For the year ended 31 December 2016 (Unaudited)

Income	\$750,374
Expenditure	\$842,021
Surplus / Deficit	(\$ 91,647)

4. **EVALUATION**

Sonshine has much potential to grow in the areas of teaching and learning and pedagogy. With a change in staff mindset and teamwork, this can be achieved in the near future.

Ms U.K.Sangeeta
Principal

Reports from Centres – Commonwealth Student Care Centre

Blk. 37B #01-01 Commonwealth Drive, Singapore 142037

<u>STAFF</u>	<u>NAME</u>	<u>ADDRESS</u>	<u>TEL NO.</u>
President	Bishop Kuan Kim Seng	1 Francis Thomas Dr #02-17 Singapore 359340	6289 7611
Centre Supervisor	Tiong Siew Ing	Blk. 37B Commonwealth Drive #01-01 & #02-01 Singapore 142037	64749209

1. MAJOR CHANGES IN 2016

1.1 Staff Movement

The Centre's staff strength comprised of 1 supervisor, 1 part-time BASC assistant teacher and 1 part-time cook cum cleaner.

1.2 Enrolment

The Centre continued to operate only for the afternoon session. Average enrolment throughout the year 2016 was about 25, with the lower primary students forming the majority. Upper primary students withdrew from the Centre as they had to stay back in schools for remedial lessons, supplementary lessons, CCAs. Parents of these children felt that their children were able to take care of themselves.

2. MAJOR EVENTS IN 2016

2.1 Excursions

The Centre organized the following activities during the School Holidays : -

- a) Movies
- b) The Animal Resort
- c) Jurong Bird Park
- d) Haw Par Villa
- e) Pizza Making @ Pastamania Sengkang
- f) Embroidery & Beadwork in the Peranakan World @ Peranakan Museum
- g) Playground At The Canopy @ Kidz Amaze Safra Jurong

2.2 Annual Camp

6 students from the Centre enrolled for Overnight Camp @ COR – My Jesus My Shepherd

2.3 Special Events organized by COR :

- a) Good Friday Special Programme – Jesus Superhero
- b) Family Day @ St. Andrew's Junior School
- c) Night of Christmas Blessings @ Commonwealth Student Care Centre
- d) Christmas with Chapel of the Resurrection

3. FINANCE

For the year ended 31 December 2016 (Unaudited)

Income	\$99,319
Expenditure	\$121,778
Surplus / Deficit	(\$22,459)

4. EVALUATION

We give thanks to God for His many blessings, providence and protection. It had been an exciting and eventful year. We look to Him for His grace, wisdom and strength for another year ahead. We would like to thank volunteers from Chapel of the Resurrection for conducting the Children's Camp, Christmas Celebrations and the invitations to COR for Special Events.

Mdm Tiong Siew Ing
Centre Supervisor

SCC Cyclical Maintenance

Objective

For AGM's approval.

