

A woman and two children are running along a paved path in a park. The woman is on the left, wearing a patterned top and dark pants. A young girl in the middle is wearing a pink shirt and purple pants, holding a large red balloon. A boy on the right is wearing a dark jacket and pants, holding a purple star-shaped balloon. They are running towards a large, arched metal structure covered in green vines. The background is filled with lush green trees and foliage under a clear sky.

MELROSE HOWE
children's aid society

115
YEARS

of Caring for the Community

Annual Report 2017

Successful
Lives

Stable
Families

Strong
Community



Successful
Lives

Stable
Families

Strong
Community

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About CHILDREN'S AID SOCIETY

Looking Back on **115** years of Caring for the Community

1880s

With a heritage tracing back to the era of British colonial rule in the late 1880s, Children's Aid Society is among the oldest philanthropic organisations in Singapore. The organisation was originally established as St Nicholas Home, but was closed in 1900 due to lack of facilities to accommodate residents.

The Home was re-opened as the Children's Aid Society in 1902 through the efforts of a group of civic-minded men and women from the British Colonial Government, major European companies, and religious organisations. These included the Society's first president, Hon. W.R. Collyer (Attorney General of the Straits Settlements), Sir Cecil Clementi (Governor of Singapore, 1930-1934, *pictured above*), and Sir Thomas Shenton (Governor of Singapore, 1934-1942).



1930s



In 1930, the Society rented a large colonial bungalow at 29 Tomlinson Road and named it "Melrose Home". It was run by European matrons who sought to give the Home a family environment, providing warmth, care, and emotional support while seeking to instill good moral values in the children.



1960s

After Singapore's independence, the European matrons retired and local Singaporeans took their place to provide a more local setting to the Children's Aid Society. In the late 1960s, the high cost of maintaining the old Tomlinson bungalow and the need for a bigger boarding house led to the purchase of a property, set along a hillock along Clementi Road.



1970s

Our honorary architects, James Ferry & Partners, designed and built a double storey boarding house to cater fully to the needs of the residents. On 31 October 1969, the wife of our first president, the First Lady, Puan Noor Aishah (*pictured top left*), officiated the Foundation Stone Laying Ceremony of the new Melrose Home at 503 Clementi Road.

The children and staff moved from Tomlinson Road to their beautiful new home in April 1970 and in the following year of 1971, Mrs Benjamin Sheares (*pictured top right*), the then First Lady, officially opened Melrose Home. In 1972, Mr T.S. Zain became the first Singaporean Chairman of the Children's Aid Society, heralding a new era.

2013

To better meet the changing needs of the community, Melrose Home expanded its capacity to welcome more youths in our care. The Home's extended Youth Wing was officially opened by Mrs Mary Tan (*pictured bottom*), our then First Lady, on 26 July 2013.

Funded and developed by Ascendas GIVES Foundation and its partners, the new wing provided capacity for 30 boys and girls. The new wing included study and recreation space, as well as outdoor facilities to provide a conducive living environment for our residents.



Present Day

Registered under the Societies Act, the Children's Aid Society's objective to aid children and young persons in need has remained fundamentally the same over the decades.

Melrose Home provides residential care for vulnerable and disadvantaged children and youths between 6 to 18 years old. It augments residential care with psycho-social, academic and other necessary support to make it a nurturing and comfortable "home away from home".

Home Improvements in 2017



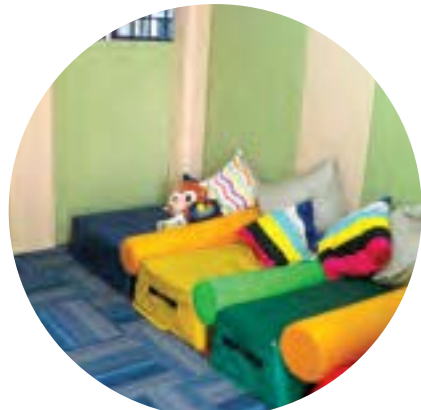
Renovated Sports Court



Library Redesign



Waterproofing and Roofing Works



New Calm Room



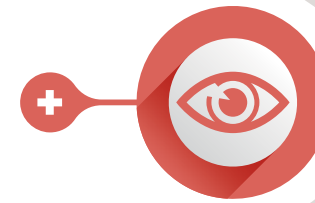
New Playground & Fitness Facilities



Refurbished Tuition Rooms

VISION

Successful Lives
Stable Families
Strong Community



MISSION

To help children and young persons in need so that they succeed and contribute to family and society.



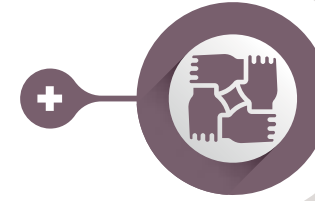
CORE VALUES

COMPASSION

Demonstrate kindness and concern toward every individual.

Be sensitive and attentive to needs.

Be responsive in a timely and appropriate manner.



INTEGRITY

Uphold high ethical standards and demonstrate a high level of trust and honesty in words and action.

PASSION

Show passion and commitment to the vision, mission and objectives of the Society.

TEAMWORK

Respect each other's differences.

Look beyond oneself and work in partnership with others, building trust through openness and goodwill.

PROFESSIONALISM

Act in the best interest of beneficiaries.

Maintain professional competence and seek self improvement continually.

