



佳
音
社
區
服
務

19TH ANNUAL GENERAL MEETING

**Saturday, 28 APRIL 2018
@ 10.00 AM**

2017 ANNUAL REPORT

CONTENTS

1. Agenda
2. President's Address
3. Confirmation of Minutes
4. Audited Financial Statements 31st December 2017
 - 4.1 Good News Community Services [Consolidated]
 - 4.2 Pasir Ris Family Service Centre
 - 4.3 Sonshine Childcare Centre
 - 4.4 Commonwealth Student Care Centre
5. Reports from the Centres
 - 5.1 Pasir Ris Family Service Centre
 - 5.2 Sonshine Child Care Centre
 - 5.3 Commonwealth Student Care Centre
6. Corporate Governance and Policies
 - 6.1 Governance Evaluation Checklist
 - 6.2 Reserves and Investment Policy

GOOD NEWS COMMUNITY SERVICES (“GNCS”)

NOTICE IS HEREBY GIVEN that the 19th Annual General Meeting of GNCS will be held on 28th April 2018 at 10.00 a.m. at COR Conference Room #02-15

AGENDA

1. President’s Address
2. Opening Prayer
3. SCC Logo
4. Confirmation of Minutes of the 18th AGM held on 19th Apr 2017 and EGMs held on the 30th April and 29th October 2017
5. Matters Arising
6. To receive and adopt the audited financial statements for the year ended 31st December 2017
7. To appoint E H Luar & Co as auditor and to authorize Executive Committee to approve the audit fees for the year ended 31st December 2017
8. Reports from the Centres
 - Pasir Ris Family Service Centre
 - Sonshine Child Care Centre
 - Commonwealth Student Care Centre
9. Resignation of President
10. Election of President
11. Any other matters
12. Closing Prayer

President's Address

People often say that there is no such a thing as retirement in the Bible. But the fact is that the Bible do teach in some details about retirement! In Numbers 8:23-28, (though specific to the Levites), we read these words:

‘ from the age of fifty years they shall withdraw from the duty of the service and serve no more. ... they shall do no service. Thus shall you do to the Levites in assigning their duties.’

Interesting words! Yes, Numbers 8:23-28 is specifically about the Levites (which would also include the priests as they are also of the tribe of Levi), that they are to serve God in the Temple worship service for a certain duration, and after which they are to retire. In fact, the instructions in the text is quite emphatic – ‘withdraw from the duty ... serve no more ... they shall do no service ...’

The broad stroke of the text is that whereas the worship of God lasts forever, human beings facilitating the worship of God have short life spans, and therefore God put in place a mechanism to ensure continuity, and this mechanism is called retirement!

Worship and service are intertwined in Holy Scripture. To serve God is to worship Him, and to worship God is to serve Him. It is obviously out of loyalty towards God and love for Him that we serve Him in and through the GNCS. Community service is an extension of Gospel proclamation.

It is with a sense of mild poignancy that I now retire from my service as President of GNCS, which constitutionally is tied to the appointment of the Vicar in COR. Three years have so quickly gone by, and Rev David Lee would soon be at the helm of this parallel ship to COR.

I like to take this opportunity to thank all the various members of GNCS, both volunteers and full-time workers, for your service in GNCS, ands especially for those in the MC and Exco. Presiding and serving in the GNCS had been an interesting learning journey for me, and you all have made it much easier for me in my service.

It leaves me now to wish Rev David Lee all of God's choicest blessings as he serves Abba Father in GNCS. Please may all of you support him as much as you had supported me.

Thank you and God bless you.

In Messiah,
Kuan Kim Seng

GOOD NEWS COMMUNITY SERVICES
18th ANNUAL GENERAL MEETING

MINUTES OF MEETING

Date: 19th April 2017
Time: 6.30pm – 9.30pm
Venue: Chapel of the Resurrection, #02-15
Chaired by: Bishop Kuan Kim Seng, President

Present		
1.	Bishop Kuan Kim Seng	President
2.	Mr Tay Khoon Eng	Honorary Treasurer
3.	Mr Gan Tian Huat	Honorary Secretary and HR Committee Chairman
4.	Mr Peter Hui Kwok Thong	MC Member
5.	Ms Jacqueline Tan Yi Ping	MC Member
6.	Mr Scott Lee Hon Mun	MC Member
7.	Mr Timothy Ng Heo Yong	Ordinary Member and Audit Committee Chairman
8.	Ms Lim Huey Shan Cherly Fay	Ordinary Member
9.	Mr Lee Kong Wee	Ordinary Member
10.	Ms Carol Lee Seok Hwa	Ordinary Member
11.	Mr Peter Chang Kay Hoi	Ordinary Member and PRFSC Executive Director
12.	Ms Lim Siew Lin	Ordinary Member
By Invitation		
1.	Ms Umaglia Kancanangai Sangeeta	SCC Principal
Absent with Apologies		
1.	Dr Leong Soon Kai	Vice-President
2.	Mr Simon Soh Soon Heng	MC Member
3.	Mr Dui Sian Ling	MC Member
4.	Mr Vincent Wang Zexiong	Ordinary Member
5.	Mr Christopher Krishnasamy	Ordinary Member
6.	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 Kong Wee opened the meeting with a word of prayer.	
2.	President's Address	
2.1	Bishop Kuan thanked participants for making time to attend the AGM and welcomed them. Firstly he shared on the impending cessation of Commonwealth Student Care Centre (CSCC) due to decline in enrolment with planned redevelopment of the Tanglin Halt area. He then shared	

	about the challenges facing Sonshine Childcare Centre (SCC) in breaking even and expressed appreciation to St James' Church Kindergarten and Pastor Richard Chung for their assistance.	
2.2	Bishop Kuan further highlighted two matters for consideration. Firstly, he proposed a tie-up between Pasir Ris Family Service Centre (PRFSC) and Singapore Anglican Community Services (SACS) to derive synergies and better serve the community. Secondly, he concluded that it is better for a non-clergy member to provide presidency leadership for GNCS.	
2.3	Bishop Kuan ended his address by thanking all members and staff of GNCS for their service unto the Lord in the past year.	
2.4	Regarding tie-up between PRFSC and SACS, Bishop Kuan clarified that SACS is a structure which operates many social service programmes. The proposed tie-up is for PRFSC to be parked under SACS, more akin to a marriage. Peter Chang shared about previous joint venture with SACS to bid for family service centre in Potong Pasir but the lack of clear scope and loose financial structure prevented them from submitting a compelling bid. Jacqueline opined that there are certainly merits for a tie-up but GNCS needs to consider the implications on funding for PRFSC. Timothy Ng opined that a marriage should be a last resort if there is better synergy in the arrangement. He proposed hiring a CEO to run the organisation with KPIs within current existing structure as GNCS is the tangible arm to express Christ love to the community. Bishop Kuan clarified that his proposal is arising from the perspective of benefiting the clients than on the identity. With SACS' broad spectrum of programmes PRFSC's clients will be better served. On the funding for PRFSC, Peter Chang clarified that MSF's funding will most likely remain status quo provided MSF approves the new arrangement. He added that SACS is very much interested in running a Family Service Centre as this is a missing piece in their wide array of social services. He shared that there are two possible sites for senior activity centre for tender in Pasir Ris and PRFSC's bid will be more compelling with SACS onboard. Bishop Kuan requested for members to consider this proposal after the AGM in view of enabling PRFSC to better serve the community.	All to note
3.	Confirmation of Minutes of the 17th AGM held on 19th Apr 2016 and EGM held on the 29th April 2016	
3.1	17th AGM held on 19th Apr 2016	
3.1.1	Paragraph 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.]	

3.1.2	Timothy opined that AC's role is to review external and internal auditors' work, hence implicitly AC should be consulted when endorsing auditors.	
3.1.3	The meeting approved edit to 17 th AGM minutes, Paragraph 3.5.3 as follows: Timothy highlighted that the recommendation to reappoint external auditor should be made in consultation with the Audit Committee (AC).	
3.1.4	There being no further query or amendment to the minutes, the minutes were approved by all present. Proposer: Mr Lee Kong Wee Seconder: Mr Peter Hui Kwok Thong	
3.2	EGM held on the 29th April 2016	
3.2.1	On reappointment of auditor, Tian Huat shared that audit partner can supervise and sign off audit for five consecutive years. With Rachel Quek representing Subracco LLP to audit and sign in 2013 followed by Ann since 2014, GNCS can engage Subracco till 2018. Meeting agreed to source for new auditor in 2019 to audit 2019 accounts in 2020.	
3.2.2	There being no further query or amendment to the minutes, the minutes were approved by all present. Proposer: Mr Timothy Ng Heo Yong Seconder: Mr Tay Khoon Eng	
4.	Matters Arising	
4.1	Cessation of CSCC Operations	
4.2.1	Regarding staff compensation, the meeting was apprised that CSCC staff compensation is approved by MC at 2weeks per year of service. Compensation will be charged to GNCS in accordance to year of service in either SCC or CSCC hence funds will be drawn accordingly from respective centre. Tian Huat clarified that GNCS does not currently have a policy on severance compensation as GNCS does not have a precedence. The 2 weeks per year compensation is derived based on MOM guidelines, market information and existing reserves. Siew Lin highlighted that compensation needs to be higher for staff above retirement age to allow for staff to look for new job. HR Committee will draft a severance policy based on 2 weeks per year of service for MC's approval.	HR Committee
4.2.2	Regarding stakeholder engagement, Timothy shared that volunteers at CSCC were very disappointed at news of impending closure as they worked very hard and have formed bonds with the students. Timothy proposed for GNCS to develop a communication policy to engage stakeholders, including clients, students, parents and staff.	Development Manager

5.	To receive and adopt the audited financial statements for the year ended 31st December 2016	
5.1	Khoon Eng highlighted GNCS consolidated operating surplus of \$332K based on PRFSC's surplus of \$451K, SCC's deficit of \$95K and CSCC's deficit of \$22K. PRFSC's restricted funds stands at \$4,179K and unrestricted funds at \$1,118K. SCC's unrestricted funds stands at \$472K.	
5.2	The meeting raised concerns that there was insufficient time given between circulation of final accounts on 18 th April 2017 and AGM date. Though draft accounts were circulated on 3 rd April 2017 and auditor only reclassified expense items between draft and final audited accounts, meeting participants opined that it is prudent for members to be given time to review the final accounts. Members present voted in favour of EGM instead of waiver of 2weeks notice period and circulation of documents.	
5.3	The meeting agreed to serve notice on 19 th April for EGM on 30 th April at 12noon (after COR SWS Service) with the following agenda items: <ol style="list-style-type: none"> 1. To receive and adopt the audited financial statements for the year ended 31st December 2016 2. Appointment of SCC Cyclical Maintenance Contractor 	All to note
5.4	Management Letter	
5.4.1	Regarding observation that EXCO approvals were not ratified at MC meeting through minutes of meeting, Timothy opined that operational matters approved by EXCO need not be raised to MC. Timothy and Khoon Eng will deliberate further with Subraco on this matter.	Treasurer and AC Chairman
5.4.2	Regarding observation that payrolls are not checked and signed off before disbursement, Finance Officer Karen is currently making checks but did not sign. (Post Meeting Notes: Tian Huat will be making checks and sign off in his capacity as HR Committee Chairman.)	
5.4.3	Regarding incorrect presentation of income and expenditure for designated and restricted funds, as current APAC system does not contain the necessary functions, Finance Officer Karen had to manually tabulate in a spreadsheet. Karen will work with Subraco to correct the spreadsheet in June 2017.	Finance Officer
5.4.4	Regarding missing documents for SCC's child records, Sangeeta feedback that the missing documents have been rectified.	
5.4.5	Regarding non-attendance of SCC students and wrongful claims of subsidy from ECDA, Sangeeta feedback that the case has been reported to ECDA and subsidy will be retrieved from parents. Khoon Eng, Karen	Treasurer, Finance Officer,

5.4.6	and James will study and enhance the subsidy claim process in SCC. Khoon Eng will draft reply to Management Letter with Karen and James.	Development Manager
6.	To appoint Subraco LLP as auditor and to authorize Executive Committee to approve the audit fees for the year ended 31st December 2017	
6.1	The meeting approved the appointment of Subraco LLP as auditor for FY2017 and authorized Executive Committee to approve the audit fees for the year ended 31 st December 2017. Proposer: Mr Tay Khoon Eng Seconder: Mr Timothy Ng Heo Yong	
7.	Reports from the Centres - Pasir Ris Family Service Centre	
7.1	Peter updated that PRFSC has completed transition from paper based records to national Social Service Net (SSNet) cloud based database under Code of Social Work Practice (CSWP) framework. The administrative load has increased and staff are still facing teething issues with SSNet.	
7.2	In conjunction with SSNet and CSWP workload, with residents being more aware that they can approach Social Service Office (SSO) directly for financial assistance without other social issues, caseloads in PRFSC has fallen. MSF has provided assurance of basic tier funding for 200 caseloads. Peter updated that MC has decided to discontinue application for Tote Board funding effective FY2017, so PRFSC's funding sources will be MSF and ComChest.	
7.3	PRFSC 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.	
7.4	PRFSC's "Five Loaves and Two Fish" project, which helped PRFSC purchase canned food, infant milk formula and child/adult diapers to provide relief, remains active with regular donations from COR members and public donors. Peter clarified that there are no restriction on number of beneficiaries and social workers with supervisors are empowered to assess needs and provide relief. If funds run out for this project PRFSC will make a call for donation. Current fund stands at 10mths of expenses.	
7.5	PRFSC is exploring collaboration with SATA to provide doorstep medical care for chronic illnesses for residents of rental and 2 room flats based on needs assessment conducted.	
8.	Reports from the Centres – Sonshine Childcare Centre	
8.1	Sangeeta updated that SCC has started weekly English and Chinese devotions for staff. This has helped Christians and non-Christians to come	

	together to read God's Word and bond together through sharing.	
8.2	SCC conducted a combined graduation ceremony and sports day to engage parents and their children.	
8.3	SCC engaged parents through Let's Makan Day as part of Singapore Kindness movement whereby parents played local games and enjoyed local food during the National Day period.	
8.4	SCC is working with St James' Church Kindergarten to improve operations. SCC has much room 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.	
9.	Reports from the Centres – Commonwealth Student Care Centre	
9.1	The meeting was referred to CSCC financial statements page 14 paragraph 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 Management Committee meeting on 28 th January 2015 and decided not to take up the alternative site. It was decided at the Management Committee meeting on 22 nd March 2017, to end the lease of the Centre with HDB and to cease to operate with effect from 30 th June 2017, as it is not viable to operate the Centre with the decreased student enrolment.	
9.2	GNCS is drafting letter of appreciation addressed to COR volunteers who have served in CSCC.	
9.3	Fay Lim shared that she had helped at CSCC when they started in 2000. Through continued relationships with the students, some are attending SPS and some have participated in the recent Family Day during Easter Sunday. She thanked God for the fruits and look forward to future plans to outreach to children in the neighbourhood.	
10.	SCC Cyclical Maintenance	
10.1	AGM approved the project budget not exceeding \$157,204 and for EXCO to apply for government funding.	
10.2	Peter Hui and Jacqueline will assist to evaluate and select contractor. If more budget is required the team will raise the matter during EGM in view of meeting ECDA's funding application dateline of 11 th May 2017.	Peter Hui, Jacqueline and James
11.	Election of Management Committee	
11.1	Tian Huat updated that Khoo Eng, Soon Kai, Scott and Vincent are not standing for re-election as MC member.	

11.2	The following members have availed themselves for the role of Management Committee: 1) Bishop Kuan Kim Seng 2) Mr Gan Tian Huat 3) Mr Peter Hui Kwok Thong 4) Ms Jacqueline Tan Yi Ping 5) Mr Dui Sian Ling 6) Mr Lee Kong Wee 7) Ms Lim Siew Lin	
12.	Any Other Business	
12.1	There was no item raised under this section.	
13.	Closing Prayer	
13.1	As there was no further issues to be discussed, Peter Chang 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: 30th April 2017
Time: 12.00pm – 12.30pm
Venue: Chapel of the Resurrection, #02-15
Chaired by: Bishop Kuan Kim Seng, President