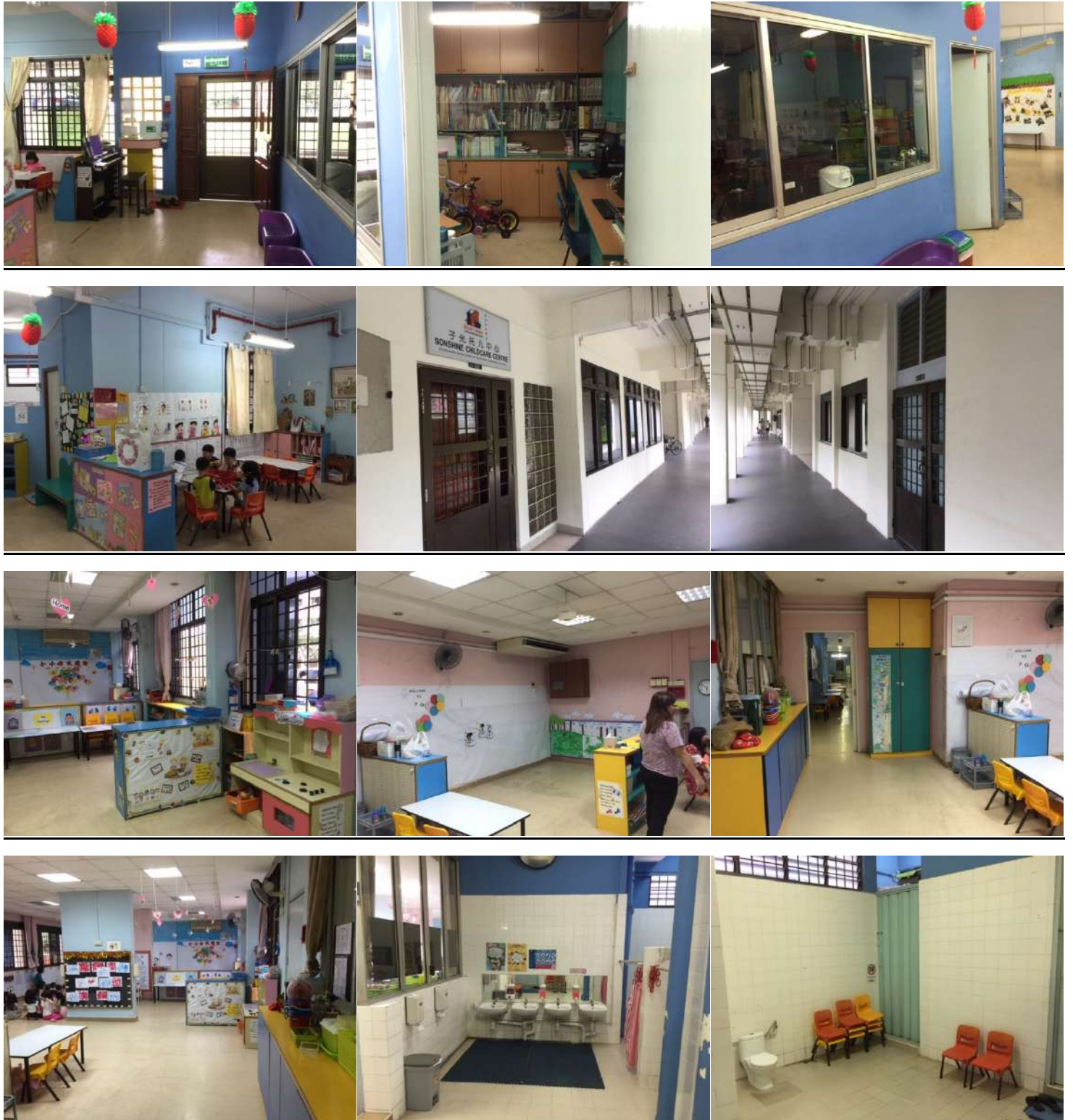
Background

- 1) Sonshine Childcare Centre last had a cyclical maintenance 15 years ago in 2001.
- 2) As the centre's physical environment is an important factor in shaping the behavior and development of children and in ensuring safety and security of the children and staff, we're proposing to spruce up the centre with cyclical maintenance works in 2017