Date of Society Registration

19 December 1962

ROS Reference Number

0990/1947 WEL

UEN Number

S62SS0031K

Institution of Public Character Number

IPC000456

Registered Address

503 Clementi Road, Singapore 599488

Charity Trustees Bankers

HSBC Trustee (S) Ltd

Bankers

Hongkong & Shanghai Banking Corporation Ltd
United Overseas Bank Ltd

Auditors

Deloitte & Touche LLP,
Shared Services for Charities Ltd

Honorary Legal Advisors

Allen & Gledhill LLP

Honorary Doctors

Drs Bain & Partners, Chang Clinic

Honorary Advisors

Dr Chang Tou Liang – Medical Practitioner
Dr Jazmyn Chelliah – Child Psychologist

Chairman's MESSAGE

In 2017, we continued to commit our resources to further improve our care and guidance services to the residents of Melrose Home. After transforming the physical space in the Home into two distinct areas – Children and Youth wings, we reviewed all the existing care and guidance programmes to ensure their efficacy and relevance to the changing needs of the residents. We took the opportunity to develop new programmes based on the BPSS (Biopsychosocial-spiritual) model and human ecological system. This approach allows us to offer a wider range of programs that provide a more holistic care and educational support consistent to the normal growth and development of the children and youth under our care.

One of our perennial challenges is to attract talent, and to build, motivate and retain a good and dynamic team of staff to run the Home. To help us to achieve the foregoing, we reviewed and improved on our human resource policies, especially those pertaining to staff employment terms and benefits. Apart from a competitive wage structure, we offer more

training opportunities and clearer career pathways. We are still in midst of re-configuring the office space to facilitate better workflow and effective interaction among the staff. This should be completed within one year.

We celebrated our 115th year in service with a Gala Dinner. It was very heartening to note that many of our stakeholders joined us in the celebration. We are grateful and would like to thank all - our wider community; our partners, donors and volunteers for their support and generous contributions.

We welcomed 13 new residents to the Home in 2017. We facilitated 12 residents to re-unite with their families. Under our after-care programme to ensure smooth transitions, we continued to support residents who have left Melrose Home. In total, Melrose Home served 137 individuals, including 71 family members of residents during the year under review.

We celebrated our 115th year in service with a Gala Dinner. It was very heartening to note that many of our stakeholders joined us in the celebration. We are grateful and would like to thank all - our wider community; our partners, donors and volunteers for their support and generous contributions. They have touched the lives of Melrose Home's residents and their families.

We are also grateful for the guidance and support from the Ministry of Social & Family Development, the National Council of Social Service, and the Centre for Non-profit Leadership.

Finally, I personally would like to express my heartfelt gratitude to our community of volunteers for their unwavering commitment of time, effort, and love; and to our team, for their dedication in ensuring high standards of care for the residents. We value their diligence and dedicated service. Thank you for making the difference.

Jarrod Ong Chew Yeang
Chairman
Executive Committee

GOVERNANCE & LEADERSHIP

Children's Aid Society is governed by an Executive Committee (EXCO) which is elected every two years from among its members. The EXCO is responsible for setting policies and overseeing key operational and financial aspects of the organization. All EXCO members are members of a Sub-Committee.

The EXCO and Sub-Committees are all committed to a high standard of compliance with accounting, financial reporting, internal controls, corporate governance and auditing requirements and any legislation relating thereto.

In line with this commitment, the following policies are in place:

Conflict of Interest Policy

All members of the EXCO, Sub-committees and staff of Children's Aid Society are required to read and understand the Conflict of Interest Policy in place and provide full disclosure annually of interests, relationships and holdings that could potentially result in a conflict of interest. The members and staff have fully complied with the Conflict of Interest Policy.

Whistle-Blowing Policy

Our Whistle-Blowing Policy is intended to provide an avenue for employees and other stakeholders to raise serious concerns and offer reassurance that they will be protected from reprisals or victimization for whistle blowing in good faith.

It also serves to deter malpractice and promote the best practice of corporate governance at the workplace. The Audit Sub-Committee is responsible for the maintenance and operation of this policy.

Succession Planning Policy

When an existing EXCO member chooses to retire or the need for a new EXCO member arises, the EXCO reviews the range of expertise, skills and attributes of the EXCO and the composition of the EXCO.

Once a suitable candidate has been identified, he or she will be co-opted as a Sub-committee member for exposure to the work of the organisation. After a period of observation of at least six months, the Sub-committee member who demonstrates core competencies, skills, experience and commitments may be appointed as an EXCO member.



The EXCO regularly reviews the organisation's controls, processes, key programmes and events through reports and information provided by its respective Sub-Committees and the Management.

A total of 6 EXCO meetings were held in FY2017 on the following dates: 4 Jan 17, 24 Feb 17, 28 Apr 17, 30 Jun 17, 25 Aug 17 and 27 Oct 17.