Present		
1.	Bishop Kuan Kim Seng	Ordinary Member
2.	Mr Gan Tian Huat	HR Committee Chairman
3.	Mr Dui Sian Ling	Ordinary Member
4.	Ms Jacqueline Tan Yi Ping	Ordinary Member
5.	Mr Peter Hui Kwok Thong	Ordinary Member
6.	Mr Scott Lee Hon Mun	Ordinary Member
7.	Mr Simon Soh Soon Heng	Ordinary Member
8.	Mr Christopher Krishnasamy	Ordinary Member
9.	Mr Timothy Ng Heo Yong	Ordinary Member and Audit Committee Chairman
10.	Ms Lim Siew Lin	Ordinary Member
Absent with Apologies		
1.	Dr Leong Soon Kai	Ordinary Member
2.	Mr Tay Khoon Eng	Ordinary Member
3.	Mr Vincent Wang Zexiong	Ordinary Member
4.	Mr Chelladurai Subasanran	Ordinary Member
5.	Mr Peter Chang Kay Hoi	Ordinary Member and PRFSC Executive Director
6.	Ms Lim Huey Shan Cherly Fay	Ordinary Member
7.	Ms Carol Lee Seok Hwa	Ordinary Member
8.	Mr Lee Kong Wee	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	Tim updated the meeting that Audit Committee (AC) has met with Internal Auditors (Shared Services for Charities) with Khoon Eng and Tian Huat along with James. Internal Auditors feedback that they have no concerns with the management and management had been fully cooperative.	
2.2	AC also invited External Auditors (Subraco) but they were not able to attend the meeting. External auditors do not have any concerns with the	

	management. Subraco are not seeking reappointment but did not provide a reason. AC will provide assistance in sourcing of new External Auditors. AC has reviewed and are satisfied with the statement of accounts and recommended for AGM to receive the accounts.																																								
2.3	There being no other questions, the audited financial statements for the year ended 31 st December 2016 was received and adopted Proposed: Timothy Ng Heo Yong Seconded: Simon Soh Soon Heng																																								
2.4	All present approved the audited accounts.																																								
3.	Election of Management Committee and Appointment of Office Bearers																																								
3.1	<p>The following members were nominated and seconded for the respective positions (refer to List of Nominees for Management Committee for details):</p> <table border="1"> <thead> <tr> <th>SN</th><th>Office/Position</th><th>Name</th></tr> </thead> <tbody> <tr> <td>1</td><td>President</td><td>Bishop Kuan Kim Seng</td></tr> <tr> <td>2</td><td>Vice President</td><td>Mr Peter Hui Kwok Thong</td></tr> <tr> <td>3</td><td>Honorary Treasurer</td><td>Mr Gan Tian Huat</td></tr> <tr> <td>4</td><td>Honorary Secretary</td><td>Ms Jacqueline Tan Yi Ping</td></tr> <tr> <td>5</td><td>MC Member</td><td>Mr Simon Soh Soon Heng</td></tr> <tr> <td>6</td><td>MC Member</td><td>Mr Dui Sian Ling</td></tr> <tr> <td>7</td><td>MC Member</td><td>Mr Timothy Ng Heo Yong</td></tr> <tr> <td>8</td><td>MC Member</td><td>Ms Lim Siew Lin</td></tr> <tr> <td>9</td><td>MC Member</td><td>Mr Lee Kong Wee</td></tr> <tr> <td>10</td><td>MC Member</td><td></td></tr> <tr> <td>11</td><td>Chairman of Audit Committee</td><td>Mr Timothy Ng Heo Yong</td></tr> <tr> <td>12</td><td>Chairman of HR Committee</td><td>Mr Dui Sian Ling</td></tr> </tbody> </table>	SN	Office/Position	Name	1	President	Bishop Kuan Kim Seng	2	Vice President	Mr Peter Hui Kwok Thong	3	Honorary Treasurer	Mr Gan Tian Huat	4	Honorary Secretary	Ms Jacqueline Tan Yi Ping	5	MC Member	Mr Simon Soh Soon Heng	6	MC Member	Mr Dui Sian Ling	7	MC Member	Mr Timothy Ng Heo Yong	8	MC Member	Ms Lim Siew Lin	9	MC Member	Mr Lee Kong Wee	10	MC Member		11	Chairman of Audit Committee	Mr Timothy Ng Heo Yong	12	Chairman of HR Committee	Mr Dui Sian Ling	
SN	Office/Position	Name																																							
1	President	Bishop Kuan Kim Seng																																							
2	Vice President	Mr Peter Hui Kwok Thong																																							
3	Honorary Treasurer	Mr Gan Tian Huat																																							
4	Honorary Secretary	Ms Jacqueline Tan Yi Ping																																							
5	MC Member	Mr Simon Soh Soon Heng																																							
6	MC Member	Mr Dui Sian Ling																																							
7	MC Member	Mr Timothy Ng Heo Yong																																							
8	MC Member	Ms Lim Siew Lin																																							
9	MC Member	Mr Lee Kong Wee																																							
10	MC Member																																								
11	Chairman of Audit Committee	Mr Timothy Ng Heo Yong																																							
12	Chairman of HR Committee	Mr Dui Sian Ling																																							
4.	Any Other Matters																																								
4.1	<p>SCC Cyclical Maintenance – Evaluation of Contractors</p> <p>Jacqueline updated the meeting that the evaluation team of Peter Hui, Simon and herself has met two contractors over the week. There was a quotation error from LNJ Builders, hence instead of being the lowest quotation they have quoted the highest price. The team has also met with Vin@ct. The team will meet with final contractor Max Interior. If the costs is above AGM approved budget, the team will call for an EGM.</p>																																								
5.	Closing Prayer																																								
11.1	As there was no further issues to be discussed, Peter Hui closed the meeting with a word of prayer.																																								

Prepared by: James Zhou, Development Manager

Reviewed by: Jacqueline Tan, Honorary Secretary

Approved by:

Bishop Kuan Kim Seng, President

GOOD NEWS COMMUNITY SERVICES EXTRAORDINARY GENERAL MEETING

MINUTES OF MEETING

Date: 29th October 2017
Time: 9.15am – 10.00am
Venue: Diocesan Centre Building, #02-04
Chaired by: Bishop Kuan Kim Seng, President

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

S/N	Item	Action
1.	Welcome, Scripture Sharing and Opening Prayer	
1.1	President welcomed everyone and shared from Psalm 110. This Psalm pointed to Jesus as the Messiah who will execute judgement amongst the nations and bring about righteousness.	
1.2	Members prayed for wisdom to make decisions regarding Sonshine Childcare Centre and thanked God for the fruits from Sonshine Childcare Centre.	
2.	Appointment of New External Auditor	
2.1	Audit Committee Chairman Timothy Ng shared that incumbent external auditor Subraco LLP would not continue their work for FY2017 and GNCS has sourced for quotations. Out of three requests for quotations sent, only E H Luar and Co has replied with a quotation of \$28,600 which was within	

	expectations. Timothy proposed to appoint E H Luar and Co to be appointed as GNCS external auditors for FY2017.	
2.2	Gan Tian Huat has met E H Luar and Co with Timothy and expressed his confidence that E H Luar and Co would be able to provide good services as evidenced with their structured and thorough approach to money laundering screening.	
2.3	The meeting noted that associated one-time cost and money laundering search expenses represents a 100% variance over FY2016 instead of “-” as represented in the document circulated.	
2.4	On ownership structure of the company, Timothy clarified that E H Luar and Co is a sole proprietorship which would require new partners to audit beyond 4 years of GNCS accounts in accordance with Charity Council’s requirements.	
2.5	On obtaining three valid quotations for comparison, Timothy clarified that besides the three firms that GNCS wrote in to request for quotations, the Audit Committee has also called a few others to quote. These include SK Lai & Co and C. C. Yang & Co., but they were not keen to respond to the request for quotation.	
2.6	Timothy Ng proposed to appoint E H Luar & Co as GNCS external auditors for FY2017 at a cost of \$28,600. Gan Tian Huat seconded the proposal. All present approved the proposal.	
3.	Approval for Revised Sonshine Childcare Centre (SCC) Renovation Budget	
3.1	Peter Hui shared that quotations were requested and MC had approved the vendor and refinements were made to the scope. He proposed for approval of revised budget of \$208,500 for renovation of SCC to increase enrolment.	
3.2	Gan Tian Huat shared that based on conservative calculations with current enrolment, if GNCS proceed with proposed renovation budget, SCC would face insolvency by August 2018.	
3.3	Peter shared that based on NCSS guidelines for Boards of Charities, the Board was responsible to raise funds if there was a lack of funds.	
3.4	Bishop Kuan called for a vote to the proposal and members voted with following results. Five members voted for with 4 abstained and none voted against. So the budget for the revised Sonshine Childcare Centre (SCC) renovation had been approved.	
3.5	Bishop Kuan asked the Taskforce to proceed with the renovation plans.	

4.	Any Other Matters	
	Nil.	
5.	Closing Prayer	
5.1	As there were no further issues to be discussed, Christopher closed the meeting with a word of prayer.	

Prepared by: James Zhou, Development Manager

Approved by:

Bishop Kuan Kim Seng, President

GOOD NEWS COMMUNITY SERVICES
Annual Report for Year Ended 31 December 2017

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 Extraordinary General Meeting held on 30 April 2017 for a term of 2 years		
	SN	Name	Designation
	1.	Bishop Kuan Kim Seng	President
	2.	Mr Peter Hui Kwok Thong	Vice President
	3.	Mr Gan Tian Huat	Honorary Treasurer
	4.	Ms Jacqueline Tan Yi Ping	Honorary Secretary
	5.	Mr Simon Soh Soon Heng	Committee Member
	6.	Mr Dui Sian Ling	Committee Member
	7.	Mr Timothy Ng Heo Yong	Committee Member
	8.	Ms Lim Siew Lin	Committee Member
	9.	Mr Lee Kong Wee	Committee Member
Bankers	DBS Bank Ltd United Overseas Bank Limited Hong Leong Finance Limited RHB Bank Berhad		
Auditor	E H Luar & Co		

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 2017 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 2017

Refer to reports of each of the following centres:

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

To receive and adopt the audited Financial Statements for the year ended 31st December, 2017.

Good News Community Services – combined financial results for the year ended 31st December 2017: (Page 5)

Items	YTD 2017	YTD 2016	% change 2017 vs 2016
Total Income	\$2,334,046	\$2,791,018	(16.4%)
Total Expenditure	\$2,335,096	\$2,458,782	(5.0%)
Surplus (Deficit) for the year	(\$1,050)	\$332,236	(333,286)

INCOME

For the year ended 31st December 2017, Total Income decreased by 16.4% or \$456,972 mainly contributed by the following:

\$271,203	Reduction in funding from TBSFF. MC decided not to seek funding from TBSFF from April 2017.
\$81,472	Closure of CSCC
\$69,877	Reduction in Special Employment Credits and Wage Credit Scheme
\$34,420	Various Items (7.5% of total reduction)
\$456,972	

EXPENDITURE

For the year ended 31st December, 2017, Total Expenditure decreased by 5.0% or \$123,686 mainly contributed by the following:

Items	YTD 2017	YTD 2016	% change 2017 vs 2016
Manpower Expenditure Unrestricted	\$835,462	\$752,844	11.0%
Manpower Expenditure Restricted	\$1,135,043	\$1,175,582	(3.4%)
Total Manpower Cost	\$1,970,505	\$1,928,426	2.2%
Other Expenditure Unrestricted	\$203,769	\$220,135	(7.4%)
Other Expenditure Restricted	\$160,823	\$310,222	(48.2%)
Total Other Expenditure	\$364,592	\$530,357	(31.3%)
Total Expenditure Unrestricted	\$1,039,231	\$972,979	6.8%
Total Expenditure Restricted	\$1,295,866	\$1,485,804	(12.8%)
Total Expenditure	\$2,335,097	\$2,458,783	(5.0%)

Total Manpower Expenditure for YTD2017 included reclassification of GNCS HQ costs. In 2016 GNCS HQ Manpower Expenditure \$154,950 was captured under Governance Cost –

Administrative Support Cost. The restated Manpower Expenditure for 2016 will be \$2,083,376. Compared to this restated amount Manpower Expenditure for YTD2017 reduced by 5.4% or \$112,871 mainly contributed by the following:

- a) Lower ex-gratia bonus in PRFSC
- b) Delay in filling vacancies in PRFSC because of the tight labour supply market in the social worker industry.
- c) Reduction in manpower expenditure in CSCC which was closed on June 30, 2017

Offset by 2017 salary program.

Centres	YTD 2017	YTD 2016	Restated YTD 2016	% change 2017 vs Restated YTD 2016
PRFSC	\$1,135,043	\$1,175,582	\$1,175,582	(3.4%)
SCC	\$630,722	\$655,400	\$655,400	(3.8%)
CSCC	\$53,229	\$97,444	\$97,444	(45.4%)
GNCS (HQ)	\$151,511	-	\$154,950	(2.2%)
Total GNCS	\$1,970,505	\$1,928,426	\$2,083,376	(5.4%)

Total Other Expenditure for YTD2017 reduced by 31.3%, or \$165,765 mainly from the reclassification of Governance Cost – Administrative Support Cost to Manpower Expenditure for YTD2017.

NET (EXPENDITURE) INCOME

Items	GNCS	PRFSC	SCC	CSCC	YTD 2017	YTD 2016
Income from generated funds	\$219,688	\$59,673	\$640,480	\$25,166	\$729,612	\$821,703
Income from charitable activities		\$1,484,049			\$1,487,869	\$1,803,031
Other Income	\$29,683	\$41,245	\$45,469	\$4,389	\$116,565	\$166,285
Total INCOME	\$249,371	\$1,584,967	\$685,949	\$29,555	\$2,334,046	\$2,791,018
Manpower Costs	\$151,512	\$1,135,043	\$630,721	\$53,228	\$1,970,505	\$1,928,426
Other Cost of Generating Funds	\$17,890	\$79,604	\$120,252	\$9,757	\$148,090	\$141,982
Other Cost of Charitable Activities		\$74,580			\$154,183	\$175,909
Governance Costs	\$40,031	\$159,236	\$78,285	\$4,381	\$62,319	\$212,466
Other Expenditure						
Total EXPENDITURE	\$209,433	\$1,448,463	\$829,258	\$67,366	\$2,335,097	\$2,458,783
Net (Expenditure) Income for the year	\$39,938	\$136,504	(\$143,309)	(\$37,811)		
Allocate GNCS Expenditure to Centres						

Eliminate Income/Admin Support Cost	(\$219,616)	\$147,486	\$69,174	\$2,956		
Adjusted Net (Expenditure) Income	\$39,938	\$283,990	(\$74,135)	(\$34,855)		
Fund Transfer	(\$50,000)		\$50,000			

Details of Fund Movements: (Page 21)

	Unrestricted Fund			Restricted Fund	Total Funds
Combined GNCS	General Fund	Designated Fund	Total Unrestricted Fund		
2017 Brought Forward	\$1,484,356	\$384,329	\$1,868,629	\$4,179,432	\$6,048,118
Net (Expenditure) Income for the year 2017	(\$252,164)	\$14,273	(\$237,891)	\$236,841	(\$1,050)
Gross Transfer between Funds	(\$48,166)	\$48,166		-	-
Total Funds Carried Forward	\$1,331,511	\$443,140	\$1,774,651	\$4,272,417	\$6,047,068
By Operating Centres					
GNCS	\$142,487	\$14,430	\$156,917	\$3,629	\$160,546
PRFSC	\$975,457	\$254,680	\$1,230,137	\$4,268,788	\$5,498,925
SCC	\$213,567	\$174,030	\$387,597	-	\$387,597
Total	\$1,331,511	\$443,140	\$1,774,651	\$4,272,417	\$6,047,068

Management Committee's Statement and Audited Financial Statements

GOOD NEWS COMMUNITY SERVICES

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

UEN No. S99SS0015F

(Registered under the Societies Act, Chapter 311)

31 December 2017

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

General Information

Members of Management Committee

Bishop Kuan Kim Seng	-	President
Hui Kwok Thong Peter	-	Vice-President
Gan Tian Huat	-	Honorary Treasurer
Tan Yi-Ping Jacqueline	-	Honorary Secretary
Dui Sian Ling	-	Committee member
Simon Soh Soon Heng	-	Committee member
Ng Heo Yong Timothy	-	Committee member
Lee Kong Wee	-	Committee member
Lim Siew Lin	-	Committee member

Registered office

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

UEN No.

S99SS0015F

Auditor

E H Luar & Co

Bankers

DBS Bank Ltd
United Overseas Bank Limited
Hong Leong Finance Limited
RHB Bank Berhad

Index**Page**

Management Committee's Statement	1
Independent Auditor's Report	2-4
Statement of Financial Activities	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-33

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Management Committee's Statement

1. Opinion of the Management Committee

In the opinion of the Management Committee,

- (a) the accompanying financial statements of Good News Community Services (incorporating the results of Commonwealth Student Care Centre, Sonshine Childcare Centre and Pasir Ris Family Service Centre) (the "Society"), set out on pages 5 to 33, are drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard (the "CAS") in Singapore, so as to present fairly, in all material respects, the financial position of the Society as at 31 December 2017 and its results of financial activities and cash flows of the Society for the year ended on that date;
- (b) the Society has maintained a satisfactory system of controls as it determines is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error;
- (c) proper accounts and other records, including records of all assets and liabilities of the Society, have been kept in accordance with the requirements of Regulation 4 of the Societies Regulations (Rg 1); and
- (d) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

2. The Management Committee Members


Bishop Kuan Kim Seng	-	President
Hui Kwok Thong Peter	-	Vice-President
Gan Tian Huat	-	Honorary Treasurer
Tan Yi-Ping Jacqueline	-	Honorary Secretary
Dui Sian Ling	-	Committee member
Simon Soh Soon Heng	-	Committee member
Ng Heo Yong Timothy	-	Committee member
Lee Kong Wee	-	Committee member
Lim Siew Lin	-	Committee member

3. Auditor

E H Luar & Co has expressed its willingness to accept appointment as auditor.

On behalf of the Management Committee


Bishop Kuan Kim Seng
President


Gan Tian Huat
Honorary Treasurer

Singapore, 28 March 2018

GOOD NEWS COMMUNITY SERVICES
(Registered under the Societies Act, Chapter 311)**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)
For the Financial Year Ended 31 December 2017**Report on the Audit of the Financial Statements***Opinion*

We have audited the accompanying financial statements of Good News Community Services (Incorporating the results of Commonwealth Student Care Centre, Sonshine Childcare Centre and Pasir Ris Family Service Centre), (the "Society") as set out on pages 5 to 33, which comprise the statement of financial position as at 31 December 2017, and 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 Standard (the "CAS") in Singapore so as to present fairly, in all material respects, the financial position of the Society as at 31 December 2017 and the results of financial activities and cash flows of the Society for the year ended on that date.

Other Matter

The financial statements of the Society for the financial year ended 31 December 2016 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 27 March 2017.

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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Management Committee is responsible for the other information. The other information comprises the General Information and the Management Committee's Statement as set out on page 1.

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.

GOOD NEWS COMMUNITY SERVICES

(Registered under the Societies Act, Chapter 311)

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)

For the Financial Year Ended 31 December 2017 (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

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 the CAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management 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 is responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management committee.

GOOD NEWS COMMUNITY SERVICES

(Registered under the Societies Act, Chapter 311)

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)

For the Financial Year Ended 31 December 2017 (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

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

- (d) Conclude on the appropriateness of 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.
- (e) 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.