Current Premise







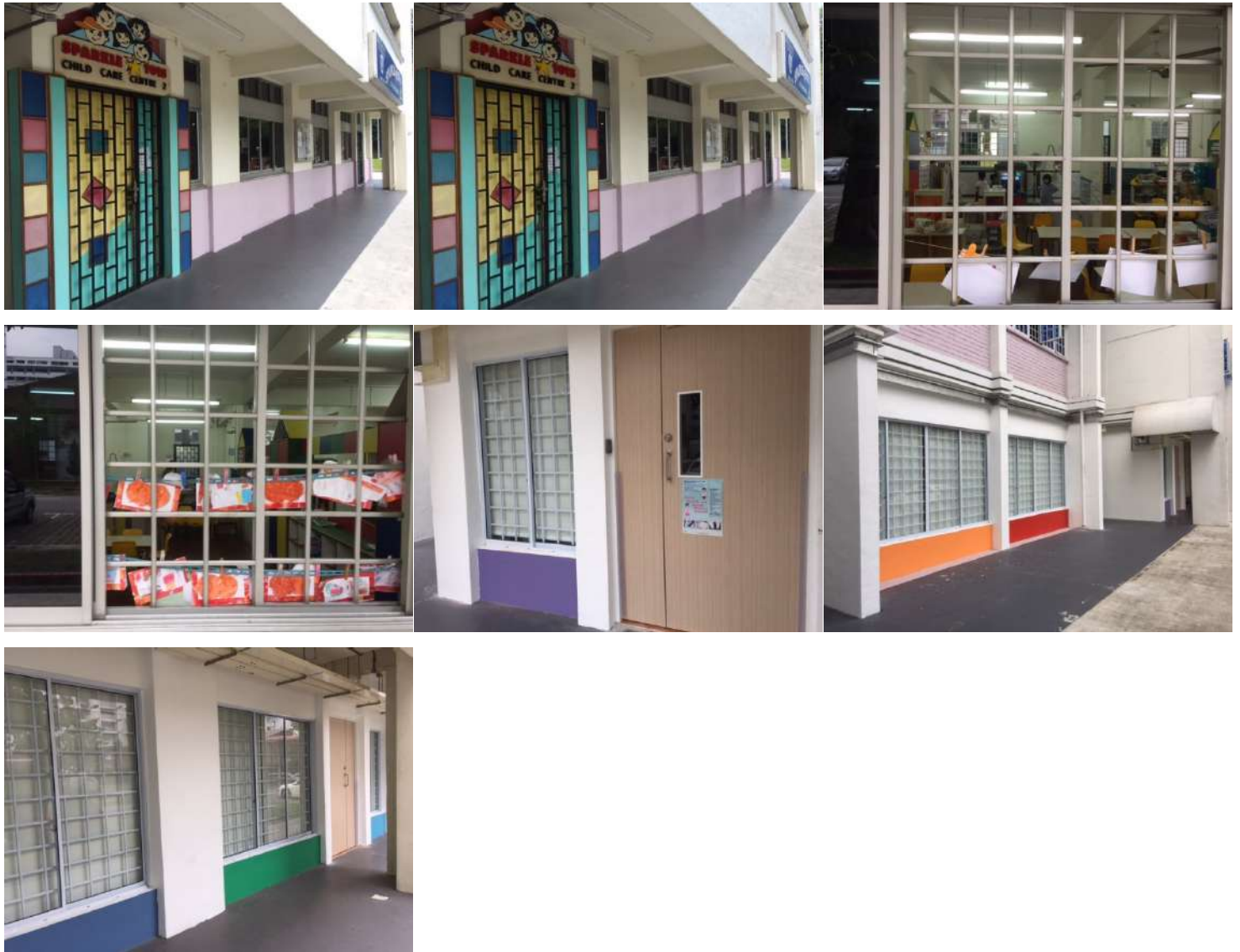


Competitor's Premise

Blk 206, PCF Sparkletots, \$647



Blk 205, PCF Sparkletots, \$483



Deliverables

- 3) Replacement
 - i. Vinyl flooring
 - ii. Painting
 - iii. Ceiling lights
 - iv. Ceiling fans

- v. Washroom floor and wall tiles (addition to presented deliverables during MC meeting on 22nd March 2017)
 - vi. Air conditioners (selected: teachers' room, computer room, new wing x2, music room x2)
 - vii. Doors (selected: office, kitchen)
 - viii. Plumbing (sanitary bowls, basins, taps, washroom accessories, water heaters)
 - ix. Power, telephone and data access installations
 - x. Soft boards
 - xi. Cupboard locks
 - xii. Curtain rails
- 4) New addition
- i. Video surveillance at front gates x2
 - ii. Electromagnetic front gates x2
- 5) Detailed scope of selected quotation in Annex A

Quotations

SN	Contractor	Quotation
1	LNJ Builders Pte. Ltd.	\$149,718
2	MAX Interior Pte. Ltd.	\$165,000
3	Vin@ct Interior Pte. Ltd.	\$195,000

- 6) Recommended contractor
- i. Contractor **LNJ Builders Ptd Ltd.** has been selected with lowest quotation amongst three quotations received.