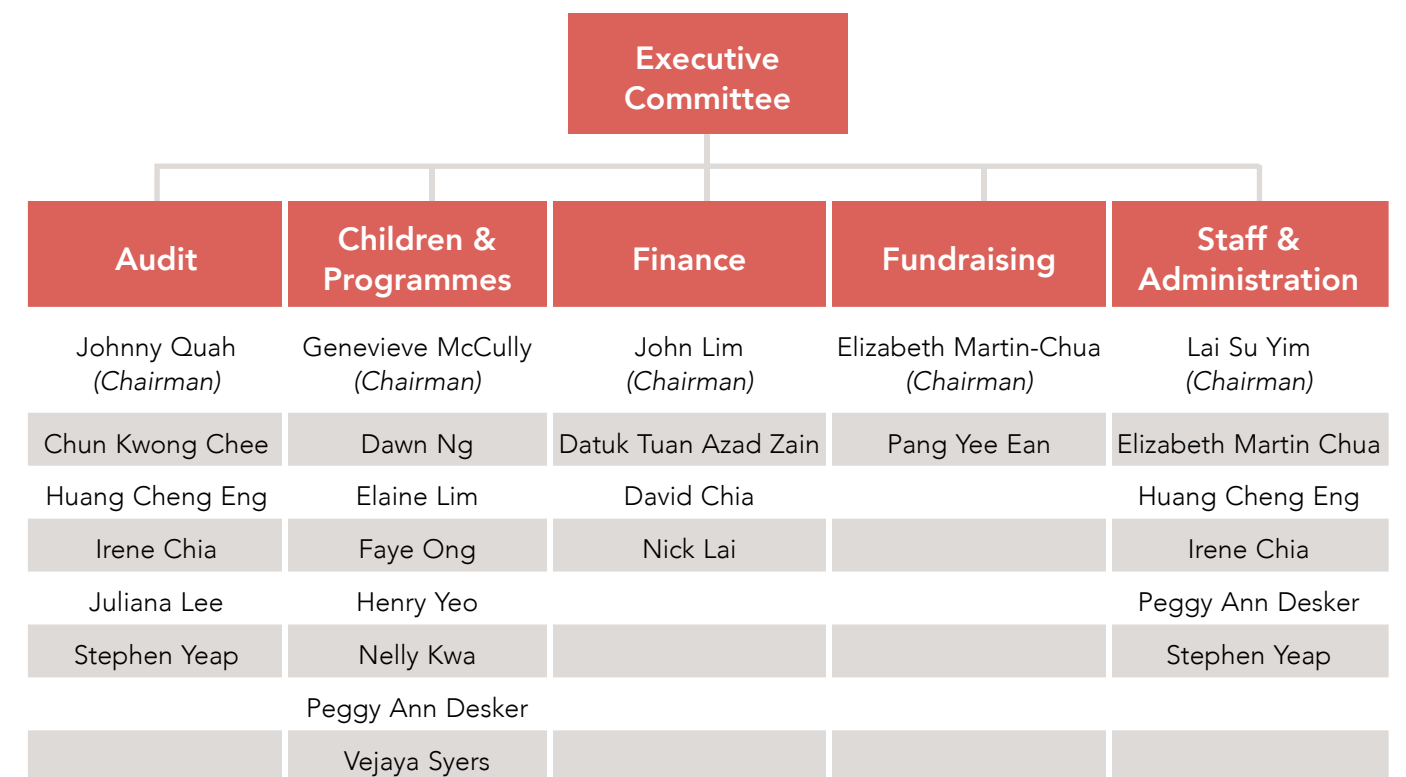
Disclosure of EXCO Meetings and Attendance: FY17

Total Number of EXCO Meetings (including AGM): 6

Name	Position	Attendance in FY 2017	1st Appointment in	Years of Consecutive Service
Jarrold Ong	Chairman	6/6	2008	10
Stephen Yeap	Vice Chairman	6/6	2011	7
Elaine Lim	Secretary	6/6	2008	10
John Lim	Treasurer	6/6	2017	1
Datuk T.A. Zain	Member	3/6	1999	19
Henry Yeo	Member	5/6	2004	14
Elizabeth Martin Chua	Member	6/6	2010	8
Dawn Ng	Member	4/6	2012	6
Huang Cheng Eng	Member	6/6	2013	5
Johnny Quah	Member	4/6	2015	3
Genevieve McCully	Member	5/6	2015	3
Lai Su Yim	Member	6/6	2016	2



The Sub-Committees oversee the management of Melrose Home and work closely with the Executive Director and his team to ensure quality care for our residents. All the Committee members are volunteers from different professions and backgrounds, and provide their services pro bono.



Our PLANS & COMMITMENTS

The year under review saw critical changes and development in Children's Aid Society. Most notable development included adopting a small group care approach, an increase in therapy services for those who needed them and a stable social care, guidance and administrative team.