Report on Other Legal and Regulatory Requirements

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

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

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



E H LUAR & CO
Public Accountants and
Chartered Accountants

Singapore
28 March 2018

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Statement of Financial Activities**For the Financial Year Ended 31 December 2017**

	Note	Unrestricted Funds \$	Restricted funds \$	2017 Total \$	2016 Total \$
Income					
Income from generated funds					
Voluntary income		18,400	—	18,400	16,650
Activities for generating funds		665,220	—	665,220	755,363
Investment income		4,718	41,273	45,991	49,688
Income from charitable activities		3,820	1,484,049	1,487,869	1,803,031
Other income		109,180	7,386	116,566	166,286
Total income		801,338	1,532,708	2,334,046	2,791,018
Less: Expenditures					
Costs of generating funds		983,551	—	983,551	894,825
Charitable activities		5,111	1,284,117	1,289,228	1,351,491
Governance costs		50,567	11,750	62,317	212,466
Total expenditures		1,039,229	1,295,867	2,335,096	2,458,782
Net income/(expenditure) before tax expense	4	(237,891)	236,841	(1,050)	332,236
Tax expense	13	—	—	—	—
Net income/(expenditure) before transfers		(237,891)	236,841	(1,050)	332,236
Gross transfers between funds		—	—	—	—
Net income/(expenditure) before holding gains and losses		(237,891)	236,841	(1,050)	332,236
Other recognised gains or losses		—	—	—	—
Net movement in funds		(237,891)	236,841	(1,050)	332,236
Reconciliation of funds:					
Total funds brought forward		1,868,686	4,179,432	6,048,118	5,715,882
Total funds carried forward		1,630,795	4,416,273	6,047,068	6,048,118

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Statement of Financial Position

As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	5,995,527	6,114,410
Other receivables	6	51,343	133,877
Other current assets	7	110,957	8,609
		<u>6,157,827</u>	<u>6,256,896</u>
Non-current assets			
Property, plant and equipment	8	<u>112,227</u>	<u>32,274</u>
Total assets		<u>6,270,054</u>	<u>6,289,170</u>
LIABILITIES			
Current liabilities			
Other payables	9	188,736	200,512
Refundable deposits		<u>34,250</u>	<u>40,540</u>
Total liabilities		<u>222,986</u>	<u>241,052</u>
Net assets		<u>6,047,068</u>	<u>6,048,118</u>
FUNDS			
Unrestricted funds			
General fund	10(a)	1,184,025	1,484,355
Designated funds	10(b)	<u>446,770</u>	<u>384,331</u>
		1,630,795	1,868,686
Restricted funds	11	<u>4,416,273</u>	<u>4,179,432</u>
Total Funds		<u>6,047,068</u>	<u>6,048,118</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Statement of Cash Flows

For the Financial Year Ended 31 December 2017

	2017	2016
	\$	\$
Cash flows from operating activities		
Net (expenditure)/income before tax expense	(1,050)	332,236
Adjustments for:		
Depreciation	24,317	14,090
Interest income	<u>(45,991)</u>	<u>(49,688)</u>
Operating cash flows before changes in working capital	(22,724)	296,638
Changes in working capital:		
Decrease/(Increase) in other receivables	76,277	(74,505)
(Increase)/Decrease in other current assets	(102,348)	2,612
(Decrease)/Increase in other payables	(11,776)	40,127
Decrease in refundable deposits	<u>(6,290)</u>	<u>(2,240)</u>
Net cash (used in)/generated from operations	(66,861)	262,632
Interest received	<u>52,248</u>	<u>49,688</u>
Net cash flows (used in)/from operating activities	<u>(14,613)</u>	<u>312,320</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	<u>(104,270)</u>	<u>(3,803)</u>
Net cash used in investing activities	<u>(104,270)</u>	<u>(3,803)</u>
Cash flows from financing activities		
Net cash from/(used in) financing activities	<u>—</u>	<u>—</u>
Net (decrease)/increase in cash and cash equivalents	(118,883)	308,517
Cash and cash equivalents at beginning of the financial year	<u>6,114,410</u>	<u>5,805,893</u>
Cash and cash equivalents at the end of the financial year (Note 5)	<u>5,995,527</u>	<u>6,114,410</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2017

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

1. Domicile and Activities

Good News Community Services (the "Society") is registered under the Singapore Societies Act, Chapter 311 with UEN No. S99SS0015F and is domiciled in Singapore. The Society is an approved charity under the under the Charities Act, Chapter 37 since 29 September 2000 with Charity Registration No. 1461 and is an approved Institution of a Public Character ("IPC") for the period from 24 October 2017 to 23 July 2019.

The registered address of the Society is located at 1 Francis Thomas Drive #02-17 Diocesan Centre Building 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, youth and families. There have been no significant changes in the nature of these activities during the financial year.

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. Summary of Significant Accounting Policies

2.1 Basis of preparation

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

The preparation of the Society's financial statements requires Management Committee to make judgements, estimates and assumptions that affect the reported amounts of the income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management Committee is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

2.2 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 dollars ("SGD" or "\$") and all values are rounded to the nearest dollar ("\$\$") unless otherwise indicated.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.3 *Property, plant and equipment and depreciation*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation.

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

When significant parts of property, plant and equipment are required to be replaced in intervals, the costs of replacing such an item when the cost is incurred is added to the carrying amount of the item if the recognition criteria are met. The costs of day-to-day servicing of an item of property, plant and equipment is recognised as expenditure in the Statement of Financial Activities in the period in which the costs are incurred. Property, plant and equipment shall not be revalued and are not required to be assessed for impairment.

Depreciation is calculated using the straight-line basis to allocate its depreciable amounts over its estimated useful lives at the following annual rates:

Computers and software	-	20% to 100%
Furniture and fittings	-	20%
Office equipment	-	20%
Renovation	-	20%

The depreciation charge for each period is recognised as expenditure in the statement of financial activities unless another section of the CAS requires it to be included in the carrying amount of another asset. The residual values, estimated useful lives and depreciation method of property and equipment are reviewed and adjusted, as appropriate, at each reporting period. The effects of any revisions are recognised in the statement of financial activities for the financial year in which the changes arise. The carrying amount of the property, plant and equipment at the date of revision or changes is depreciated over the revised remaining useful lives.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in statement of financial activities in the year the asset is derecognised.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.4 Financial assets

The Society classifies the following financial assets 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 on the statement of financial position when, and only when, the Society becomes a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at the transaction price excluding transaction costs, if any, which shall be recognised as expenditure immediately in the statement of financial activities. Subsequent to initial measurement, financial assets, including other receivables and deposits excluding prepayments, are measured at cost less any accumulated impairment losses. Prepayments are subsequently measured at the amount paid less the economic resources received or consumed during the financial year.

Financial assets (consisting of cash and cash equivalents, and other receivables and deposits excluding prepayments), are derecognised when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership. On de-recognition of financial assets in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of financial activities.

2.5 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.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank and fixed deposits which are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.7 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.

Financial liabilities shall be recognised at their transaction price, excluding transaction costs, if any, both at the initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.8 Fund Accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include restricted funds and unrestricted funds.

(a) Unrestricted funds

Unrestricted funds are expendable at the discretion of the Society's Management Committee in furtherance of the Society's objects.

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.

(b) Restricted funds

Restricted funds are funds held by the Society that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors or with their authority or created through legal process but are 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.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.8 Fund Accounting (Cont'd)

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

2.9 Income recognition

Income is recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the Society's net assets.

The following factors must also be met before income is recognised:

(a) Entitlement

The Society has control over the rights or other access to the resource, enabling the Society to determine its future application;

(b) Certainty

It is probable that the income will be received; and

(c) Measurement

The amount of the income can be measured by the Society with sufficient reliability.

The following specific recognition criteria must also be met before income is recognised:

(a) 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.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements 31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.9 *Income recognition (Cont'd)*

(b) Income from charitable activities

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.

(c) Other income

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.

2.10 *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.

(a) Cost of generating funds

Costs of generating funds are those costs attributable to generating income for the Society other than those costs incurred in undertaking charitable activities in furtherance of the Society's objects.

(b) Cost of charitable activities

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

(c) 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.

(d) Administrative support costs

Support costs are costs incurred in supporting income generation activities such as fund raising 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, payroll administration, budgeting and accounting, information technology, human resources and financing and these are apportioned to the relevant activity cost category they support.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.10 Expenditures (Cont'd)

(e) Other expenditure

Other expenditure includes the payment of any expenditure that the Society has not been able to analyse within the main expenditure categories.

2.11 Operating leases

Leases are classified as operating leases when the lessor effectively retains substantially all the risks and benefits of ownership of the leased item. Operating lease payments are recognised as an expense in the statement of financial activities on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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.

2.12 Employee benefits - defined contribution plans

The Society participates in the national pension schemes as defined by the laws of Singapore. The Society makes contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme. Such contributions to defined contribution pension scheme are recognised as compensation expense in the period in which the related service is performed.

2.13 Provisions

Provisions are recognised only when a present obligation (legal or constructive) exists as a result of a past event, it is probable that a transfer of economic benefits in settlement will be required, and the amount of the obligation can be estimated reliably. The amount of provision recognised is the best estimate of the expenditure required to settle the obligation at the reporting date. The best estimate of the expenditure required to settle the obligation is the amount that would rationally be paid to settle the obligation at the reporting date or to transfer it to a third party.

3. Critical Accounting Estimates, Assumptions and Judgments

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)
(Registered under the Societies Act, Chapter 311)

4. Detailed Statement of Financial Activities

- 15 -

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements **31 December 2017**

4. Detailed Statement of Financial Activities (Cont'd)

	Unrestricted funds			Restricted funds					Total funds					
	General fund	Designated funds	Total	FSC Operation		Care and Share		FSC Comcare		NEER fund	SPMF fund	Total	2017	2016
				fund	\$	fund	\$	fund	\$					
INCOME (Cont'd)														
Total income from generated funds b/f	669,938	18,400	688,338	41,273	-	-	-	-	-	-	-	41,273	729,611	821,701
Income from charitable activities														
Counselling fees	-	-	-	3,735	-	-	-	-	-	-	-	3,735	3,735	16,534
Funding from MSF	-	-	-	1,250,364	-	-	-	-	-	-	-	1,250,364	1,250,364	1,282,016
Funding from NCSS - TBSFF	-	-	-	70,668	-	-	-	-	-	-	-	70,668	70,668	341,871
Funding from NCSS – Comchest	-	-	-	66,686	-	-	-	-	-	-	-	66,686	66,686	68,374
Capital grant from NCSS and MSF	-	3,820	3,820	33,840	-	-	-	-	-	-	-	33,840	37,660	-
Programme funding	-	-	-	896	-	-	2,400	-	-	-	-	55,460	58,756	94,236
Total income from charitable activities														
	-	3,820	3,820	1,426,189	-	-	2,400	-	-	-	-	55,460	1,484,049	1,803,031
Other income														
Government grants	103,260	-	103,260	7,386	-	-	-	-	-	-	-	7,386	110,646	162,709
Others	5,920	-	5,920	-	-	-	-	-	-	-	-	-	5,920	3,577
Total other income														
	109,180	-	109,180	7,386	-	-	-	-	-	-	-	7,386	116,566	166,286
TOTAL INCOME														
	779,118	22,220	801,338	1,474,848	-	-	2,400	-	-	-	-	55,460	1,532,708	2,334,046
													2,791,018	

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

4. Detailed Statement of Financial Activities (Cont'd)

- 17 -

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

4. Detailed Statement of Financial Activities (Cont'd)

- 18 -

GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2017

4. Detailed Statement of Financial Activities (Cont'd)

	Unrestricted funds			Restricted funds					Total funds	
	Designated			FSC Comcare					Total	
	General fund	funds	Total	FSC Operation fund	Care and Share fund	FSC Comcare fund	NEER fund	SPMF fund	Total	2016
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURES (Cont'd)										
Charitable activities										
Programme costs	-	4,910	4,910	11,182	9,442	900	60	53,110	74,694	110,376
Manpower benefit costs:										
- Staff salaries and bonuses	-	-	-	953,403	-	-	-	-	953,403	990,009
- Employer CPF contribution and SDL	-	-	-	147,121	-	-	-	-	147,121	156,291
- Staff medical and insurance	-	-	-	7,322	-	-	-	-	7,322	7,789
- Staff training	-	-	-	19,213	-	-	-	-	19,213	14,797
- Staff welfare	-	-	-	7,784	-	-	-	-	7,784	6,096
- Honorarium	-	-	-	200	-	-	-	-	200	600
Advertisement	-	-	-	2,782	-	-	-	-	2,782	1,275
Amortisation charge	-	201	201	7,386	-	-	-	-	7,386	200
Bank charges	-	-	-	360	-	-	-	-	360	506
Depreciation of plant and equipment	-	-	-	18,108	-	-	-	-	18,108	11,663
General expenses	-	-	-	1,554	-	-	-	-	1,554	4,546
Insurance	-	-	-	238	-	-	-	-	238	231
Maintenance of equipment	-	-	-	2,769	-	-	-	-	2,769	3,521
Maintenance of premises	-	-	-	1,302	-	-	-	-	1,302	2,277
Total charitable activities c/f	-	5,111	5,111	1,180,724	9,442	900	60	53,110	1,244,236	1,310,177

GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2017

4. Detailed Statement of Financial Activities (Cont'd)

	Unrestricted funds			Restricted funds					Total funds	
	General fund	Designated funds	Total	FSC Concare					Total	
				FSC Operation fund	Care and Share fund	FSC Concare fund	NEER fund	SPMF fund		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURES (Cont'd)										
Charitable activities b/f	-	5,111	5,111	1,180,724	9,442	900	60	53,110	1,244,236	1,310,177
Non-capitalised purchases	-	-	-	135	-	-	-	-	135	744
Printing, stationery and postage	-	-	-	4,327	-	-	-	-	4,327	4,113
Refreshments	-	-	-	689	-	-	-	-	689	860
Rent and conservancy fees	-	-	-	14,272	-	-	-	-	14,272	14,227
Rental of equipment	-	-	-	3,120	-	-	-	-	3,120	3,120
Resource material	-	-	-	149	-	-	-	-	149	10
Telecommunications	-	-	-	4,180	-	-	-	-	4,180	2,445
Transport	-	-	-	7,742	-	-	-	-	7,742	8,731
Utilities	-	-	-	5,267	-	-	-	-	5,267	7,064
Total charitable activities	-	5,111	5,111	1,220,605	9,442	900	60	53,110	1,284,117	1,351,491
Governance costs										
Administrative support costs-Note 4(a)	-	-	-	-	-	-	-	-	-	162,537
Auditors' remuneration	-	-	-	-	-	-	-	-	-	-
- current year	14,342	-	14,342	10,500	-	-	-	-	10,500	24,842
- certification of subsidy claims	4,000	-	4,000	-	-	-	-	-	-	4,000
Consultancy fees	31,565	-	31,565	-	-	-	-	-	-	31,565
Governance costs c/f	49,907	-	49,907	10,500	-	-	-	-	10,500	60,407
										182,337

Notes to the Financial Statements
31 December 2017

	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 \$	Total \$	2017 \$	2016 \$
EXPENDITURES (Cont'd)											
Governance costs b/f	49,907		49,907	10,500	—	—	—	—	10,500	60,407	182,337
License fees	660	—	660	250	—	—	—	—	250	910	879
Internal audit fees	—	—	—	1,000	—	—	—	—	1,000	1,000	29,250
Total governance costs	50,567	—	50,567	11,750	—	—	—	—	11,750	62,317	212,466
TOTAL EXPENDITURE	1,031,282	7,947	1,039,229	1,232,355	9,442	900	60	53,110	1,295,867	2,335,096	2,458,782
NET (EXPENDITURE)/INCOME FOR THE YEAR	(252,164)	14,273	(237,891)	242,493	(9,442)	1,500	(60)	2,350	236,841	(1,050)	332,236
Gross transfers between funds											
Transferred (from unrestricted funds)/ to unrestricted—designated funds -Note 10(b)	(48,166)	48,166	—	—	—	—	—	—	—	—	—
Reconciliation of funds											
Total funds brought forward	1,484,355	384,331	1,868,686	4,119,938	22,945	7,600	489	28,460	4,179,432	6,048,118	5,715,882
TOTAL FUNDS CARRIED FORWARD	1,184,025	446,770	1,630,795	4,362,431	13,503	9,100	429	30,810	4,416,273	6,047,068	6,048,118

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2017

4. Detailed Statement of Financial Activities (Cont'd)

(a) Administrative Support Costs

On or about 25 November 2017, the Management Committee has approved the conversion of the billing and charging of management services and operating costs incurred by the headquarter from 1 January 2017 to bill Pasir Ris Family Service Centre, Sonshine Childcare Centre and Commonwealth Student Care Centre at 10% of the total revenue generated by the Centres at the end of each quarter.

The billing of headquarter charges to the respective Centres in 2017 amounted to \$219,616, which was contra with the Administrative Support Costs of each Centres.

In the year 2016, the headquarter net expenditure was allocated to the respective Centres based on the activity based costing allocation of 58% for Pasir Ris Family Service Centre, 40% for Sonshine Childcare Centre and 2% for Commonwealth Student Care Centre. The net expenditure was reflected as Administrative Support Costs amounting to \$162,537 in the Statement of Financial Activities.

5. Cash and Cash Equivalents

	2017 \$	2016 \$
<i>Denominated in Singapore dollars:</i>		
Fixed deposits	3,523,700	3,743,723
Cash at banks	2,468,027	2,366,387
Cash on hand	3,800	4,300
	<u>5,995,527</u>	<u>6,114,410</u>
Cash and cash equivalents per statement of cash flows	5,995,527	6,114,410

Fixed deposits earn interest rate that ranges approximately 1.00% to 1.45% (2016: 1.10% to 1.78%) per annum with maturity days ranging from 4 months to 12 months (2016: 7 months to 12 months) from the end of the reporting period.

6. Other Receivables

	2017 \$	2016 \$
<i>Denominated in Singapore dollars:</i>		
Fixed deposit interest receivable	21,468	27,725
School fees receivable	2,508	—
Programme fund receivable from MSF	25,826	13,647
Programme fund receivable from NCSS	—	92,505
Others	1,541	—
	<u>51,343</u>	<u>133,877</u>

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2017

7. Other Current Assets

	2017 \$	2016 \$
Advance payments	98,100	—
Deposits	3,332	4,096
Prepayments	9,525	4,513
	<u>110,957</u>	<u>8,609</u>

The advance payments represent payments made for renovation costs and purchase of new curriculum for Spark Accreditation of Sonshine Childcare Centre.