Budget and Timeline

7) Budget

Item	Budget
Quotation	\$149,718
Contingency (5%)	\$7,486

Grand Total	\$157,204
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8) Funding

- i. 90% reimbursement from ECDA, up to estimated \$50k for SCC's floor area.
- ii. SCC Sinking Fund: \$102,550
- iii. Balance from SCC reserves

9) Timeline

SN	Event	Month
1	Quotation sourcing	Feb-Mar
2	MC review	Mar
3	AGM approval (>\$50k)	Apr
4	Grant application	Apr-Aug
5	Project Implementation	Sep-Nov

Resource support

- 10) Consultation with Simon Soh, Management Committee member

Recommendation

- 11) Select **LNJ Builders Pte. Ltd.** as contractor to manage cyclical maintenance for GNCS in SCC
- 12) Authorise EXCO to
 - Manage project with **budget not exceeding \$157,204**
 - Apply for government funding

CORPORATE GOVERNANCE

Governance Evaluation Checklist to be submitted to Charity Council.

(Evaluation Period: 01/01/2016 to 31/12/2016)

SN	Code Description	Code ID	Compliance
BOARD GOVERNANCE			
1	Are there Board members holding staff appointments?		No
4	There is a maximum term limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman).	1.1.6	Complied
5	There are Board committees (or designated Board members) with documented terms of reference.	1.2.1	Complied
6	The Board meets regularly with a quorum of at least one third or at least three members, whichever is greater (or as required by the governing instrument).	1.3.1	Complied
CONFLICT OF INTEREST			
7	There are documented procedures for Board members and staff to declare actual or potential conflicts of interest to the Board.	2.1	Complied
8	Board members do not vote or participate in decision making on matters where they have a conflict of interest.	2.4	Complied
STRATEGIC PLANNING			
9	The Board reviews and approves the vision and mission of the charity. They are documented and communicated to its members and the public.	3.1.1	Complied
10	The Board approves and reviews a strategic plan for the charity to ensure that the activities are in line with its objectives.	3.2.2	Complied
HUMAN RESOURCE MANAGEMENT			
11	The Board approves documented human resource policies for staff.	5.1	Complied
12	There are systems for regular supervision, appraisal and professional development of staff.	5.6	Complied
FINANCIAL MANAGEMENT AND CONTROLS			
13	The Board ensures internal control systems for financial matters are in place with documented procedures.	6.1.2	Complied
14	The Board ensures reviews on the charity's controls, processes, key programmes and events.	6.1.3	Complied
15	The Board approves an annual budget for the charity's plans and regularly monitors its expenditure.	6.2.1	Complied
16	The charity discloses its reserves policy in the annual report.	6.4.1	Not Complied (Reserve policy in discussion)
17	Does the charity invest its reserves?		Yes

FUND RAISING PRACTICES							
19	Donations collected are properly recorded and promptly deposited by the charity.	7.2.2	Complied				
DISCLOSURE AND TRANSPARENCY							
20	The charity makes available to its stakeholders an annual report that includes information on its programmes, activities, audited financial statements, Board members and executive management.	8.1	Complied				
21	Are Board members remunerated for their Board services?		No				
24	Does the charity employ paid staff?		Yes				
25	No staff is involved in setting his or her own remuneration.	2.2	No				
26	<div>The charity discloses in its annual report the annual remuneration of its three highest paid staff who each receives remuneration exceeding \$100,000, in bands of \$100,000. If none of its top three highest paid staff receives more than \$100,000 in annual remuneration each, the charity discloses this fact.</div> <table><tr><td>Annual Remuneration Salary Band</td><td>2016</td></tr><tr><td>\$100,000 - \$200,000</td><td>2</td></tr></table>	Annual Remuneration Salary Band	2016	\$100,000 - \$200,000	2	8.3	Complied
Annual Remuneration Salary Band	2016						
\$100,000 - \$200,000	2						
PUBLIC IMAGE							
27	The charity accurately portrays its image to its members, donors and the public.	9.1	Complied				