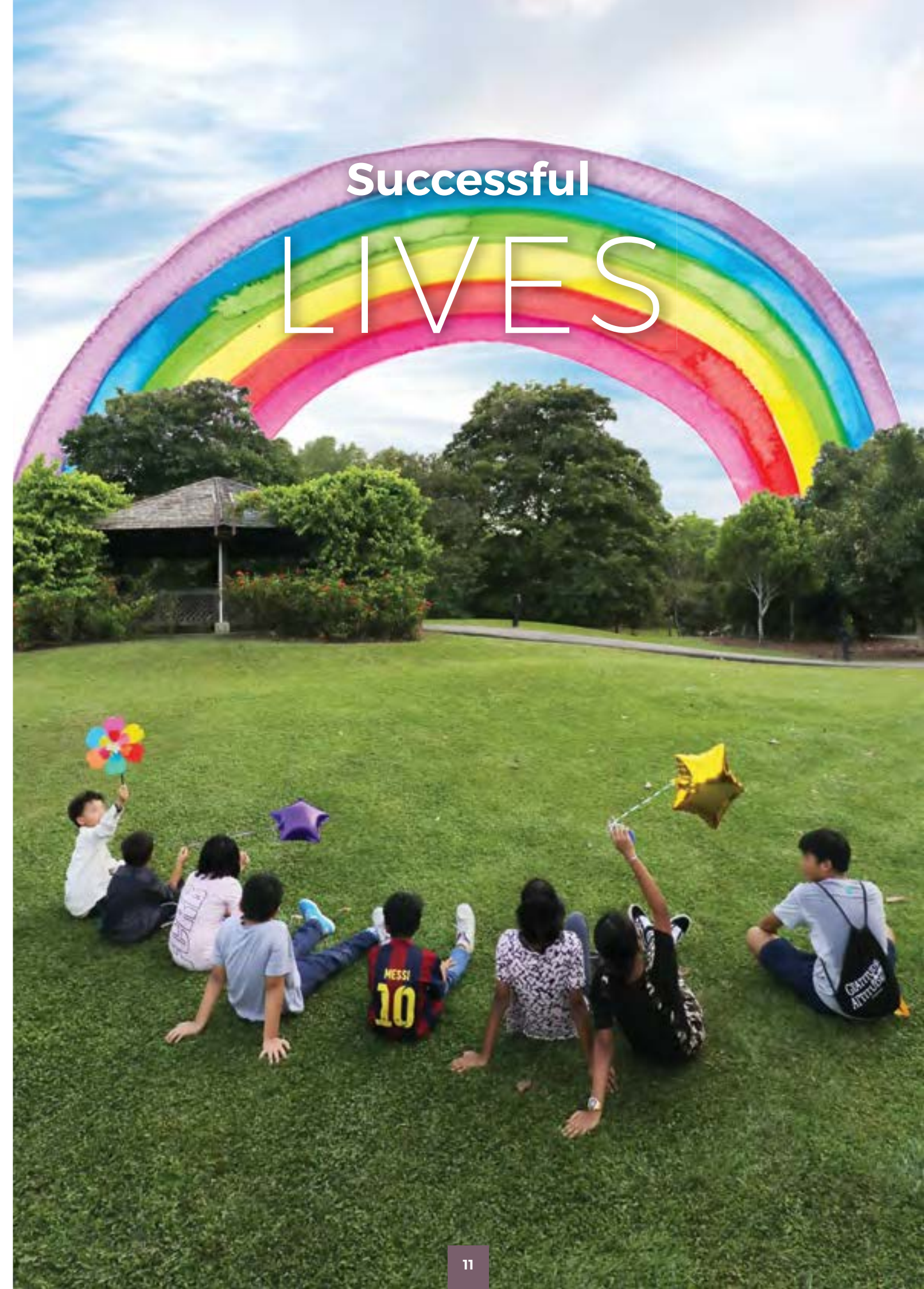
In 2018-19, Children's Aid Society is committed to continue improving the care and guidance offered in Melrose Home. Emphasis will be placed on programme design and development to better meet the ever-changing needs of our residents. Our social care team will also be expanding our reach and our services for residents' families. A series of cyclical maintenance work has been scheduled to ensure the living and working environment

remains functional and fresh for the Melrose Community.

In the broader scheme of things, Children's Aid Society will be working with our partners and other social service organisations to evolve suitable services and programmes to bridge service gaps and to reach underserved populations. As our Nation matures, the needs of its people will evolve. The expectations of social services and its delivery will

change over time. We strive to play a bigger role in preventive work for the vulnerable groups in the community in 2018-19.

We are grateful for the support of our partners and stakeholders in the past years; Government Ministries, Family Justice Courts, Schools, Donors, Sponsors & Volunteers. In moving forward to do more and to do better, we treasure the continued support and collaboration from all.



Successful LIVES

Our RESIDENTS

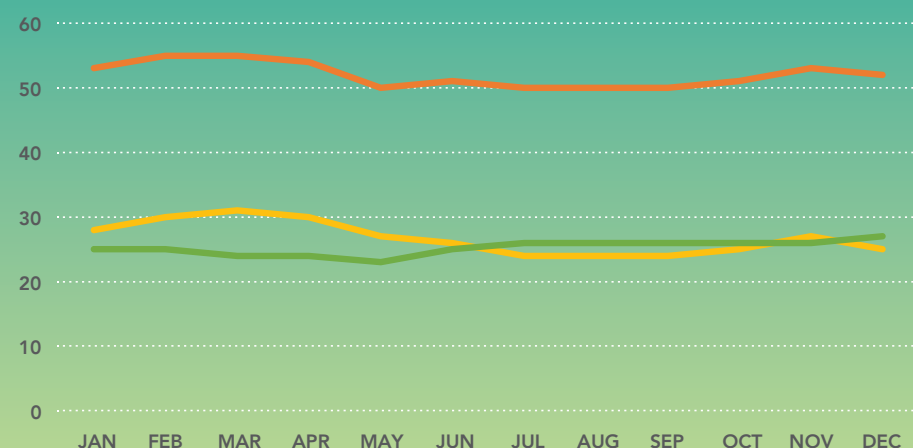
Our residents, typically between the ages of 6 and 18 years old, are placed in Melrose Home for care and protection.

The majority of placements have been statutory child protection cases with a handful being referred by Family Service Centres (FSCs) and schools for clients with a range of family and behavioural issues.