8. Property, Plant and Equipment

	Computers and software \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
<i>Cost:</i>					
At 01-01-2016	37,946	138,680	83,062	225,628	485,316
Additions	756	—	—	3,047	3,803
Write-offs	(8,500)	(15)	—	—	(8,515)
At 31-12-2016	30,202	138,665	83,062	228,675	480,604
Additions	56,548	4,216	18,361	25,145	104,270
Write-offs	(7,326)	(22,493)	(20,024)	(15,763)	(65,606)
At 31-12-2017	<u>79,424</u>	<u>120,388</u>	<u>81,399</u>	<u>238,057</u>	<u>519,268</u>
<i>Accumulated depreciation:</i>					
At 01-01-2016	37,273	134,801	47,765	222,916	442,755
Depreciation charge	1,114	841	10,169	1,966	14,090
Write-offs	(8,500)	(15)	—	—	(8,515)
At 31-12-2016	29,887	135,627	57,934	224,882	448,330
Depreciation charge	4,540	1,474	12,923	5,380	24,317
Write-offs	(7,326)	(22,493)	(20,024)	(15,763)	(65,606)
At 31-12-2017	<u>27,101</u>	<u>114,608</u>	<u>50,833</u>	<u>214,499</u>	<u>407,041</u>
<i>Net carrying amount:</i>					
At 31-12-2017	<u>52,323</u>	<u>5,780</u>	<u>30,566</u>	<u>23,558</u>	<u>112,227</u>
At 31-12-2016	<u>315</u>	<u>3,038</u>	<u>25,128</u>	<u>3,793</u>	<u>32,274</u>

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2017

9. Other Payables

	2017	2016
	\$	\$
<i>Denominated in Singapore dollars:</i>		
Accrued operating expenses	161,624	173,277
Amount to be refunded to ECDA	–	1,572
Deferred income	13,200	13,200
School fees received in advance	60	3,577
Others	13,852	8,886
	<u>188,736</u>	<u>200,512</u>

10. Unrestricted Funds**(a) General fund**

	2017	2016
	\$	\$
Balance at beginning of the year	1,484,355	1,534,801
Transferred to unrestricted –designated funds	(48,166)	–
	<u>1,436,189</u>	<u>1,534,801</u>
Net expenditure for the year	(252,164)	(50,446)
	<u>1,184,025</u>	<u>1,484,355</u>

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2017

10. Unrestricted Funds (Cont'd)**(b) Designated funds**

	Balance at 01-01-2017 \$	Transferred from/(to) unrestricted- general funds \$	Income \$	Expenditure \$	Amortisation \$	Balance at 31-12-2017 \$
2017						
Bursary fund	8,000	—	—	—	—	8,000
Deferred capital grants	1,584	—	3,820	—	(1,191)	4,213
Dwelling place tuition fund	1,834	(1,834)	—	—	—	—
Economic downturn assistance fund	4,200	—	—	(600)	—	3,600
Elderly fund	47,320	—	—	—	—	47,320
Five loaves and two fish fund	71,079	—	18,400	—	—	89,479
GNCS Financial assistance fund	14,430	—	—	—	—	14,430
PRFSC Financial assistance fund	4,485	—	—	(4,310)	—	175
Property maintenance fund	13,014	—	—	—	—	13,014
Renovation fund	113,989	—	—	—	—	113,989
Sinking fund	102,550	50,000	—	—	—	152,550
Staff training fund	1,846	—	—	(1,846)	—	—
	384,331	48,166	22,220	(6,756)	(1,191)	446,770
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

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements 31 December 2017

10. Unrestricted Funds (Cont'd)

(b) Designated funds (Cont'd)

The designated funds were established for the following purposes:

- (a) Bursary fund - to grant bursary to children of needy families at Sonshine Childcare Centre.
- (b) 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.
- (c) 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. During the current financial year under review, since Commonwealth Student Care Centre has ceased its operation with effect from 30 June 2017, the fund has been approved to be transfer to the general fund of Sonshine Childcare Centre.
- (d) 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.
- (e) Elderly fund - to be used by Pasir Ris Family Service Centre for the work of elderly care.
- (f) 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.
- (g) 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.
- (h) Property maintenance fund - for the upkeep and repairs on the premises occupied by Sonshine Childcare Centre.
- (i) 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.
- (j) Renovation fund - for capital expenditure to be incurred for major replacements and repairs of Pasir Ris Family Service Centre.
- (k) Sinking fund - for capital expenditure to be incurred for major replacements, repairs and cyclical maintenance of Sonshine Childcare Centre.
- (l) Staff training fund - to provide training subsidies for teachers of Sonshine Childcare Centre attending training institutions.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2017

11. Restricted Funds

	Balance at 01-01-2017 \$	Transferred to designated funds \$	Income \$	Expenditure \$	Balance at 31-12-2017 \$
2017					
Family Service Centre Operation Fund (FSC)	4,119,938	—	1,474,848	(1,232,355)	4,362,431
Family Service Centre Comcare Fund (FCF)	7,600	—	2,400	(900)	9,100
North East Essential Relief Fund (NEER)	489	—	—	(60)	429
School Pocket Money Fund (SPMF)	28,460	—	55,460	(53,110)	30,810
Care and Share Fund	22,945	—	—	(9,442)	13,503
	<u>4,179,432</u>	<u>—</u>	<u>1,532,708</u>	<u>(1,295,867)</u>	<u>4,416,273</u>
2016					
Family Service Centre Operation Fund (FSC)	3,757,988	(6,000)	1,765,024	(1,397,074)	4,119,938
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
Care and Share Fund	22,573	—	12,000	(11,628)	22,945
	<u>3,812,747</u>	<u>(6,000)</u>	<u>1,858,488</u>	<u>(1,485,803)</u>	<u>4,179,432</u>

The restricted funds were established for the following purposes:

(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.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements 31 December 2017

11. Restricted Funds (Cont'd)

(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) 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.

(d) 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.

(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 one year and nine months with effect from 24 October 2017. Tax-exempt receipts issued for donations during the year amounted to \$18,400 (2016: \$16,650).

13. Income Tax

The Society is registered as a charity organisation under the Singapore Charities Act, Chapter 37. As an approved charity, it is exempted from income tax under Section 13(1)(zm) of the Singapore Income Tax Act, Chapter 134.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2017

14. Commitments**(a) Capital commitment**

In the current financial year under review, the Society has entered into a contract with a supplier for the renovation of one of the Society's centre amounting to \$207,500. The Society has paid a deposit amounting to \$83,000 in the current year. As such, the capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements amounted to \$124,500 (2016: Nil). The renovation commences subsequent to the financial year ended 31 December 2017.

(b) Operating lease commitment

The Society has entered into commercial leases for the use of certain equipment as lessee. These leases have an average tenure of 5 years. There are no restrictions placed upon the Society by entering into these leases. Operating lease payments recognised as an expense in the statement of financial activities for the financial year ended 31 December 2017 amounted to \$5,534 (2016: \$5,534).

Future minimum lease payments payable under non-cancellable operating leases at the reporting date are as follows:

	2017 \$	2016 \$
Not later than 1 year	5,534	5,534
Later than 1 year but within 5 years	6,849	14,596
	<u>12,383</u>	<u>20,130</u>

15. Related Party Transactions**Key Management Personnel Compensation**

Key management personnel of the Society comprised the Heads of the Service Centres which are having the authority and responsibility for planning, directing and controlling the activities of the respective Centres included as part of the Society.

The remuneration paid to key management personnel during the year are as follows:

	2017 \$	2016 \$
Salaries and bonuses	281,603	213,560
CPF contributions	35,738	26,845
	<u>317,341</u>	<u>240,405</u>

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements 31 December 2017

15. Related Party Transactions (Cont'd)

The remuneration of the key management personnel of the Society shown in salary bands are as follows:

	2017	2016
<i>Salaries and benefits bands for key management personnel</i>		
Between \$50,000 - \$100,000	3	3

None of the members of the Management Committee have received any compensation during the financial year ended 31 December 2017 and 2016.

16. Financial Risk Management

The Society's charitable activities expose it to minimal financial risks such as credit risk and liquidity risk on an informal basis. The Management Committee reviews and agrees policies for managing each of these risks and continually monitors the Society's risk management process to ensure that an appropriate balance between risk and control is achieved.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Society. The Society manages such risks by dealing with a diversity of credit-worthy counter parties to mitigate any significant concentration of credit risk. The Society places its cash and cash equivalents with creditworthy institutions.

The maximum exposure to credit risk in the event that the counter parties fail to perform the obligations as at the end of the financial year in relation to each class of financial assets is the carrying amount of these assets in the statement of financial position.

As at the financial year end, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(b) Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Management Committee exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flows at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Society's financial liabilities at the end of the financial year based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not expected to be significant.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2017

16. Financial Risk Management (Cont'd)**(b) Liquidity Risk (Cont'd)***Analysis of financial instruments by remaining contractual maturities (Cont'd)*

	Less than 1 year \$	Between 1 – 5 years \$	Total contractual cash flow \$
2017			
<i>Financial liabilities</i>			
Other payables	188,736	—	188,736
Refundable deposits	34,250	—	34,250
Total undiscounted financial liabilities	222,986	—	222,986
2016			
<i>Financial liabilities</i>			
Other payables	200,512	—	200,512
Refundable deposits	40,540	—	40,540
Total undiscounted financial liabilities	241,052	—	241,052

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 Society's principal and related activities, and ensuring long-term financial sustainability.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2017 and 31 December 2016.

18. Reserves Policy

The Society's income depends 29% (2016: 33%) from fund generating activities, 64% (2016: 77%) from government funding and 1% (2016: 1%) comes from donation. In order to fund day-to-day operations and provide a buffer against fluctuations in monthly income, the Society will set aside a minimum of 3 months of operating expenses in cash and cash equivalents ("Operating Cash").

Operating Cash, which is denominated in Singapore dollars is to be kept as petty cash, and deposits including current account, savings account and fixed term deposits. Current and savings accounts may only be held with commercial banks while fixed term deposits may only be placed with commercial. Any amount in excess of this may be invested in accordance with the decision and approval of the Management Committee. The Society's reserves policy will be reviewed by the Management Committee as and when required and amended as necessary.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements 31 December 2017

19. Management of Conflict of Interest

None of the management committee members received any remuneration or other benefits.

All Management Committee members are expected to avoid real, potential or perceived conflicts of interest. Where management committee members have a personal interest in operating transactions or contracts that Society may enter into, or have a vested interest in other organisations that Society has dealings with or is considering to enter into joint ventures with, they are expected to declare such interests to the management committee as soon as possible and abstain from discussion and decision making on the matter. Where such conflicts exist, the management committee will evaluate whether any potential conflict of interest will affect the continuing independence of such member and whether it is appropriate for the member to continue his/her current position as a member. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

20. Discontinued Operation of Commonwealth Student Care Centre

The audited financial statements Commonwealth Student Care Centre ("Centre"), one of the community service project of the Society, for financial year ended 31 December 2016 includes the following Note 14 disclosures as follows:

"14 Events Occurring After the 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 HOB 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."

Updated

During the current financial year ended 31 December 2017, the Commonwealth Student Care Centre has no assets and liabilities. The management committee of Good News Community Services have approved to transfer the remaining balance of the Centre's general fund amounting to \$6,355 and designated fund amounting to \$1,834 to Sonshine Childcare Centre's general fund totalling to \$8,189.

The results of the financial activities of the Commonwealth Student Care Centre for the years ended 31 December, which is included in the statement of financial activities in Note 4 above are as follows:

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Commonwealth Student Care Centre,
Sonshine Childcare Centre and Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2017

20. Discontinued Operation of Commonwealth Student Care Centre (Cont'd)

	Unrestricted Funds	
	2017	2016
	\$	\$
Income		
Income from generated funds:		
Activities for generating funds	24,740	87,750
Investment income	426	775
Other income	4,389	10,907
Total income	29,555	99,432
Less: Expenditures		
Costs of generating funds		
Direct operating costs	900	5,346
Manpower benefit costs	53,228	97,444
Other operating costs	8,857	14,660
Governance costs	4,381	4,441
Total expenditures	67,366	121,891
Net expenditure before tax expense	(37,811)	(22,459)
Tax expense	—	—
Net expenditure before transfers	(37,811)	(22,459)
Gross transfers between funds	(8,189)	—
Net expenditure before holding gains and losses	(46,000)	(22,459)
Other recognised gains or losses	—	—
Net movement in funds	(46,000)	(22,459)
Reconciliation of funds:		
Total funds brought forward	46,000	68,459
Total funds carried forward	—	46,000

21. Authorisation of Financial Statements

These financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Management Committee on 28 March 2018.

GOOD NEWS COMMUNITY SERVICES
(Registered under the Societies Act, Chapter 311)

Supplementary Statement of Income and Expenditure
For the Year Ended 31 December 2017

This Schedule contains additional information that has been prepared from the books and records of the Society and does not form part of the audited financial statements.

	2017 \$	2016 \$
Income		
Income from generated funds:		
Activities for generating funds		
- Administrative support fees	219,616	-
Investment income	72	71
Other income		
Consultancy grant	25,252	-
Government grants	4,240	5,057
Others	191	503
Total income	249,371	5,631
Less: Expenditures		
Costs of generating funds		
Bank charges	209	519
Depreciation of plant and equipment	4,224	673
General expenses	4,814	2,818
Insurance	2,082	2,109
Maintenance of equipment	225	300
Maintenance of premises	622	13
Manpower benefit costs		
- Staff salaries and bonuses	124,752	130,710
- Employer CPF contribution and SDL	21,462	22,481
- Staff medical and insurance	1,168	1,137
- Staff training	3,529	460
- Staff transport	37	71
- Staff welfare	563	91
Non-capitalised purchases	289	-
Printing, stationery and postage	966	652
Subscription fees	2,320	-
Transport	2,140	-
Governance costs		
Auditors' remuneration	8,342	2,300
Consultancy fees	31,565	-
License fees	124	125
Total expenditures	209,433	164,459
Net Income/(expenditure) before tax expense	39,938	(158,828)

Report and Audited Financial Statements

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of
GOOD NEWS COMMUNITY SERVICES)

31 December 2017

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

General Information

**Members of Good News Community Services
Management Committee**

Bishop Kuan Kim Seng	-	President
Hui Kwok Thong Peter	-	Vice-President
Gan Tian Huat	-	Honorary Treasurer
Tan Yi-Ping Jacqueline	-	Honorary Secretary
Dui Sian Ling	-	Committee member
Simon Soh Soon Heng	-	Committee member
Ng Heo Yong Timothy	-	Committee member
Lee Kong Wee	-	Committee member
Lim Siew Lin	-	Committee member

Centre's Address

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

UEN No.

Auditor

E H Luar & Co

Bankers

DBS Bank Ltd
United Overseas Bank Limited
Hong Leong Finance Limited
RHB Bank Berhad

Index

Page

Statement by Members of the Good News Community Services	
Management Committee	1
Independent Auditor's Report	2-4
Statement of Financial Activities	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-24

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

1. Opinion of the Good News Community Services Management Committee

In the opinion of the Good News Community Services Management Committee,

- (a) the accompanying financial statements of Paris Ris Family Service Centre (a Community Service Project of Good News Community Services) (the "Centre"), set out on pages 5 to 24, are drawn up in accordance with the provisions of the Charities Accounting Standard (the "CAS") in Singapore, so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2017 and the results of the financial activities and cash flows of the Centre for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Centre will be able to pay its debts as and when they fall due.

The members of the Good News Community Services management committee has, on the date of this statement, authorised these financial statements for issue.

2. Members of Good News Community Services Management Committee


Bishop Kuan Kim Seng	-	President
Hui Kwok Thong Peter	-	Vice-President
Gan Tian Huat	-	Honorary Treasurer
Tan Yi-Ping Jacqueline	-	Honorary Secretary
Dui Sian Ling	-	Committee member
Simon Soh Soon Heng	-	Committee member
Ng Heo Yong Timothy	-	Committee member
Lee Kong Wee	-	Committee member
Lim Siew Lin	-	Committee member

3. Auditor

E H Luar & Co has expressed its willingness to accept appointment as auditor.

On behalf of the Good News Community Services Management Committee


Bishop Kuan Kim Seng
President


Gan Tian Huat
Honorary Treasurer

Singapore, 28 March 2018

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

Independent Auditor's Report to the Members of**Good News Community Services – Pasir Ris Family Service Centre**

For the Financial Year Ended 31 December 2017

Report on the Audit of the Financial Statements*Opinion*

We have audited the accompanying financial statements of Pasir Ris Family Service Centre (A Community Service Project of Good News Community Services), (the "Centre") as set out on pages 5 to 24, which comprise the statement of financial position as at 31 December 2017, and 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 Standard (the "CAS") in Singapore so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2017 and the results of the financial activities and cash flows of the Centre for the year ended on that date.

Other Matter

The financial statements of the Centre for the financial year ended 31 December 2016 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 27 March 2017.

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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Management Committee is responsible for the other information. The other information comprises the General Information and the Statement by Members of the Good News Community Services Management Committee as set out on page 1.

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.

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

Independent Auditor's Report to the Members of

Good News Community Services – Pasir Ris Family Service Centre

For the Financial Year Ended 31 December 2017 (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

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 the Charities Accounting Standard (the "CAS") in Singapore, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Management Committee is responsible for overseeing the Centre's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management committee.

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

Independent Auditor's Report to the Members of
Good News Community Services – Pasir Ris Family Service Centre
For the Financial Year Ended 31 December 2017 (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

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

- (d) Conclude on the appropriateness of 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.
- (e) 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.



E H LUAR & CO
Public Accountants and
Chartered Accountants

Singapore, 28 March 2018

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 2017

	Note	Unrestricted Funds	Restricted Funds	2017 \$	2016 \$
Income					
<u>Income from generated funds:</u>					
Voluntary income					
-Tax deductible donations	14(b)	18,400	—	18,400	16,650
Investment income		—	41,273	41,273	43,657
Income from charitable activities	3	—	1,484,049	1,484,049	1,803,031
Other income	4	33,859	7,386	41,245	76,557
Total income		52,259	1,532,708	1,584,967	1,939,895
Less: Expenditures					
<u>Charitable activities</u>					
Manpower benefit costs	5	—	1,135,043	1,135,043	1,175,582
Programme costs	6	4,910	74,694	79,604	110,376
Other operating expenses	7	200	74,380	74,580	65,533
Governance costs	8	—	159,236	159,236	137,327
Total expenditures		5,110	1,443,353	1,448,463	1,488,818
Net income for the year		47,149	89,355	136,504	451,077
Reconciliation of funds:					
Total funds brought forward		1,182,988	4,179,432	5,362,420	4,911,343
Total funds carried forward		1,230,137	4,268,787	5,498,924	5,362,420

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

Statement of Financial Position
As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	5,590,219	5,420,517
Other receivables	10	21,892	118,248
Other current assets	11	3,341	3,934
		<u>5,615,452</u>	<u>5,542,699</u>
Non-current assets			
Property, plant and equipment	12	<u>56,690</u>	<u>27,077</u>
Total assets		<u>5,672,142</u>	<u>5,569,776</u>
LIABILITIES			
Current liabilities			
Other payables	13	<u>173,218</u>	<u>207,356</u>
Total liabilities		<u>173,218</u>	<u>207,356</u>
Net assets		<u>5,498,924</u>	<u>5,362,420</u>
FUNDS			
Unrestricted funds			
General fund	14 (a)	975,457	941,598
Designated funds	14 (b)	<u>254,680</u>	<u>241,390</u>
		1,230,137	1,182,988
Restricted funds	15	<u>4,268,787</u>	<u>4,179,432</u>
Total Funds		<u>5,498,924</u>	<u>5,362,420</u>

The accompanying accounting policies and explanatory notes form an integral part of the 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 2017

	2017	2016
	\$	\$
Cash flows from operating activities		
Net income for the year	136,504	451,077
Adjustments for:		
Depreciation of property, plant and equipment (Note 12)	18,109	11,663
Interest received	<u>(41,273)</u>	<u>(43,657)</u>
Operating income before working capital changes	113,340	419,083
Changes in working capital:		
Decrease/(Increase) in other receivables	91,402	(74,378)
Decrease/(Increase) in other current assets	593	(1,201)
(Decrease)/Increase in other payables	<u>(34,138)</u>	<u>26,127</u>
Cash generated from operations	171,197	369,631
Interest received	<u>46,227</u>	<u>43,657</u>
Net cash generated from operating activities	<u>217,424</u>	<u>413,288</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	<u>(47,722)</u>	<u>—</u>
Net cash used in investing activities	<u>(47,722)</u>	<u>—</u>
Net increase in cash and cash equivalents	169,702	413,288
Cash and cash equivalents at the beginning of the year	10 <u>5,420,517</u>	<u>5,007,229</u>
Cash and cash equivalents at the end of the year (Note 9)	<u>5,590,219</u>	<u>5,420,517</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

Notes to the Financial Statements
31 December 2017

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

1. Domicile and Activities

Pasir Ris Family Service Centre (the "Centre") is a community service project of Good News Community Services (UEN no. S99SS0015F), which is registered with the Registry of Societies. The 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. There have been no significant changes in the nature of these activities during the financial year.