Residents under the care of Melrose Home can be broadly categorized as:

- Statutory Cases – these are mandated by the Youth Court under a Care and Protection Order
- Child Protection Cases - referred by Ministry of Social and Family Development (MSF) for placement due to ongoing protection issues
- Compassionate Grounds – referred by community agencies and families because of various social concerns

Number of Residents



— Total Number — Children — Youths



66

residents in total were cared for in 2017



13

new residents joined Melrose Home.

Caring for the VULNERABLE

Melrose Home has evolved from a Children's Home to a Small Group Care residential facility with a Children's Wing (residents who are 12 years old and below) and Youth Wing (residents between 13 to 18 years old and enrolled in secondary or tertiary education).

Our mission is to provide the best care and guidance for our residents through a holistic approach, especially in the areas of cognitive, physical, emotional and mental development. We strive to empower our young charges to be morally upright and contributing members of their families and the community.

Casework & Counselling

Residents in our care are provided individually tailored Care Plans, managed by our Social and Case Workers. Casework interventions, therapeutic services and counselling support, are other important services provided to address the various behavioural, social and emotional needs of our residents.

Access to Therapies & Coaching

To ensure that our residents benefit as much as they can in Melrose Home, art and play therapies are offered to residents with higher needs. The art and play therapies in both group and individual formats complement social work interventions in meeting the needs of residents holistically and are well received. Residents with special needs are provided individual and customized coaching sessions to

help strengthen their language and numeracy proficiencies, cultivate essential life skills, and hone their confidence in social and interpersonal relations.

Programmes Anchored in Values

To complement the Home's social care initiatives, the Residential Care team provide round the-clock care and guidance, plan and conduct regular and holiday programmes that are anchored in values relevant to our residents' life stage needs:

Children's Wing

- Improving self-awareness & self knowledge
- Ignite curiosity & imagination
- Build healthy relationships & friendships

Youth Wing

- Develop essential life skills
- Shape confidence & identity
- Gain independence & sense of responsibility
- Hone strengths & talents

Behavioural Management

In 2017, our children and youth wings adopted revised behaviour management frameworks, customised to the needs of the residents in the separate wings.

Residents are complimented and rewarded with perks such as additional computer hours and shopping trips for exhibiting consistent, positive behaviours. Whilst the systems and processes may differ, our primary approach to behaviour management is one of positive reinforcements and affirming positive behaviours.



1248

Hours of Counselling



109

Sessions of Art Therapy



79

Sessions of Play Therapy



2719

Hours of Academic Guidance & Tutoring



292

Hours of Special Needs Coaching

Melrose JOURNEY



Rise & Shine

Our Residential Care team provides round-the-clock care for our residents, preparing them for school, ensuring their daily needs are met and overall well-being supported.



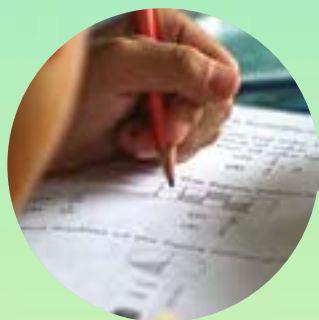
Enjoying Fun & Fitness

As the saying goes, all work and no play makes Jack a dull boy. Every resident gets to enjoy our outdoor playground and fitness facilities, and playing a variety of sports with friends.



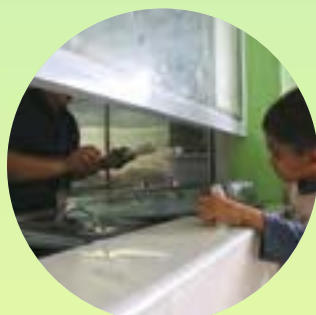
Receiving Academic Support

We provide strong academic support through a structured study time, customised individual and small group tuition sessions and enrichment activities. E-learning and other learning resources are regularly utilised too.



Nurturing Life Skills & Habits

Residents are taught essential life skills and positive habits including tidying shared spaces after use, taking on simple cleaning duties after meal times, and practicing good personal hygiene and care.



Celebrating Successes

We share the joy of success when our residents make significant achievements in their school work and enrichment activities.



Art & Play Therapy

Group and individual therapies complement various social work interventions in meeting the needs of our residents holistically.



Inculcating Social Responsibility

Our residents are encouraged to look beyond their circumstances and learn to care for others around them. We guide them to recognise the needs of the elderly and others who may also be less fortunate in the community.



Special Needs Coaching

We are proud of our inclusive environment that allows children and youth of varied developmental stages to live, learn, and play harmoniously. Individualized coaching is provided for residents with special needs to supplement skills taught in school, to help them interact better with peers and the community.

Giving A Voice

Residents participate in 'Circle Time' regularly, which encourages them to catch up on the day and openly share feedback on issues that concern them such as dishes they would like in the daily menu or activities they would like to have organized.



Casework & Counselling

Social and Case workers regularly support residents through various behavioural, social and emotional needs of their individual care plan.



Highlights of 2017 CHILDREN

Holiday Fitness

Weekly activities such as cycling and ice-skating are organised for the children during the extended June and December school holidays. The aim is to introduce them to a broad variety of sports and to inculcate a healthy lifestyle through fun and fitness.



Knowing Our Neighbourhood

Our children get to experience normal community life by visiting and making purchases in wet markets, hawker centres and neighbourhood shops in the heartlands. This enables them to learn life skills for the future.



Let's Celebrate

Our children learn to respect each other's diverse cultures through understanding the significance of celebrating major festivities such as Chinese New Year, Hari Raya, Deepavali and Christmas.



Love for Reading

We believe in the importance of cultivating a love for reading and learning. Through our monthly library visits, we encourage our residents to read a variety of books – fiction, non-fiction and comics – and practice writing simple book reviews to summarise their thoughts.



T is for Teamwork

Team bonding activities are organised throughout the year, including workshops and wing bowling competitions to help build rapport and foster a closer bond amongst all. Children are taught to value their team mates and learn that by working together, they can achieve more.



Venture Camp

We wrapped up the year with our signature 2D1N camp organised for all children. The camp kicked off with a round-island trip to Labrador Park, Mount Faber, and East Coast Park. The adventure continued with a BBQ dinner and a night walk along Orchard Road to enjoy the festive lights. The second day took the children out of their comfort zone with a myriad of team activities and water sports - all intended to boost self-confidence and emphasise the importance of team work.



Highlights of 2017 YOUTH

Values in Action

In June 2017, the Youth Wing organised its inaugural VIA project, aimed at inculcating values such as social responsibility and leadership training. The participating youths took ownership of the programme and decided to visit the elderly residents at Sunnyville Home.

They divided themselves into small task groups - Activities, Fund-raising and Logistics - to

ensure that everyone was actively involved in this project. Youth workers were attached to each task group to help facilitate the entire planning and preparation process which took place over two weeks. During the visit, the youths played games with the elderly residents and distributed goodie bags. It was a fun and enriching day for both the elderly residents and our youths.



Dorm Improvements

Boys from the Youth Wing spent a day giving their TV hall a fresh coat of paint in June 2017. During an earlier Circle Time session, the boys had suggested and voted for their preferred colour choices - light blue and light purple.

They volunteered to purchase the paint and painting equipment, and assigned themselves to different tasks - covering the floor and furniture with newspapers; taping off edges of walls and window

grills; applying paint with rollers and brushes; and cleaning up the area after the paint job. During the activity, the boys learnt proper

painting techniques, and most importantly, had the opportunity to work together with their peers and staff members.



Launch of Interest Groups

To help our youths learn new skills and pick up lifelong hobbies, the Youth Wing started an interest groups initiative in December 2017. Based on the youths' input, 6 sessions of hip-hop lessons were organised for 7 girls and 8 sessions of in-line skating lessons were conducted for 11 boys and girls. An evening jogging club was also started amongst the boys. It was a refreshing learning experience for many of our youth residents. More interest groups will be formed in 2018.



Year-End Adventure & Leadership Camp

From 28 November to 2 December 2017, 23 youths participated in a 5D4N adventure and leadership camp. The youths camped at Pulau Ubin and East Coast Park, completed a physically-demanding 20km hike and overcame one challenge after another in their respective groups. In the process, they developed greater resilience, overcame their fears and forged stronger friendships with one another.



Stable FAMILIES



Family Work

Our Social Care team work alongside families in need to address a multitude of complex issues.

This is done through regular home visits, counselling sessions, and collaborative case conferences with stakeholders.

Successful Re-integration

The aim is to guide and empower families to be more self-sufficient and improve their social circumstances, which will ultimately enable safe re-integration of our residents with their families where they belong.

Home visits are regularly conducted by our Social Workers to provide opportunities for families to discuss a child's progress and voice any concerns or issues they may require assistance on.



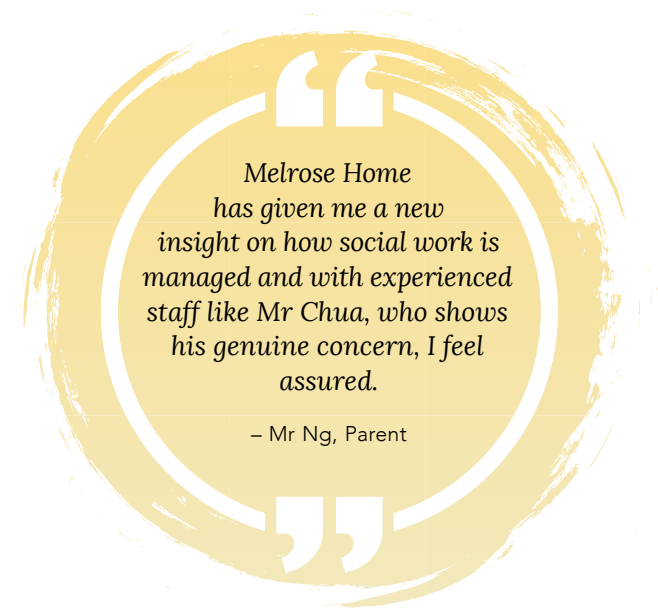
71

family members were engaged through our services and support programmes



12

residents transitioned through the aftercare programmes, receiving continued support to aid successful reintegration with their families.



Strong COMMUNITY



Our TEAM

We have a dedicated team of personnel who form an integral part of our Melrose Community. They are committed to the efficient operation of Melrose Home and to providing quality care and support for our residents.

Together, we move mountains...

Our people are our strength, and together we work towards fulfilling the vision of successful lives, stable families, and a strong community.



41
Team Members



Diverse Team
from 5 Different
Countries



1429
Training Hours

Seeking New Talents

The team participated in two career fairs, in partnership with Nanyang Polytechnic and ITE College East. These events were valuable opportunities for us to reach out to fresh entrants who are seeking a meaningful career within Children and Youth community services.