In the financial statements, CDC, CPF, NCSS, TBS FF 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. Summary of Significant Accounting Policies

2.1 Basis of preparation

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

The preparation of the Centre's financial statements requires Management Committee to make judgements, estimates and assumptions that affect the reported amounts of the income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management Committee is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

2.2 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 dollars ("SGD" or "\$") and all values are rounded to the nearest dollar ("¢") unless otherwise indicated.

2.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation.

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.3 *Property, plant and equipment and depreciation (Cont'd)*

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

When significant parts of property, plant and equipment are required to be replaced in intervals, the costs of replacing such an item when the cost is incurred is added to the carrying amount of the item if the recognition criteria are met. The costs of day-to-day servicing of an item of property, plant and equipment is recognised as expenditure in the Statement of Financial Activities in the period in which the costs are incurred. Property, plant and equipment shall not be revalued and are not required to be assessed for impairment.

Depreciation is calculated using the straight-line basis to allocate its depreciable amounts over its estimated useful lives at the following annual rates:

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

The depreciation charge for each period is recognised as expenditure in the statement of financial activities unless another section of the CAS requires it to be included in the carrying amount of another asset. The residual values, estimated useful lives and depreciation method of property and equipment are reviewed and adjusted, as appropriate, at each reporting period. The effects of any revisions are recognised in the statement of financial activities for the financial year in which the changes arise. The carrying amount of the property, plant and equipment at the date of revision or changes is depreciated over the revised remaining useful lives.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in statement of financial activities in the year the asset is derecognised.

2.4 *Financial assets*

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

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

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.4 Financial assets (Cont'd)

Financial assets are recognised on the statement of financial position when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at the transaction price excluding transaction costs, if any, which shall be recognised as expenditure immediately in the statement of financial activities. Subsequent to initial measurement, financial assets, including other receivables and deposits excluding prepayments, are measured at cost less any accumulated impairment losses. Prepayments are subsequently measured at the amount paid less the economic resources received or consumed during the financial year.

Financial assets (consisting of cash and cash equivalents, and other receivables and deposits excluding prepayments), are derecognised when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Centre has transferred substantially all risks and rewards of ownership. On de-recognition of financial assets in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of financial activities.

2.5 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.

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.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank and fixed deposits which are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.7 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.

Financial liabilities shall be recognised at their transaction price, excluding transaction costs, if any, both at the initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.8 Fund Accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include unrestricted funds as follows:

Unrestricted funds

Unrestricted funds are expendable at the discretion of the Centre's Management Committee in furtherance of the Centre's objects.

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 funds"). The designation has an administrative purpose only and does not legally restrict the Management Committee's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

2.9 Income recognition

Income is recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the Centre's net assets.

The following factors must also be met before income is recognised:

(a) Entitlement

The Centre has control over the rights or other access to the resource, enabling the Centre to determine its future application;

(b) Certainty

It is probable that the income will be received; and

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.9 Income recognition (Cont'd)

(c) Measurement

The amount of the income can be measured by the Centre with sufficient reliability.

The following specific recognition criteria must also be met before income is recognised:

(a) Income from generated funds

Investment income

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

(b) Income from charitable activities

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.

(c) Other income

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.

2.10 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.

(a) Cost of generating funds

Costs of generating funds are those costs attributable to generating income for the Centre other than those costs incurred in undertaking charitable activities in furtherance of the Centre's objects.

(b) 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.

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.10 Expenditures (Cont'd)

(c) Support costs

Support costs are costs incurred in supporting income generation activities such as fund raising 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.

(d) Other expenditure

Other expenditure includes the payment of any expenditure that the Centre has not been able to analyse within the main expenditure categories.

2.11 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.

2.12 Employee benefits - defined contribution plans

The Centre participates in the national pension schemes as defined by the laws of Singapore. The Centre makes contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme. Such contributions to defined contribution pension scheme are recognised as compensation expense in the period in which the related service is performed.

2.13 Provisions

Provisions are recognised when the Centre has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

Notes to the Financial Statements
31 December 2017

3. Income From Charitable Activities

	2017 \$	2016 \$
Restricted funds:		
Care and share matching grant	—	12,000
Casework and counselling from MSF	3,735	16,534
Enhanced step up grant	—	(1,440)
Family Service Centre Com care grant	2,400	3,080
Funding grant from MSF	1,284,204	1,282,016
Funding grant from NCSS – ComChest	66,686	68,374
Funding grant from NCSS - TBSFF	70,668	341,871
School Pocket Money Fund administrative fee	896	2,212
School Pocket Money Fund grant	55,460	78,384
	<u>1,484,049</u>	<u>1,803,031</u>

4. Other Income

	2017 \$	2016 \$
Unrestricted funds:		
Amortisation of deferred capital grant	200	200
Government paid - child care leave claim	2,180	—
Government paid - paternity leave claim	2,365	—
Special and temporary employment credit	8,808	14,255
Supervision fees	1,500	400
Wage credit scheme	18,806	46,956
Other income	—	2,946
	<u>33,859</u>	<u>64,757</u>
Restricted funds:		
Amortisation of deferred capital grant	7,386	—
Consultancy grant for internal audit	—	11,800
	<u>7,386</u>	<u>11,800</u>
	<u>41,245</u>	<u>76,557</u>

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

Notes to the Financial Statements
31 December 2017

5. Manpower Benefit Costs

	2017	2016
	\$	\$
Restricted funds:		
Staff salaries and bonuses	953,403	990,009
Employer's CPF contribution and Skills Development levy	147,121	156,291
Staff medical and insurance	7,322	7,789
Staff training	19,213	14,797
Staff welfare	7,784	6,096
Honorarium	200	600
	<u>1,135,043</u>	<u>1,175,582</u>

6. Programme Costs

	2017	2016
	\$	\$
Unrestricted funds:		
Economic downturn assistance	600	1,300
PRFSC Financial Assistance fund	4,310	1,515
	<u>4,910</u>	<u>2,815</u>
Restricted funds:		
Casework and counselling	—	880
Care and share fund	9,442	11,628
Children programme expenses	1,527	5,019
Community outreach fund	4,655	10,560
FSC Comcare fund	900	3,500
Hope mentoring expenses	—	(4,000)
North East Community Development Council fund	60	361
School Pocket Money Fund disbursement	53,110	73,240
Non-funded programme fee	5,000	6,373
	<u>74,694</u>	<u>107,561</u>
	<u>79,604</u>	<u>110,376</u>

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

Notes to the Financial Statements
31 December 2017

7. Other Operating Costs

	2017	2016
	\$	\$
Unrestricted funds:		
Amortisation charge for deferred capital grant	200	200
Restricted funds:		
Advertisement	2,782	1,275
Amortisation charge for deferred capital grant	7,386	—
Bank charges	360	506
Depreciation charge	18,108	11,663
General expenses	1,554	4,546
Insurance	238	231
Maintenance of equipment	2,769	3,521
Maintenance of premises	1,302	2,277
Non-capitalised purchases	135	744
Printing, stationery and postage	4,327	4,113
Refreshments	689	860
Rent and conservancy fees	14,272	14,227
Rental of equipment	3,120	3,120
Resource materials	149	10
Telecommunication	4,180	2,445
Transport	7,742	8,731
Utilities	5,267	7,064
	<u>74,380</u>	<u>65,333</u>
	<u>74,580</u>	<u>65,533</u>

8. Governance Costs

	2017	2016
	\$	\$
Restricted funds:		
Administrative support costs	147,486	97,420
Auditor's remuneration	10,500	10,334
Internal audit fees	1,000	29,250
License fees	250	323
	<u>159,236</u>	<u>137,327</u>

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

Notes to the Financial Statements
31 December 2017

9. Cash and Cash Equivalents

	2017	2016
	\$	\$
<i>Cash and bank balances:</i>		
Cash at banks	2,229,088	2,105,489
Cash on hand	1,600	1,600
Fixed deposits	3,359,531	3,313,428
	<u>5,590,219</u>	<u>5,420,517</u>
Cash and cash equivalents per statement of cash flows	5,590,219	5,420,517

Fixed deposits earn interest rate that ranges approximately from 1.18% to 1.25% (2016: 1.10% to 1.78%) per annum with maturity days ranging from 4 months to 12 months (2016: 4 months to 12 months) from the end of the reporting period.

10. Other Receivables

	2017	2016
	\$	\$
Fixed deposit interest receivable	20,351	25,305
Programme fund receivable from NCSS	—	92,505
Receivable from CPF Board	—	438
Others	1,541	—
	<u>21,892</u>	<u>118,248</u>

11. Other Current Assets

	2017	2016
	\$	\$
Deposits	1,452	1,452
Prepayments	1,889	2,482
	<u>3,341</u>	<u>3,934</u>

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

Notes to the Financial Statements
31 December 2017

12. Property, Plant and Equipment

	Computers	Furniture and	Office	Renovation	Total
	\$	fittings	equipment	\$	\$
		\$	\$		
<i>Cost:</i>					
At 01-01-2016	27,313	59,277	58,885	167,850	313,325
Additions	—	—	—	—	—
Write-offs	(2,440)	—	—	—	(2,440)
At 31-12-2016	24,873	59,277	58,885	167,850	310,885
Additions	—	4,216	18,361	25,145	47,722
Write-offs	(4,355)	(5,059)	(9,460)	—	(18,874)
At 31-12-2017	20,518	58,434	67,786	192,995	339,733
<i>Accumulated depreciation:</i>					
At 01-01-2016	27,313	55,398	26,736	165,138	274,585
Depreciation charge	—	841	9,110	1,712	11,663
Write-offs	(2,440)	—	—	—	(2,440)
At 31-12-2016	24,873	56,239	35,846	166,850	283,808
Depreciation charge	—	1,474	11,864	4,771	18,109
Write-offs	(4,355)	(5,059)	(9,460)	—	(18,874)
At 31-12-2017	20,518	52,654	38,250	171,621	283,043
<i>Net carrying amount:</i>					
At 31-12-2017	—	5,780	29,536	21,374	56,690
At 31-12-2016	—	3,038	23,039	1,000	27,077

13. Other Payables

	2017	2016
	\$	\$
Accrued operating expenses	134,157	119,212
Amount due to Good News Community Services	38,280	87,368
Others	781	776
	<u>173,218</u>	<u>207,356</u>

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

Notes to the Financial Statements
31 December 2017

14. Unrestricted Funds

(a) General fund

	2017 \$	2016 \$
Balance at beginning of the year	941,598	876,841
Net income for the year	33,859	64,757
Balance at end of the year	975,457	941,598

(b) Designated funds

	Balance at 01-01-2017 \$	Income \$	Expenditure \$	Amortisation \$	Balance at 31-12-2017 \$
2017					
Economic downturn assistance fund	4,200	—	(600)	—	3,600
Elderly fund	47,320	—	—	—	47,320
Five loaves and two fish fund	71,079	18,400*	—	—	89,479
PRFSC financial assistance fund	4,485	—	(4,310)	—	175
Renovation fund	113,989	—	—	—	113,989
Deferred capital grants	317	—	—	(200)	117
	241,390	18,400	(4,910)	(200)	254,680
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
	221,755	22,650	(2,815)	(200)	241,390

* The donations towards Five loaves and two fish fund in Pasir Ris Family Service Centre are tax deductible donations under the name of Good News Community Services, an approved Institution of a Public Character ("IPC").

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

Notes to the Financial Statements
31 December 2017

14. Unrestricted Funds (Cont'd)

(b) Designated funds (Cont'd)

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.
- (v) Renovation fund is set up for capital expenditure to be incurred for major replacements and repairs of the Family Service Centre.
- (vi) Deferred capital grant is to reflect the corresponding credit of the capitalised property, 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 property, plant and equipment.

15. Restricted Funds

	Balance at 01-01-2017 \$	Transferred to designated funds \$	Income \$	Expenditure \$	Balance at 31-12-2017 \$
2017					
Family Service Centre					
Operation Fund (FSC)	4,119,938	—	1,474,848	(1,379,841)	4,214,945
Family Service Centre					
Comcare Fund (FCF)	7,600	—	2,400	(900)	9,100
North East Essential Relief Fund (NEER)	489	—	—	(60)	429
School Pocket Money Fund (SPMF)	28,460	—	55,460	(53,110)	30,810
Care and Share Fund	22,945	—	—	(9,442)	13,503
	<u>4,179,432</u>	<u>—</u>	<u>1,534,208</u>	<u>(1,443,353)</u>	<u>4,268,787</u>

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

Notes to the Financial Statements
31 December 2017

15. Restricted Funds (Cont'd)

	Balance at 01-01-2016	Transferred to designated 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
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
Care and Share Fund	22,573	—	12,000	(11,628)	22,945
	3,812,747	(6,000)	1,858,488	(1,485,803)	4,179,432

(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) 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.

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

Notes to the Financial Statements
31 December 2017

15. Restricted Funds (Cont'd)

(d) 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.

(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.

16. Income Tax

The Centre is a community service project of Good News Community Services, which is a Society registered as a charity organisation under the Singapore Charities Act, Chapter 37. As an approved charity, it is exempted from income tax under Section 13(1)(zm) of the Singapore Income Tax Act, Chapter 134.

17. Operating Lease Commitments

The Centre has entered into a commercial lease for the use of certain equipment as lessee. This lease have an average tenure of 5 years. There are no restrictions placed upon the Centre by entering into this lease. Operating lease payments recognised as an expense in the statement of financial activities for the financial year ended 31 December 2017 amounted to \$3,120 (2016: \$3,120).

Future minimum lease payments payable under non-cancellable operating leases at the reporting date are as follows:

	2017 \$	2016 \$
Not later than one year	3,120	3,120
Later than one year but not later than five years	1,820	4,940
	<u>4,940</u>	<u>8,060</u>

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

Notes to the Financial Statements
31 December 2017

18. Related Party Transactions

Key Management Personnel Compensation

Key management personnel comprised the Head of the Centre which are having the authority and responsibility for planning, directing and controlling the activities of the Centres.

The remuneration paid to key management personnel during the year are as follows:

	2017 \$	2016 \$
Salaries and bonuses	175,230	99,790
Employer's CPF contribution	21,529	7,486
	<u>196,759</u>	<u>107,276</u>

The remuneration of the key management personnel of the Centre shown in salary bands are as follows:

	2017	2016
<i>Salaries and benefits bands for key management personnel</i>		
Between \$50,000 - \$100,000	<u>2</u>	<u>1</u>

None of the members of the Management Committee have received any compensation during the financial year ended 31 December 2017 and 2016.

19. Financial Risk Management

The Centre's charitable activities expose it to minimal financial risks such as credit risk and liquidity risk on an informal basis. The Management Committee reviews and agrees policies for managing each of these risks and continually monitors the Centre's risk management process to ensure that an appropriate balance between risk and control is achieved.

(a) *Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Centre. The Centre manages such risks by dealing with a diversity of credit-worthy counter parties to mitigate any significant concentration of credit risk. The Centre places its cash and cash equivalents with creditworthy institutions.

The maximum exposure to credit risk in the event that the counter parties fail to perform the obligations as at the end of the financial year in relation to each class of financial assets is the carrying amount of these assets in the statement of financial position.

As at the financial year end, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

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

Notes to the Financial Statements
31 December 2017

19. Financial Risk Management (Cont'd)

(b) Liquidity Risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting financial obligations due to shortage of funds. The Centre's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Management Committee exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flows at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Centre's financial liabilities at the end of the financial year based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not expected to be significant.

	Less than 1 year \$	Between 1 – 5 years \$	Total contractual cash flow \$
2017			
<i>Financial liabilities</i>			
Other payables	173,218	–	173,218
Total undiscounted financial liabilities	173,218	–	173,218
2016			
<i>Financial liabilities</i>			
Other payables	207,356	–	207,356
Total undiscounted financial liabilities	207,356	–	207,356

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.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2017 and 31 December 2016.

21. Authorisation of Financial Statements

These financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Management Committee of Good News Community Services on 28 March 2018.

Report and Audited Financial Statements

SONSHINE CHILDCARE CENTRE
(A Community Service Project of
GOOD NEWS COMMUNITY SERVICES)

31 December 2017

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

General Information

**Members of Good News Community Services
Management Committee**

Bishop Kuan Kim Seng	-	President
Hui Kwok Thong Peter	-	Vice-President
Gan Tian Huat	-	Honorary Treasurer
Tan Yi-Ping Jacqueline	-	Honorary Secretary
Dui Sian Ling	-	Committee member
Simon Soh Soon Heng	-	Committee member
Ng Heo Yong Timothy	-	Committee member
Lee Kong Wee	-	Committee member
Lim Siew Lin	-	Committee member

Centre's Address

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

UEN No.