Developing our People

We strongly believe in helping our employees realise their full potential by equipping them with relevant skills and knowledge through a variety of training and professional development programmes.

We are glad to have supported a member of our Social Care team, who was awarded the NCSS Professional Conversion Programme for Social Workers (PCP SW). It enabled her to gain valuable work experience with our residents while studying, and the practicum sessions helped her be more effective in her work.



Staff Retreat

Every year, the team looks forward to the Staff Retreat, which is a valuable opportunity for different departments to bond over a day of learning and leisure. In 2017, we organised a field trip to Johor Bahru, where we brainstormed as a team through a series of strategy planning and self-evaluation tools. We wrapped up the day with a delectable seafood meal and entertaining session of karaoke.



Staff & Resident Bonding Day

Another highly anticipated event is the annual Staff & Resident Bonding Day. Organised during school holidays, the event brings together all residents, Care team, and members from other administrative departments for a full day of outdoor fun and activities. We spent the day exploring the attractions and rides at Universal Studios Singapore (USS) followed by a scrumptious catered dinner back at Melrose Home. An open dance floor was organised to wrap up the evening for our energetic residents and staff.



We take a look at long-serving team members who have made a difference in the lives of our young ones

Mr Teo Hak Teck (73 years old) has been faithfully transporting our residents for almost a decade. He joined Children's Aid Society back in 2008 when he retired from his previous job. Due to his family circumstances, he had been working since he was 13 years old. When it was time for him to retire, he got to know of his current role from an officer from Ministry of Manpower (MOM), and without hesitation, he took up the offer.



He is always the earliest to arrive in the Home as he is responsible for conducting safety checks on the vehicles and fetching our residents to and from school in the morning and afternoon.

Whenever he is not required to drive, you can find him in our garden, quietly sweeping up dry leaves, trimming unruly branches and watering the plants. He also enjoys helping to harvest our fruit trees and interacting with our residents on their return from school.

He enjoys his work at the Home, is happy that it is not too strenuous and yet knows that in his own way, he is contributing to the well-being of the residents and to society.

Mr Ang Chin Seng (71 years old) joined Children's Aid Society back in 2007. He was 60 years old then and felt that he was not ready for retirement and wanted to give back to society. He chanced upon the job opening of "House Parent" (now known as Guidance Officer) requesting for an experienced retired Policeman (he had been with the Singapore Police Force for 30 years) and was interested to find out more. The rest is history.



He recounted an incident in his early years as a House Parent. He had received a call from the police station informing that a resident was caught shoplifting in the supermarket. He

rushed down and coincidentally, the officer was a colleague during his time in the Police Force. After pleading with the officer and explaining the resident's situation, the officer agreed to give our resident a second chance. Mr Ang patiently coached the resident after this incident and eventually earned the boy's friendship and respect.

What drives him to continue is his love for our young ones, as he wants to be a fatherly figure to them. Last year, Mr Ang was given an award in recognition for his dedicated service to Melrose Home, and that has remained one of his proudest moments.

Our VOLUNTEERS

Our work would not be possible without the support from our volunteer partners, who work hand in hand with us as part of a cohesive Melrose Community to improve the lives of vulnerable and disadvantaged children, youth, and families.

It is heartening to see and experience the dedication shown by the groups and individuals from various walks of life - from corporations to educational institutions, student groups to

well-wishing Samaritans who are passionate in helping our residents become well-adjusted individuals who themselves may one day give back to the disadvantaged.



530

volunteer hours contributed by the community



40

volunteer groups and individuals supported our cause

Areas of Volunteer Collaboration



Home Improvement Projects



Recreational Outings & Activities



Skill-based Volunteering



Enrichment & Skills



Fundraising Collaboration



Mentorship Programme

Community STORIES OF 2017

Celebrating 115 Years of Caring for the Community

2017 marked Children's Aid Society's 115th anniversary. To celebrate this momentous occasion, we invited our residents, staff, volunteers, and community partners for a joyous gala dinner at Pan Pacific Hotel Singapore.

Themed 'Building Our Dreams', we looked back on our Home's progress and evolution through

the decades to meet the changing needs of vulnerable children, youth, and their families.

We were delighted to host Ms Sim Ann (Senior Minister of State, Ministry of Communications and Information & Ministry of Culture, Community and Youth), who graced our event as Guest of Honour for the evening.

Our residents' hard work and dedication were evident during the evening as they showcased their beautiful artworks, confidently interacted with guests as ushers for the evening, and impressed the crowd with their exciting hip-hop dance routines.



Visit from Miss Sim Ann, Member of Parliament of Holland-Bukit Timah GRC (Bukit Timah)

It was with great pleasure that we welcomed a visit from Ms Sim Ann, Member of Parliament of Holland-Bukit Timah GRC (Bukit Timah), Mr Ben Cheung, Chairman of Mayfair Park Neighbourhood Committee (MPNC) and key representatives from Bukit Timah Constituency Office on 31 July 2017.

The home visit helped us connect with our grassroots community and share about our facilities, programmes, and upcoming initiatives. It was a great opportunity for our young residents and members of the Care team, who confidently stepped up to interact with our special guests as well.



Mr Frederick Low, Executive Director of Children's Aid Society, briefed visitors on the programmes and operations of Melrose Home, Children's Aid Society



A tour of Melrose Home's facilities was organised for our visitors.