-

Auditor

E H Luar & Co

Bankers

United Overseas Bank Limited
Hong Leong Finance Limited

Index	Page
Statement by Members of the Good News Community Services Management Committee	1
Independent Auditor's Report	2-4
Statement of Financial Activities	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-23

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

Statement by Members of the Good News Community Services Management Committee

1. Opinion of the Good News Community Services Management Committee

In the opinion of the Good News Community Services Management Committee,

- (a) the accompanying financial statements of Sonshine Childcare Centre (a Community Service Project of Good News Community Services) (the "Centre"), set out on pages 5 to 23, are drawn up in accordance with the provisions of the Charities Accounting Standard (the "CAS") in Singapore, so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2017 and the results of the financial activities and cash flows of the Centre for the year ended on that date; and
- (d) at the date of this statement, there are reasonable grounds to believe that the Centre will be able to pay its debts as and when they fall due.

The members of the Good News Community Services management committee has, on the date of this statement, authorised these financial statements for issue.

2. Members of Good News Community Services Management Committee


Bishop Kuan Kim Seng	-	President
Hui Kwok Thong Peter	-	Vice-President
Gan Tian Huat	-	Honorary Treasurer
Tan Yi-Ping Jacqueline	-	Honorary Secretary
Dui Sian Ling	-	Committee member
Simon Soh Soon Heng	-	Committee member
Ng Heo Yong Timothy	-	Committee member
Lee Kong Wee	-	Committee member
Lim Siew Lin	-	Committee member

3. Auditor

E H Luar & Co has expressed its willingness to accept appointment as auditor.

On behalf of the Good News Community Services Management Committee


Bishop Kuan Kim Seng
President


Gan Tian Huat
Honorary Treasurer

Singapore, 28 March 2018

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

**Independent Auditor's Report to the Members of
Good News Community Services – Sonshine Childcare Centre**

For the Financial Year Ended 31 December 2017

Report on the Audit of the Financial Statements*Opinion*

We have audited the accompanying financial statements of Sonshine Childcare Centre (A Community Service Project of Good News Community Services), (the "Centre") as set out on pages 5 to 23, which comprise the statement of financial position as at 31 December 2017, and 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 Standard (the "CAS") in Singapore so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2017 and the results of the financial activities and cash flows of the Centre for the year ended on that date.

Other Matter

The financial statements of the Centre for the financial year ended 31 December 2016 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 27 March 2017.

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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Management Committee is responsible for the other information. The other information comprises the General Information and the Statement by Members of the Good News Community Services Management Committee as set out on page 1.

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.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

**Independent Auditor's Report to the Members of
Good News Community Services – Sonshine Childcare Centre
For the Financial Year Ended 31 December 2017 (Cont'd)**

Report on the Audit of the Financial Statements (Cont'd)

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 the Charities Accounting Standard (the "CAS") in Singapore, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Management Committee is responsible for overseeing the Centre's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management committee.

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

**Independent Auditor's Report to the Members of
Good News Community Services – Sonshine Childcare Centre
For the Financial Year Ended 31 December 2017 (Cont'd)**

Report on the Audit of the Financial Statements (Cont'd)

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

- (d) Conclude on the appropriateness of 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.
- (e) 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.



E H LUAR & CO
Public Accountants and
Chartered Accountants

Singapore, 28 March 2018

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

Statement of Financial Activities
For the Financial Year Ended 31 December 2017

	Note	Unrestricted Funds	
		2017	2016
		\$	\$
Income			
Income from generated funds:			
Activities for generating funds	3	640,480	667,613
Investment income		4,220	5,256
Other income	4	41,249	78,822
Total income		685,949	751,691
Less: Expenditures			
Costs of generating funds			
Direct operating costs	5	69,257	70,277
Manpower benefit costs	6	630,721	655,400
Other operating costs	7	50,995	51,698
Governance costs	8	78,285	70,195
Total expenditures		829,258	847,570
Net expenditure before tax expense	14	(143,309)	(95,879)
Tax expense	15	—	—
Net expenditure before transfers		(143,309)	(95,879)
Gross transfers between funds	14	58,189	—
Net expenditure before holding gains and losses		(85,120)	(95,879)
Other recognised gains or losses		—	—
Net movement in funds		(85,120)	(95,879)
Reconciliation of funds:			
Total funds brought forward	14	472,718	568,597
Total funds carried forward	14	387,598	472,718

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

Statement of Financial Position
As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	346,879	602,444
Other receivables	10	3,625	2,083
Other current assets	11	103,487	2,873
		<u>453,991</u>	<u>607,400</u>
Non-current assets			
Property, plant and equipment	12	<u>3,214</u>	<u>4,882</u>
Total assets		<u>457,205</u>	<u>612,282</u>
LIABILITIES			
Current liabilities			
Other payables	13	35,357	102,784
Refundable deposits		<u>34,250</u>	<u>36,780</u>
Total liabilities		<u>69,607</u>	<u>139,564</u>
Net assets		<u>387,598</u>	<u>472,718</u>
FUNDS			
Unrestricted funds			
General fund	14(a)	213,567	346,042
Designated funds	14 (b)	<u>174,031</u>	<u>126,676</u>
Total Funds		<u>387,598</u>	<u>472,718</u>

The accompanying accounting policies and explanatory notes form an integral part of the 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 2017

	2017	2016
	\$	\$
Cash flows from operating activities		
Net expenditure before tax expense	(143,309)	(95,879)
Adjustments for:		
Depreciation of plant and equipment	1,668	1,313
Interest income	(4,220)	(5,256)
Operating cash flow before changes in working capital	(145,861)	(99,822)
Changes in working capital:		
Increase in other receivables	(2,508)	(94)
(Increase)/Decrease in other current assets	(100,614)	2,686
(Decrease)/Increase in other payables	(67,427)	34,852
(Decrease)/Increase in refundable deposits	(2,530)	1,410
Cash used in operations	(318,940)	(60,968)
Interest received	5,186	5,256
Net cash used in operating activities	(313,754)	(55,712)
Cash flows from investing activities		
Purchase of property, plant and equipment	—	(3,047)
Net cash used in investing activities	—	(3,047)
Cash flows from financing activities		
Funds received from Commonwealth Student Care Centre (Note 14(a))	8,189	—
Funds received from Good News Community Services (Note 14(b))	50,000	—
Net cash from financing activities	58,189	—
Net decrease in cash and cash equivalents	(255,565)	(58,759)
Cash and cash equivalents at beginning of the financial year	602,444	661,203
Cash and cash equivalents at the end of the financial year (Note 9)	346,879	602,444

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

Notes to the Financial Statements
31 December 2017

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

1. Domicile and Activities

Sonshine Childcare Centre (the "Centre") is a community service project of Good News Community Services (UEN no. S99SS0015F), which is registered with the Registry of Societies. The 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. There have been no significant changes in the nature of these activities during the financial year.

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

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

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

The preparation of the Centre's financial statements requires Management Committee to make judgements, estimates and assumptions that affect the reported amounts of the income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management Committee is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

2.2 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 dollars ("SGD" or "\$") and all values are rounded to the nearest dollar ("¢") unless otherwise indicated.

2.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation.

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

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

Notes to the Financial Statements

31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.3 *Property, plant and equipment and depreciation (Cont'd)*

When significant parts of property, plant and equipment are required to be replaced in intervals, the costs of replacing such an item when the cost is incurred is added to the carrying amount of the item if the recognition criteria are met. The costs of day-to-day servicing of an item of property, plant and equipment is recognised as expenditure in the Statement of Financial Activities in the period in which the costs are incurred. Property, plant and equipment shall not be revalued and are not required to be assessed for impairment.

Depreciation is calculated using the straight-line basis to allocate its depreciable amounts over its estimated useful lives at the following annual rates:

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

The depreciation charge for each period is recognised as expenditure in the statement of financial activities unless another section of the CAS requires it to be included in the carrying amount of another asset. The residual values, estimated useful lives and depreciation method of property and equipment are reviewed and adjusted, as appropriate, at each reporting period. The effects of any revisions are recognised in the statement of financial activities for the financial year in which the changes arise. The carrying amount of the property, plant and equipment at the date of revision or changes is depreciated over the revised remaining useful lives.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in statement of financial activities in the year the asset is derecognised.

2.4 *Financial assets*

The Centre classifies the following financial assets 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 on the statement of financial position when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument.

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.4 Financial assets (Cont'd)

Financial assets are initially recognised at the transaction price excluding transaction costs, if any, which shall be recognised as expenditure immediately in the statement of financial activities. Subsequent to initial measurement, financial assets, including other receivables and deposits excluding prepayments, are measured at cost less any accumulated impairment losses. Prepayments are subsequently measured at the amount paid less the economic resources received or consumed during the financial year.

Financial assets (consisting of cash and cash equivalents, and other receivables and deposits excluding prepayments), are derecognised when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Centre has transferred substantially all risks and rewards of ownership. On de-recognition of financial assets in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of financial activities.

2.5 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.

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.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank and fixed deposits which are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.7 Financial liabilities

Financial liabilities includes other payables and refundable deposits.

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.7 Financial liabilities (Cont'd)

Financial liabilities are recognised when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument.

Financial liabilities shall be recognised at their transaction price, excluding transaction costs, if any, both at the initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.8 Fund Accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include unrestricted funds as follows:

Unrestricted funds

Unrestricted funds are expendable at the discretion of the Centre's Management Committee in furtherance of the Centre's objects.

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 funds"). The designation has an administrative purpose only and does not legally restrict the Management Committee's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

2.9 Income recognition

Income is recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the Centre's net assets.

The following factors must also be met before income is recognised:

(a) Entitlement

The Centre has control over the rights or other access to the resource, enabling the Centre to determine its future application;

(b) Certainty

It is probable that the income will be received; and

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.9 Income recognition (Cont'd)

(c) Measurement

The amount of the income can be measured by the Centre with sufficient reliability.

The following specific recognition criteria must also be met before income is recognised:

(a) Income from generated funds

Activities for generating funds

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

Investment income

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

(b) 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.

2.10 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.

(a) Cost of generating funds

Costs of generating funds are those costs attributable to generating income for the Centre other than those costs incurred in undertaking charitable activities in furtherance of the Centre's objects.

(b) 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.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

Notes to the Financial Statements

31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.10 Expenditures (Cont'd)

(c) Support costs

Support costs are costs incurred in supporting income generation activities such as fund raising 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.

(d) Other expenditure

Other expenditure includes the payment of any expenditure that the Centre has not been able to analyse within the main expenditure categories.

2.11 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.

2.12 Employee benefits - defined contribution plans

The Centre participates in the national pension schemes as defined by the laws of Singapore. The Centre makes contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme. Such contributions to defined contribution pension scheme are recognised as compensation expense in the period in which the related service is performed.

2.13 Provisions

Provisions are recognised when the Centre has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

Notes to the Financial Statements
31 December 2017

3. Activities for Generating Funds

	2017	2016
	\$	\$
School fees subsidies from ECDA	309,693	332,378
School fees, net of discounts	295,287	296,903
Registration fees	1,050	1,140
Income from school programme	34,450	37,192
	<u>640,480</u>	<u>667,613</u>

4. Other Income

	2017	2016
	\$	\$
Amortisation of deferred capital grants	799	799
Government paid - child care leave claim	159	905
Government paid - paternity leave claim	-	271
Special and temporary credit	18,985	28,106
Wage credit scheme	17,366	46,175
Others	3,940	2,566
	<u>41,249</u>	<u>78,822</u>

5. Direct Operating Costs

	2017	2016
	\$	\$
Cost of school programme	27,719	28,150
Food and beverages	27,177	27,412
Student healthcare and medical expenses	129	198
Teaching materials and toys	13,693	14,517
Impairment loss on school fee receivables (Note 10)	539	-
	<u>69,257</u>	<u>70,277</u>

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

Notes to the Financial Statements
31 December 2017

6. Manpower Benefit Costs

	2017	2016
	\$	\$
Staff salaries and bonuses	542,672	560,305
Employer's CPF contribution and Skills Development Levy	72,180	83,805
Foreign worker levy	2,512	—
Staff medical and insurance	8,296	7,848
Staff training	2,268	2,336
Staff transport	168	258
Staff welfare	1,291	686
Honorarium	1,334	162
	630,721	655,400

7. Other Operating Costs

	2017	2016
	\$	\$
Advertisement	—	959
Amortisation of deferred capital grant	799	799
Bank charges	282	229
Depreciation of plant and equipment	1,668	1,313
General expenses	1,406	306
Insurance	613	593
Maintenance of equipment	—	128
Maintenance of premises	8,551	9,355
Non-capitalised purchases	865	356
Printing, stationery and postage	3,336	3,824
Rent and conservancy fees	19,913	19,913
Rental of equipment	2,414	2,414
Subscription fees	784	—
Telecommunication expenses	2,032	2,259
Utilities	8,332	9,250
	50,995	51,698

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

Notes to the Financial Statements
31 December 2017

8. Governance Costs

	2017	2016
	\$	\$
Administrative support costs	69,174	61,537
Auditor's remuneration		
– current year	4,700	4,720
– certification on statement of subsidy claims	4,000	3,500
License fees	411	438
	<u>78,285</u>	<u>70,195</u>

9. Cash and Cash Equivalents

	2017	2016
	\$	\$
<i>Denominated in Singapore dollars:</i>		
Cash at banks	180,510	222,309
Cash on hand	2,200	2,200
Fixed deposits	164,169	377,935
	<u>346,879</u>	<u>602,444</u>
Cash and cash equivalents per statement of cash flows	<u>346,879</u>	<u>602,444</u>

Fixed deposits earn interest rate that ranges approximately from 1.05% to 1.63% (2016: 1.20% to 1.40%) per annum with maturity days ranging from 5 months (2016: 7 months to 12 months) from the end of the reporting period.

10. Other Receivables

	2017	2016
	\$	\$
School fees receivable	809	–
Allowance for impairment loss (Note 5)	(539)	–
	<u>270</u>	<u>–</u>
Fixed deposit interest receivable	1,117	2,083
Amount due from ECDA	2,238	–
	<u>3,625</u>	<u>2,083</u>

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

Notes to the Financial Statements**31 December 2017****11. Other Current Assets**

	2017 \$	2016 \$
Advance payments	98,100	—
Deposits	1,880	1,880
Prepayments	3,507	993
	<u>103,487</u>	<u>2,873</u>

The advance payments represent payments made for renovation costs and purchase of new curriculum for Spark Accreditation of the Centre.

12. Property, Plant and Equipment

	Computers \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
<i>Cost:</i>					
At 01-01-2016	4,194	57,823	14,913	42,015	118,945
Additions	—	—	—	3,047	3,047
Write-off	(2,935)	—	—	—	(2,935)
At 31-12-2016	1,259	57,823	14,913	45,062	119,057
Additions	—	—	—	—	—
Write-off	—	(342)	(1,300)	—	(1,642)
At 31-12-2017	<u>1,259</u>	<u>57,481</u>	<u>13,613</u>	<u>45,062</u>	<u>117,415</u>
<i>Accumulated depreciation:</i>					
At 01-01-2016	4,194	57,823	11,765	42,015	115,797
Depreciation charge	—	—	1,059	254	1,313
Write-off	(2,935)	—	—	—	(2,935)
At 31-12-2016	1,259	57,823	12,824	42,269	114,175
Depreciation charge	—	—	1,059	609	1,668
Write-off	—	(342)	(1,300)	—	(1,642)
At 31-12-2017	<u>1,259</u>	<u>57,481</u>	<u>12,583</u>	<u>42,878</u>	<u>114,201</u>
<i>Net carrying amount:</i>					
At 31-12-2017	<u>—</u>	<u>—</u>	<u>1,030</u>	<u>2,184</u>	<u>3,214</u>
At 31-12-2016	<u>—</u>	<u>—</u>	<u>2,089</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
31 December 2017

13. Other Payables

	2017	2016
	\$	\$
<i>Denominated in Singapore dollars:</i>		
Accrued operating expenses	16,656	35,984
Amount due to ECDA	–	1,572
Amount due to Good News Community Services	17,126	60,254
School fees received in advance	60	3,287
Others	1,515	1,687
	<u>35,357</u>	<u>102,784</u>

14. Unrestricted Funds

(a) General fund

	2017	2016
	\$	\$
Balance at beginning of the year	346,042	438,786
Transfer from Commonwealth Student Care Centre – General fund	6,355	–
Transfer from Commonwealth Student Care Centre – Dwelling Place tuition fund	1,834	–
	<u>354,231</u>	<u>438,786</u>
Net expenditure for the year	<u>(140,664)</u>	<u>(92,744)</u>
Balance at end of the year	<u>213,567</u>	<u>346,042</u>

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

Notes to the Financial Statements
31 December 2017

14. Unrestricted Funds (Cont'd)

(b) Designated funds

	Balance at 01-01-2017 \$	Transferred from GNCS – general fund \$	Income \$	Expenditure \$	Amortisation \$	Balance at 31-12-2017 \$
2017						
Bursary fund	8,000	–	–	–	–	8,000
Deferred capital grants	1,266	–	–	–	(799)	467
Property maintenance fund	13,014	–	–	–	–	13,014
Sinking fund	102,550	50,000	–	–	–	152,550
Staff training fund	1,846	–	–	(1,846)	–	–
	126,676	50,000	–	(1,846)	(799)	174,031

	Balance at 01-01-2016 \$	Transferred from GNCS – general fund \$	Income \$	Expenditure \$	Amortisation \$	Balance at 31-12-2016 \$
2016						
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
	129,811	–	–	(2,336)	(799)	126,676

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

Notes to the Financial Statements
31 December 2017

14. Unrestricted Funds (Cont'd)

(b) **Designated funds (Cont'd)**

The designated funds were established for the following purposes:

- (i) Bursary fund - to grant bursary to children of needy families at the child care centre.
- (ii) 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.
- (iii) Property maintenance fund - for the upkeep and repairs on the premises occupied by the Centre.
- (iv) Sinking fund - for capital expenditure to be incurred for major replacements, repairs and cyclical maintenance.
- (v) Staff training fund - to provide training subsidies for teachers attending training institutions.

15. Income Tax

The Centre is a community service project of Good News Community Services, which is a Society registered as a charity organisation under the Singapore Charities Act, Chapter 37. As an approved charity, it is exempted from income tax under Section 13(1)(zm) of the Singapore Income Tax Act, Chapter 134.

16. Commitments

(a) ***Capital commitment***

In the current financial year under review, the Centre has entered into a contract with a supplier for the renovation of the Centre's premises amounting to \$207,500. The Centre has paid a deposit amounting to \$83,000 in the current year. As such, the capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements amounted to \$124,500 (2016: Nil). The renovation commences subsequent to the financial year ended 31 December 2017.

(b) ***Operating lease commitment***

The Centre has entered into a commercial lease for the use of certain equipment as lessee. This lease have an average tenure of 5 years. There are no restrictions placed upon the Centre by entering into this lease. Operating lease payments recognised as an expense in the statement of financial activities for the financial year ended 31 December 2017 amounted to \$2,414 (2016: \$2,414).

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

Notes to the Financial Statements
31 December 2017

16. Commitments (Cont'd)

(b) Operating lease commitment (Cont'd)

Future minimum lease payments payable under non-cancellable operating leases at the reporting date are as follows:

	2017 \$	2016 \$
Not later than one year	2,414	2,414
Later than one year but not later than five years	5,029	9,656
	<u>7,443</u>	<u>12,070</u>

17. Related Party Transactions

Key Management Personnel Compensation

Key management personnel comprised the Head of the Centre which are having the authority and responsibility for planning, directing and controlling the activities of the Centre.

The remuneration paid to key management personnel during the year are as follows:

	2017 \$	2016 \$
Salaries and bonuses	60,797	60,459
Employer's CPF contributions	10,342	10,285
	<u>71,139</u>	<u>70,744</u>

The remuneration of the key management personnel of the Centre shown in salary bands are as follows:

	2017	2016
<i>Salaries and benefits bands for key management personnel</i>		
Between \$50,000 - \$100,000	<u>1</u>	<u>1</u>

None of the members of the Management Committee have received any compensation during the financial year ended 31 December 2017 and 2016.

18. Financial Risk Management

The Centre's charitable activities expose it to minimal financial risks such as credit risk and liquidity risk on an informal basis. The Management Committee reviews and agrees policies for managing each of these risks and continually monitors the Centre's risk management process to ensure that an appropriate balance between risk and control is achieved.

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

Notes to the Financial Statements
31 December 2017

18. Financial Risk Management (Cont'd)

(a) *Credit risk*

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Centre. The Centre manages such risks by dealing with a diversity of credit-worthy counter parties to mitigate any significant concentration of credit risk. The Centre places its cash and cash equivalents with creditworthy institutions.

The maximum exposure to credit risk in the event that the counter parties fail to perform the obligations as at the end of the financial year in relation to each class of financial assets is the carrying amount of these assets in the statement of financial position.

As at the financial year end, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(b) *Liquidity Risk*

Liquidity risk is the risk that the Centre will encounter difficulty in meeting financial obligations due to shortage of funds. The Centre's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Management Committee exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flows at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Centre's financial liabilities at the end of the financial year based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not expected to be significant.

	Less than 1 year \$	Between 1 – 5 years \$	Total contractual cash flow \$
2017			
<i>Financial liabilities</i>			
Other payables	35,357	—	35,357
Refundable deposits	34,250	—	34,250
Total undiscounted financial liabilities	69,607	—	69,607
2016			
<i>Financial liabilities</i>			
Other payables	102,784	—	102,784
Refundable deposits	36,780	—	36,780
Total undiscounted financial liabilities	139,564	—	139,564

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

Notes to the Financial Statements
31 December 2017

19. 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.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2017 and 31 December 2016.

20. Authorisation of Financial Statements

These financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Management Committee of Good News Community Services on 28 March 2018.

Report and Audited Financial Statements

COMMONWEALTH STUDENT CARE CENTRE

(A Community Service Project of
GOOD NEWS COMMUNITY SERVICES)

31 December 2017

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

General Information

**Members of Good News Community Services
Management Committee**

Bishop Kuan Kim Seng	-	President
Hui Kwok Thong Peter	-	Vice-President
Gan Tian Huat	-	Honorary Treasurer
Tan Yi-Ping Jacqueline	-	Honorary Secretary
Dui Sian Ling	-	Committee member
Simon Soh Soon Heng	-	Committee member
Ng Heo Yong Timothy	-	Committee member
Lee Kong Wee	-	Committee member
Lim Siew Lin	-	Committee member

Centre's Address

Blk 37B Commonwealth Drive,
#01-01 and #02-01
Singapore 140370

UEN No.

-

Auditor

E H Luar & Co

Bankers

United Overseas Bank Limited

Index

Page

Statement by Members of the Good News Community Services Management Committee	1
Independent Auditor's Report	2-4
Statement of Financial Activities	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-18

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

**Statement by Members of the Good News Community Services
Management Committee**

1. Opinion of the Good News Community Services Management Committee

In the opinion of the Good News Community Services Management Committee,

- (a) the accompanying financial statements of Commonwealth Student Care Centre (a Community Service Project of Good News Community Services) (the "Centre"), set out on pages 5 to 18, are drawn up in accordance with the provisions of the Charities Accounting Standard (the "CAS") in Singapore, so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2017 and the results of the financial activities and cash flows of the Centre for the year ended on that date; and
- (d) at the date of this statement, there are reasonable grounds to believe that the Centre will be able to pay its debts as and when they fall due.

The members of the Good News Community Services management committee has, on the date of this statement, authorised these financial statements for issue.

2. Members of Good News Community Services Management Committee


Bishop Kuan Kim Seng	-	President
Hui Kwok Thong Peter	-	Vice-President
Gan Tian Huat	-	Honorary Treasurer
Tan Yi-Ping Jacqueline	-	Honorary Secretary
Dui Sian Ling	-	Committee member
Simon Soh Soon Heng	-	Committee member
Ng Heo Yong Timothy	-	Committee member
Lee Kong Wee	-	Committee member
Lim Siew Lin	-	Committee member

3. Auditor

E H Luar & Co has expressed its willingness to accept appointment as auditor.

On behalf of the Good News Community Services Management Committee


Bishop Kuan Kim Seng
President


Gan Tian Huat
Honorary Treasurer

Singapore, 28 March 2018

COMMONWEALTH STUDENT CARE CENTRE
(A Community Service Project of Good News Community Services)**Independent Auditor's Report to the Members of
Good News Community Services – Commonwealth Student Care Centre**
For the Financial Year Ended 31 December 2017**Report on the Audit of the Financial Statements***Opinion*

We have audited the accompanying financial statements of Commonwealth Student Care Centre (A Community Service Project of Good News Community Services), (the "Centre") as set out on pages 5 to 18, which comprise the statement of financial position as at 31 December 2017, and 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 Standard (the "CAS") in Singapore so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2017 and the results of the financial activities and cash flows of the Centre for the year ended on that date.

Other Matter

The financial statements of the Centre for the financial year ended 31 December 2016 were audited by another firm of auditors who expressed an unmodified opinion on those statements on 27 March 2017.

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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Management Committee is responsible for the other information. The other information comprises the General Information and the Statement by Members of the Good News Community Services Management Committee as set out on page 1.

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.

COMMONWEALTH STUDENT CARE CENTRE

(A Community Service Project of Good News Community Services)

Independent Auditor's Report to the Members of

Good News Community Services – Commonwealth Student Care Centre

For the Financial Year Ended 31 December 2017 (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

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 the Charities Accounting Standard (the "CAS") in Singapore, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Management Committee is responsible for overseeing the Centre's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management committee.

COMMONWEALTH STUDENT CARE CENTRE

(A Community Service Project of Good News Community Services)

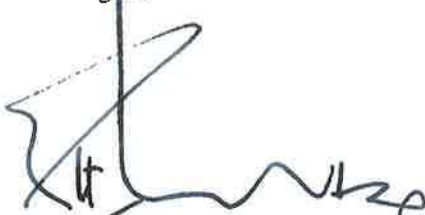
**Independent Auditor's Report to the Members of
Good News Community Services – Commonwealth Student Care Centre
For the Financial Year Ended 31 December 2017 (Cont'd)**

Report on the Audit of the Financial Statements (Cont'd)

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

- (d) Conclude on the appropriateness of 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.
- (e) 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.



E H LUAR & CO
Public Accountants and
Chartered Accountants

Singapore, 28 March 2018

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

Statement of Financial Activities
For the Financial Year Ended 31 December 2017

		Unrestricted Funds	
	Note	2017	2016
		\$	\$
Income			
Income from generated funds:			
Activities for generating funds	3	24,740	87,750
Investment income		426	775
Other income	4	4,389	10,907
Total income		29,555	99,432
Less: Expenditures			
Costs of generating funds			
Direct operating costs	5	900	5,346
Manpower benefit costs	6	53,228	97,444
Other operating costs	7	8,857	14,660
Governance costs	8	4,381	4,441
Total expenditures		67,366	121,891
Net expenditure before tax expense	13	(37,811)	(22,459)
Tax expense	14	—	—
Net expenditure before transfers		(37,811)	(22,459)
Gross transfers between funds	13	(8,189)	—
Net expenditure before holding gains and losses		(46,000)	(22,459)
Other recognised gains or losses		—	—
Net movement in funds		(46,000)	(22,459)
Reconciliation of funds:			
Total funds brought forward	13	46,000	68,459
Total funds carried forward	13	—	46,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

Statement of Financial Position
As at 31 December 2017

	Note	2017 \$	2016 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	—	57,185
Other receivables		—	346
Other current assets	10	—	790
		<u>—</u>	<u>58,321</u>
Non-current assets			
Property, plant and equipment	11	—	315
		<u>—</u>	<u>315</u>
Total assets		<u>—</u>	<u>58,636</u>
LIABILITIES			
Current liabilities			
Other payables	12	—	8,876
Refundable deposits		—	3,760
		<u>—</u>	<u>12,636</u>
Total liabilities		<u>—</u>	<u>12,636</u>
Net assets		<u>—</u>	<u>46,000</u>
FUNDS			
Unrestricted funds			
General fund	13	—	44,166
Designated funds	13	—	1,834
		<u>—</u>	<u>46,000</u>
Total Funds		<u>—</u>	<u>46,000</u>

The accompanying accounting policies and explanatory notes form an integral part of the 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 2017

	2017	2016
	\$	\$
Cash flows from operating activities		
Net expenditure before tax expense	(37,811)	(22,459)
Adjustments for:		
Depreciation of plant and equipment	315	441
Interest income from fixed deposits	(426)	(775)
Operating cash flow before changes in working capital	(37,922)	(22,793)
Changes in working capital:		
Decrease in other receivables	346	114
Decrease in other current assets	790	351
(Decrease)/Increase in other payables	(8,876)	2,830
Decrease in refundable deposits	(3,760)	(3,650)
Cash used in operations	(49,422)	(23,148)
Interest received	426	775
Net cash used in operating activities	(48,996)	(22,373)
Cash flows from investing activities		
Purchase of property, plant and equipment	—	(756)
Net cash used in investing activities	—	(756)
Cash flows from financing activities		
Funds transferred to Sonshine Childcare Centre (Note 13)	(8,189)	—
Net cash used in financing activities	(8,189)	—
Net decrease in cash and cash equivalents	(57,185)	(23,129)
Cash and cash equivalents at the beginning of the financial year	57,185	80,314
Cash and cash equivalents at the end of the financial year (Note 9)	—	57,185

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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

Notes to the Financial Statements
31 December 2017

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

1. Domicile and Activities

Commonwealth Student Care Centre (the "Centre") is a community service project of Good News Community Services (UEN no. S99SS0015F), which is registered with the Registry of Societies.

The Centre is located at Blk 37B Commonwealth Drive, #01-01 and #02-01 Singapore 140370.

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

The Good News Community Services Management Committee have decided and approved the closure of Commonwealth Student Care Centre's operation from 30 June 2017 in view of the decreased student enrolment.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

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

The preparation of the Centre's financial statements requires Management Committee to make judgements, estimates and assumptions that affect the reported amounts of the income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management Committee is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

2.2 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 dollars ("SGD" or "\$") and all values are rounded to the nearest dollar ("¢") unless otherwise indicated.

2.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation.

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

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.3 Property, plant and equipment and depreciation (Cont'd)

When significant parts of property, plant and equipment are required to be replaced in intervals, the costs of replacing such an item when the cost is incurred is added to the carrying amount of the item if the recognition criteria are met. The costs of day-to-day servicing of an item of property, plant and equipment is recognised as expenditure in the Statement of Financial Activities in the period in which the costs are incurred. Property, plant and equipment shall not be revalued and are not required to be assessed for impairment.

Depreciation is calculated using the straight-line basis to allocate its depreciable amounts over its estimated useful lives at the following annual rates:

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

The depreciation charge for each period is recognised as expenditure in the statement of financial activities unless another section of the CAS requires it to be included in the carrying amount of another asset. The residual values, estimated useful lives and depreciation method of property and equipment are reviewed and adjusted, as appropriate, at each reporting period. The effects of any revisions are recognised in the statement of financial activities for the financial year in which the changes arise. The carrying amount of the property, plant and equipment at the date of revision or changes is depreciated over the revised remaining useful lives.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in statement of financial activities in the year the asset is derecognised.

2.4 Financial assets

Financial assets are recognised on the statement of financial position when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at the transaction price excluding transaction costs, if any, which shall be recognised as expenditure immediately in the statement of financial activities. Subsequent to initial measurement, financial assets, including other receivables and deposits excluding prepayments, are measured at cost less any accumulated impairment losses. Prepayments are subsequently measured at the amount paid less the economic resources received or consumed during the financial year.

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.4 Financial assets (Cont'd)

Financial assets (consisting of cash and cash equivalents, and other receivables and deposits excluding prepayments), are derecognised when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Centre has transferred substantially all risks and rewards of ownership. On de-recognition of financial assets in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of financial activities.

2.5 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.

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.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank and fixed deposits which are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.7 Financial liabilities

Financial liabilities includes 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.

Financial liabilities shall be recognised at their transaction price, excluding transaction costs, if any, both at the initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred.

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.7 Financial liabilities (Cont'd)

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.8 Fund Accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include unrestricted funds as follows:

Unrestricted funds

Unrestricted funds are expendable at the discretion of the Centre's Management Committee in furtherance of the Centre's objects.

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 funds"). The designation has an administrative purpose only and does not legally restrict the Management Committee's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

2.9 Income recognition

Income is recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the Centre's net assets. Income is recognised if the Centre has control over the rights or other access to the resource, enabling the Centre to determine its future application; probable that the income will be received and the amount of income can be measured by the Centre with sufficient reliability.

The following specific recognition criteria must also be met before income is recognised:

(a) Income from generated funds

Activities for generating funds

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

Investment income

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

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.9 Income recognition (Cont'd)

(b) 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.

2.10 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.

(a) Cost of generating funds

Costs of generating funds are those costs attributable to generating income for the Centre other than those costs incurred in undertaking charitable activities in furtherance of the Centre's objects.

(b) 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.

(c) Support costs

Support costs are costs incurred in supporting income generation activities such as fund raising 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.

(d) Other expenditure

Other expenditure includes the payment of any expenditure that the Centre has not been able to analyse within the main expenditure categories.

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

Notes to the Financial Statements
31 December 2017

2. Summary of Significant Accounting Policies (Cont'd)

2.11 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.

2.12 Employee benefits - defined contribution plans

The Centre participates in the national pension schemes as defined by the laws of Singapore. The Centre makes contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme. Such contributions to defined contribution pension scheme are recognised as compensation expense in the period in which the related service is performed.

2.13 Provisions

Provisions are recognised when the Centre has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

3. Activities for Generating Funds

	2017 \$	2016 \$
Dwelling Place Tuition programme	420	950
Holiday programmes	985	7,435
School fees, registration and other fees	23,335	79,365
	<u>24,740</u>	<u>87,750</u>

4. Other Income

	2017 \$	2016 \$
Special employment credit	3,145	4,488
Wage credit scheme	764	6,110
Refundable deposit forfeited	480	240
Others	-	69
	<u>4,389</u>	<u>10,907</u>

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

Notes to the Financial Statements
31 December 2017

5. Direct Operating Costs

	2017	2016
	\$	\$
Holiday programme expenses	195	2,374
Food and beverages	705	2,716
Dwelling place tuition programme expenses	—	256
	<u>900</u>	<u>5,346</u>

6. Manpower Benefit Costs

	2017	2016
	\$	\$
Staff salaries, bonuses	47,932	82,153
Employer's CPF contribution and Skills Development Levy	4,672	13,052
Staff medical and insurance	513	1,228
Staff transport	—	54
Staff welfare	111	61
Honorarium	—	896
	<u>53,228</u>	<u>97,444</u>

7. Other Operating Costs

	2017	2016
	\$	\$
Bank charges	499	107
Depreciation of plant and equipment	315	441
General expenses	230	137
Insurance	110	314
Maintenance of equipment	27	293
Maintenance of premises	6	325
Printing, stationery and postage	86	244
Rent and conservancy fees	4,652	9,014
Reinstatement cost	1,548	—
Telecommunication expenses	337	874
Utilities	1,047	2,911
	<u>8,857</u>	<u>14,660</u>

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

Notes to the Financial Statements
31 December 2017

8. Governance Costs

	2017	2016
	\$	\$
Administrative support costs	2,956	3,077
Auditor's remuneration	1,300	1,246
License fees	125	118
	<u>4,381</u>	<u>4,441</u>

9. Cash and Cash Equivalents

	2017	2016
	\$	\$
<i>Denominated in Singapore dollars:</i>		
Cash at bank	—	4,325
Cash on hand	—	500
Fixed deposits	—	52,360
	<u>—</u>	<u>57,185</u>
Cash and cash equivalents per statement of cash flows	—	57,185

In 2016, the fixed deposits earn interest rate of approximately 1.45% per annum with maturity days ranging from 7 months from the end of the reporting period. During the current financial year under review, the Centre had withdrawn the said fixed deposit.

10. Other Current Assets

	2017	2016
	\$	\$
Deposits	—	763
Prepayments	—	27
	<u>—</u>	<u>790</u>

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

Notes to the Financial Statements
31 December 2017

11. Property, Plant and Equipment

	Computers	Furniture and fittings	Office equipment	Renovation	Total
	\$	\$	\$	\$	\$
<i>Cost:</i>					
At 01-01-2016	1,572	17,107	9,264	15,763	43,706
Additions	756	—	—	—	756
Write-off	(973)	(15)	—	—	(988)
At 31-12-2016	1,355	17,092	9,264	15,763	43,474
Additions	—	—	—	—	—
Write-off	(1,355)	(17,092)	(9,264)	(15,763)	(43,474)
At 31-12-2017	—	—	—	—	—
<i>Accumulated depreciation:</i>					
At 01-01-2016	1,572	17,107	9,264	15,763	43,706
Depreciation charge	441	—	—	—	441
Write-off	(973)	(15)	—	—	(988)
At 31-12-2016	1,040	17,092	9,264	15,763	43,159
Depreciation charge	315	—	—	—	315
Write-off	(1,355)	(17,092)	(9,264)	(15,763)	(43,474)
At 31-12-2017	—	—	—	—	—
<i>Net carrying amount:</i>					
At 31-12-2017	—	—	—	—	—
At 31-12-2016	315	—	—	—	315

12. Other Payables

	2017	2016
	\$	\$
<i>Denominated in Singapore dollars:</i>		
Accrued operating expenses	—	5,265
Amount due to Good News Community Services	—	3,013
School fees received in advance	—	290
Others	—	308
	<u>—</u>	<u>8,876</u>

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

Notes to the Financial Statements
31 December 2017

13. Unrestricted Funds

	General fund	Designated fund	Total
	\$	\$	\$
2017			
Balance at beginning of the year	44,166	1,834	46,000
Transfer to Sonshine Childcare Centre ("SCC") – General fund	(6,355)	(1,834)	(8,189)
	37,811	–	37,811
Net expenditure for the year	(37,811)	–	(37,811)
Balance at the end of the year	–	–	–
2016			
Balance at beginning of the year	66,625	1,834	68,459
Net expenditure for the year	(22,459)	–	(22,459)
Balance at the end of the year	44,166	1,834	46,000

The Designated fund relates to the Dwelling Place Tuition Fund, which 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.

The management committee of Good News Community Services have approved to transfer the remaining balance of the Centre's general fund of \$6,355 and designated fund of \$1,834 to Sonshine Childcare Centre.

14. Income Tax

The Centre is a community service project of Good News Community Services, which is a Society registered as a charity organisation under the Singapore Charities Act, Chapter 37. As an approved charity, it is exempted from income tax under Section 13(1)(zm) of the Singapore Income Tax Act, Chapter 134.

15. Related Party Transactions

Key Management Personnel Compensation

Key management personnel comprised the Head of the Centre which is having the authority and responsibility for planning, directing and controlling the activities of the Centre. The remuneration paid to key management personnel during the year are as follows:

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

Notes to the Financial Statements
31 December 2017

15. Related Party Transactions (Cont'd)

Key Management Personnel Compensation (Cont'd)

	2017	2016
	\$	\$
Salaries, bonuses and other compensation	45,576	53,311
Employer's CPF contributions	3,867	9,074
	<u>49,443</u>	<u>62,385</u>

The remuneration of the key management personnel of the Centre shown in salary bands are as follows:

	2017	2016
<i>Salaries and benefits bands for key management personnel</i>		
Between \$50,000 - \$100,000	<u>*_</u>	<u>1</u>

* Amount paid to a key management personnel is below \$50,000.

None of the members of the Management Committee have received any compensation during the financial year ended 31 December 2017 and 2016.

16. Authorisation of Financial Statements

These financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the Management Committee of Good News Community Services on 28 March 2018.

5. 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>BOARD</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
STAFF			
Executive Director	See Choon Wai	Blk 256 Pasir Ris St 21 #01-289 Singapore 510256	6581 2159

1. **MAJOR CHANGES IN 2017**

- 1.1 See Choon Wai has taken over the full responsibilities for the role of Executive Director as from September 2017.
- 1.2 A total of three staff resigned or retired in 2017. PRFSC managed to recruit two Social Workers and a Social Work Associate as part of their replacement.

2. **MAJOR EVENTS IN 2017**

2.1 **Community Work**

PRFSC collaborated with Hai Sing Catholic School to train their student leaders to conduct structured programmes for latch key children in Pasir Ris neighborhood from March to September. .

PRFSC also collaborated with the Methodist Welfare Services Senior Activity Centre and teachers from Hai Sing Catholic High to conduct a series of activities for the senior citizens at block 212A.

2.2 **Group Work**

Staff conducted 5 sessions of group work in September entitled 'Young Warriors' for children from disadvantaged families. The goal of the group work is to prepare the children to cope with stress and life difficulties in school and at home.

2.3 **Gift of Love**

PRFSC organized a year-end carnival 'Gift of Love' for our beneficiaries, volunteers and community partners. A total of about 130 people attended the event. There were performances, magic show, games stall and hampers donated by SAJC were given away.

2.4 Data Verification by MSF

MSF conducted a data verification exercise with PRFSC in Oct 2017 to validate the accuracy of the data on the number of cases with active cases for funding computation. Caseworkers have to update all their case recordings and documentation. The data were verified to be accurate.

2.5 SPMF On-Site Assurance

An On-Site Assurance check by the team from Straits Times SPMF was conducted in July 2017. The purpose is to ensure that all applications and disbursement of cheques are properly documented and according to the stated procedures. The ST SPMF team suggested that Senior Staff in charge of SPMF processes can conduct periodic checks to ensure data accuracy and timely updates.

2.6 Networking

PRFSC shared its community needs survey findings with MSF SSO in March. There were also discussions on future plans to identify and meet the emerging needs in Pasir Ris.

The Senior Director of MSF Service Delivery Mr John Lim visited PRFSC together with SSO staff in November to better understand the work and issues faced by the Centre.

Staff from Mendaki and Association of Muslim Professionals visited PRFSC in October to network and explore future collaboration opportunities.

2.7 Staff Planning and Bonding Retreat

The Retreat was held in Kuala Lumpur in September 2017. A SWOT Analysis was conducted to identify the strength and weakness of the FSC. Staff feedback that while they appreciate the support and flexibility of the work environment, some felt over worked and burnt out.

2.8 MSF Cyclical Maintenance and Renovation

A total of \$47,722 was spent in the cyclical maintenance and renovation of the Centre in June 2017. The major maintenance work include changing of two air conditioners and the toilets floor tiles at the Annex, roller shutter, painting work as well as CCTV and door security system. MSF reimburse us a total of \$33,839.82.

2.9 SUSS Student Attachment

Two SUSS (Singapore University of Social Science) Social Work students studying for their Bachelors in Social Work were attached to the Centre for their field practicum from August to October. They were being supervised by two Social Workers.

3. **NON-FUNDED COMMUNITY PROGRAMME**

3.1 **5 Loaves 2 Fish**

This is a non-funded food ration programme which the FSC provides basic necessities to the poor and needy. A total of \$8,882 was used to purchase food items which benefitted about 100 families in 2017.

3.2 **Back to School Vouchers**

Staff distributed Popular Bookshop vouchers to 100 needy children studying in primary and secondary schools in December. Each child received \$50 worth of vouchers to purchase books and stationery to prepare for school in the new year.

4. **FINANCE**

For the year ended 31 December 2017 (Unaudited)

Income	\$1,474,867.64
Expenditure	\$1,371,895.85
Surplus / Deficit	\$ 102, 971.79

FSC Operating Fund	\$70,612.98
<u>Unrestricted Surplus</u>	\$ 32,358.81
Total	\$102,971.79

5. **EVALUATION**

5.1 Total no. of cases managed in 2016: 351

Total no. of cases managed in 2017: 333

Total no. of cases opened in 2017: 127

Total no. of cases closed in 2017: 40

There is a decrease of about 5% in the number of cases managed in 2017. One of the reasons could be that there was a large number of cases (146 cases) closed in 2016 due to the conversion of documentation into the SSNet as well as a shortage of experienced staff.

**5.2 Total no. of referrals / enquires in 2016: 460
Total no. of referrals / enquires in 2017: 514**

There is an increase of about 12% in the number of personal enquires and referrals from other agencies in 2017. It could be that PRFSC is more visible after conducting community needs survey in Costa Ris neighbourhood and having representatives at the MP Meet-the-People sessions since 2016.

The top five presenting problems from the enquires or referrals are (a) Family and Marital Issues, 30.5% (b) Financial Issues, 18% (c) Family Violence, 12% and (d) Health / Mental Issues, 9% and (e) Shelter / Care Arrangement, 9%.

5.3 Support from Management Committee and Chaplain

Staff appreciated more contacts with the Management Committee this year especially the HR Committee. There is also great support from Rev Victor Teo who provided pastoral support to some of the staff.

5.4 Development Projects / Special Projects

PRFSC have applied for the Operation of Welfare Home for Destitute and the Operation of Fostering Agencies but were not successful. MSF usually will give priority to those agencies with relevant experience and those who are the existing operators.

6. FUTURE PLANS 2018

- 6.1** PRFSC strategic vision for the next few years is “Growing Together as One”. We will focus on the development of professional skills for staff, building a deeper therapeutic relationship with our beneficiaries and networking with community partners.
- 6.2** There are plans to recruit a Senior Social Worker to strengthen the staff team as the FSC has a shortage of experienced staff.
- 6.3** PRFSC will continue to explore possibilities of expanding our services within and beyond Pasir Ris.

**See Choon Wai
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	6565 0844

1. MAJOR CHANGES IN 2017

*Little Lives Centre Management System

The teachers are more comfortable using the system now. There were some teething problems at first but they have been ironed out. Parents have also got used to checking-in and checking out daily. The introduction of this new technology created resistance from grandparents at first but they are now familiar with what needs to be done and the children have also been helpful in teaching their grandparents how to check-in and check-out.

*Teacher Training for new curriculum by Curriculum Plus

We held a teacher training session for the new curriculum which was launched in Jan 2018. The training session was not scheduled in the centre's calendar due to the late decision to hire Curriculum Plus as our curriculum planners, hence the session was quite touch and go. We only had 1 day to train the teachers **and** set-up the centre for the new year. Teachers needed more time to wrap their head around the new curriculum and familiarize themselves to the new materials. Moreover, several curriculum materials arrived only in Jan. Centre set-up was the collective efforts of Esther, Jacob, James, Jerome, 2 volunteers from COR and the SCC staff. We managed to do quite a lot of centre décor in just that 1 day of prep work although more time was necessary to ensure all was ready for the new year.

2. MAJOR EVENTS IN 2017

*K2 Graduation Concert

In recent years, we have been charging the parents \$30-\$35 per ticket. This covers the hourly booking fee for the venue itself and expenses for some accessories and light snacks. Some parents have given feedback that ticket prices are pricey. In order for parents not to feel the pinch, we have also not been charging a separate fee for the costume but instead, we get parents to purchase a concert outfit that is not only used for the concert day itself

but can be reused by the child on other occasions. This seems to be a reasonable request for parents, although it may not present a very fancy appearance on stage. In the upcoming year, we may need to think of something novel for the concert. We could also feature the new Character Education Programme during the concert.

***Parent-child session on “All about Pandas!”**

This parent-child session was a success. It showcased what the Mandarin teachers learnt at a workshop and also what they taught the K1&K2 children during the term. The session was also linked to the school’s visit to the River Safari. There was a good turn-up and of parents and family members. We will be conducting more of such parent-child sessions yearly.

***National Day Family Carnival**

A lot of preparation was needed for this event. There was local food and games prepared by the teachers, and families were invited to join in the fun. Activities like this encourage partnerships with families although we may need to charge parents more for the tickets, to help us cover cost for food and items required for the games. It was held on a Saturday but not all families could attend due to their commitments.

***Zumba for the whole family**

The Zumba workouts were conducted about 3 times in the year and involved the staff and families. It drew quite a crowd around the community too. Definitely a healthy activity we want to continue having in the upcoming year and hope to get HPB to conduct the classes once every term, depending on their availability.

***Talk on Preparing for Primary One for K2 & Mock-Up Tuck-shop**

We did not manage to visit Bukit View Primary School like we usually do, due to a miscommunication of the dates. However, one of our students’ mothers, who is a secondary school teacher, offered to conduct the talk with the K2 children. She presented a video by MOE on transition to Pri One. The tuck shop was set up by the K2 teachers and children. Light snacks were prepared by the teachers and parent and the children used real money to purchase the snacks. The idea was to give children an idea of what it was like to purchase items on their own and practice lining up for their food, making payment, counting change and returning their trays and utensils to the appropriate place.

***Healthy Food Adventure for K1 & K2 children**

This is another HPB related activity. It involved the children preparing healthy meals in the classroom with the help of a trainer. Definitely something we hope to continue having as part of our community partnerships and to promote a healthy lifestyle among the children and healthy school culture.

3. FINANCE

For the year ended 31 December 2017 (Unaudited)

Income	\$685,279
Expenditure	\$826,612

Surplus / Deficit	(\$141,334)
-------------------	-------------

4. EVALUATION

The implementation of the new curriculum and Centre Management System has certainly changed the mind sets of the centre staff. They are now more aware of the centre's efforts for improvement and are motivated to move with the demands of the sector. They are somewhat overwhelmed by the changes being made but hopefully once the curriculum is finally implemented and they observe how the children benefit from it, they will be more at ease.

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	6474 9209

1. **MAJOR CHANGES IN 2017**

Cessation of Operations

Commonwealth Student Care Centre's (CSCC) ceased operations effective 30th June 2017.

As part of HDB's redevelopment plans for Queenstown, HDB had given notice in Yr2014 regarding end of CSCC's lease in Yr2021 and CSCC was offered an alternative site at Dawson area. Management Committee of Good News Community Service (GNCS) deliberated the matter during Yr2015 January meeting and decided not to take up the alternative location due to the saturation of established churches (Church of Our Saviour and Church of the Good Shepard), presence of nearby school-based student care centre and initial investment required to setup a new premise. It was also decided during Management Committee meeting in Yr2017 March to end the lease of CSCC effective 30th June 2017 as it was not viable to operate the centre with decreasing enrolment.

2. **FINANCE**

For the year ended 31 December 2017 (Unaudited)

Income	\$29,555.61
Expenditure	\$67,366.89
Surplus / Deficit	(\$37,811.28)

3. THANKSGIVING

Since CSCC started in Year 1999 to bless and serve residents in Tanglin Halt area, volunteers from COR have selflessly availed themselves to minister to the students and their parents. Through weekly programmes (Happy Time, Dwelling Place Tuition) and yearly events (Overnight Camp, Christmas celebrations, holiday excursions, evangelistic dinners, etc.), COR volunteers have revealed God's love for each of the students and touched the hearts of the parents. By the grace of our Lord God, some have come to faith through this ministry.

As we draw the ministry at CSCC to a close, we look towards more opportunities to serve alongside COR volunteers to fulfil God's great commandments: "to love God with all our heart and to love our neighbours as ourselves" (Matthew 22:37-39).

James Zhou
Development Manager

On Behalf of
Mdm Tiong Siew Ing
Centre Supervisor

6. CORPORATE GOVERNANCE AND POLICIES

6.1 Governance Evaluation Checklist

6.2 Reserves and Investment Policy

Governance Evaluation Checklist

To be submitted to Charity Council.

(Evaluation Period: 01/01/2017 to 31/12/2017)

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 programs 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	Complied
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 programs, 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 border="1"><tr><td>Annual Remuneration Salary Band</td><td>2017</td></tr><tr><td>\$100,000 - \$200,000</td><td>2</td></tr></table>	Annual Remuneration Salary Band	2017	\$100,000 - \$200,000	2	8.3	Complied
Annual Remuneration Salary Band	2017						
\$100,000 - \$200,000	2						
PUBLIC IMAGE							
27	The charity accurately portrays its image to its members, donors and the public.	9.1	Complied				

RESERVES AND INVESTMENT POLICY

1. REQUIREMENTS

- 1.1 This Policy applies to all staff of The Centre.

2. RESPONSIBILITIES

- 2.1 The purpose of this paper is to specify the reserve and investment guidelines of Good News Community Services, Sonshine Childcare Centre and Pasir Ris Family Service Centre (which are collectively known as “The Centre”). It provides a framework to ensure that funds are prudently managed and adequate liquidity is maintained.
- 2.2 The Centre builds up its funds from donations received, government grants, receipts from receipts from centres, and through prudent management of its financial resources. The funds provide financial stability and means for the development of the programmes and activities carried out by the Centre. The Centre intends to maintain reserves at a level sufficient for its operating needs. The EXCO reviews the level of reserves regularly for day to day operations, and its continuing obligations.

3. USAGE OF FUNDS

- 3.1 The charity should ensure that restricted funds and endowment funds are set up solely for clear and justifiable needs. The charity should make sure that these funds are used or transferred to other funds only after getting the permission of the donor to do so. The charity must inform prospective donors of the:
- a) Purpose of the funds; and
 - b) Amount of funds needed.
- 3.2 For existing restricted and endowment funds, the charity must disclose the purpose, size and planned timing of use for these funds.

4. INVESTMENT OBJECTIVES

- 4.1 Given the Centre’s status as an Institution of Public Character (IPC) funded by government subvention and provision of care services, the primary consideration in the management of funds is the preservation of value in real terms. Hence our investment objective is to offset asset erosion due to inflation.

5. INVESTMENT POLICY GUIDELINES

5.1 Funds for day-to-day operations

In order to fund day-to-day operations and provide a buffer against fluctuations in monthly income, the Centre will set aside a minimum of 3 months of operating expenses in cash and cash equivalent (Operating Cash). Operating Cash is to be kept as petty cash, and deposits including current account, savings account and fixed term deposits. Current and savings accounts may only be held with commercial banks while fixed term deposits may only be placed with commercial.

Operating Cash must be held in Singapore Dollars.

5.2 Investible fund

The investible fund in the investment account is to cover the reserve requirement. Funds available over and above Operating Cash (Investible Fund) will be invested. If necessary, the Investible Fund may be managed by a Fund Manager that is approved by the Board, on behalf of the Centre. Funds may only be invested in Singapore Dollar denominated investments in one or more of the following classes of investment:

- a) Short-term deposits
- b) Negotiable certificates of deposit
- c) Commercial/Bank bills
- d) Treasury bills
- e) Short term notes and bonds
- f) The minimum credit rating for any bond issue is Baa3 by Moody's or BBB by Standard & Poor's. Where the bond issue is unrated by the rating agencies, the Fund Manager's internal credit rating of BBB- will apply.
- g) Investments in bonds denominated in foreign currencies are allowed provided the foreign currency exposure is hedged back to SGD.
- h) Unit Trusts
- i) Limited to fixed income unit trusts no more than S\$ 250,000 is to be invested in a single entity.

The investment products must have good liquidity; defined as the ability for the investment products to be sold and proceeds to be received within 30 days.

5.3 Other investments

The Centre may, through the generosity of donors, receive donations or gifts in the form of shares or foreign currency-denominated cash, bonds or other securities. Under such circumstances, the Centre should:

- a) Sell or encash into SGD such shares within 12 months of receiving title, unless otherwise instructed by donors.

- b) Encash into SGD such foreign currency-denominated cash, bonds or other securities
- c) within 12 months of receiving ownership, unless otherwise instructed by donors.