Member of Parliament, Ms Sim Ann, had a chat with the girls from our Youth Wing (Girls).

A Decade of Mentorship and Care

Dedicating a decade of volunteer service is no mean feat. Mrs Loh Wan Fei (also affectionately known as Auntie Fei) has done so with great patience, warmth and compassion. Having started out as a member of a weekly reading programme, Auntie Fei progressed to take on the role as a mentor for a selected handful of residents. She has journeyed with our residents through jubilant and tough times, patiently supporting them as they overcame challenges and developed holistically into resilient, responsible young adults.

It's been a humbling 10 years volunteering at Melrose Home. I've learned much from the kids through the years and will continue to stand by them and never give up on them for as long as I can.

— Fei, Volunteer Mentor

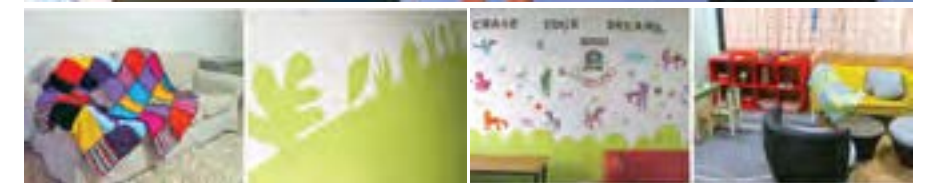


Australian and New Zealand Association (ANZA)

Volunteers from ANZA Action and Knit for Love groups gifted our residents with vibrant and beautiful murals and knitted blankets to liven up the Home's living spaces. We were also grateful beneficiaries of ANZA's annual charity ball and Men's Business Group fundraising initiatives, which helped contribute to a vinyl flooring project for our tuition rooms.

It was a fun project for the ANZA knitters. We hope it brings joy, colour and comfort to the children!

— ANZA Volunteers



BP-NP Mentoring Club, Ngee Ann Polytechnic

Beyond developing the youth in our care, we believe in grooming young changemakers amongst students who have a heart for the community. Our valuable partnership with BP-NP Mentoring, Ngee Ann Polytechnic's Community Service Club, has provided us with a dedicated pool of student volunteers who have led homework supervision and fun learning sessions twice a week in Melrose Home. It has been heartening to work alongside passionate students and observe their growth into committed and caring mentors for our children.



My volunteering experience has allowed me to see how different children learn and how to manage them differently. My time at Melrose has allowed me to bond with the children and I'm happy to see them improving, which makes me feel that I am making a small difference in their lives. When I see children trying their best, it reminds me that I should try my best too.

— Hui Ning, BP-NP Mentoring Club volunteer

My experience in Melrose has helped strengthen me from the core as a person and appreciate volunteering with kids of less privileged backgrounds. I hope the kids excel in what they aspire to do and grow up to be well-rounded individuals and appreciate the great work and efforts put in by the Melrose staff and hopefully for us as mentors.

— Meena, BP-NP Mentoring Club volunteer

Cogent Land Capital

We are thankful to the management, planning committee and volunteers of Cogent Land Capital, who have led the 'We All Love Kids (WALK)' monthly outings for 5 years running. Notable monthly activities include taking the children to Navy Day at Vivocity, Go-Karting and Christmas Shopping. Our residents were also given the privilege of making an artistic contribution at the Grandstand Mall. With the guidance of volunteers and the marvelous team from Artstories, our children were taught painting and outline techniques and contributed to a beautiful carnival-themed wall mural.



The relationship we have built with the people and children at Melrose Home definitely has been a rewarding experience. It makes me proud to be able to have built friendships with the children. Through these interactions, I aim to be a good role model to the children."

— Lyvia, Cogent Land Capital volunteer



International SOS

As regular volunteers with Melrose Home, International SOS's CSR committee and staff readily supported the Home's needs throughout the year. Staff volunteers shared their healthcare expertise by leading personal care and hygiene workshops for our residents and staff, organised educational experiences for our children to Healthzone and Lee Kong Chian Natural History Museum. The residents were also gifted with hampers of toys, DVDs and diverse learning resources during Christmas.



ITE College West

With the support of ITE College West's Student Development Office, the Home benefitted from brand new sets of furniture and cabinetry for our tuition rooms. At the same time, our residents participated in a variety of enrichment and recreational activities planned by student volunteers and lecturers from School of Electronics & Info-comm Technology and School of Business & Services. Activities included National Day celebration, a kite making workshop, a hip-hop dance programme and a series of Microsoft Powerpoint workshops, in which our residents documented a learning journey at the Singapore Botanic Garden's Learning Forest.



Mr Lai & Volunteer Instructors from J H Kim Academy

Under the patient and watchful guidance of Mr Lai Han Seng and his volunteer instructors over the years, our residents have gained valuable Taekwondo skills and techniques, and learnt important values of respect and self-discipline. Besides weekly sessions in Melrose Home, Mr Lai generously hosted special holiday training sessions at the academy to provide residents exposure to proper training spaces and equipment.



Pan Pacific Hotels Group

It was our privilege to be a part of Pan Pacific Hotels Group's 'Eat Well With Us' CSR programme for the third year running. Our cook, Care team, and residents have benefited greatly from the series of culinary workshops, which introduced

healthy recipes and essential food hygiene knowledge. Our children also had the opportunity to put their skills to the test during a holiday baking workshop with Chef Candy Lu.



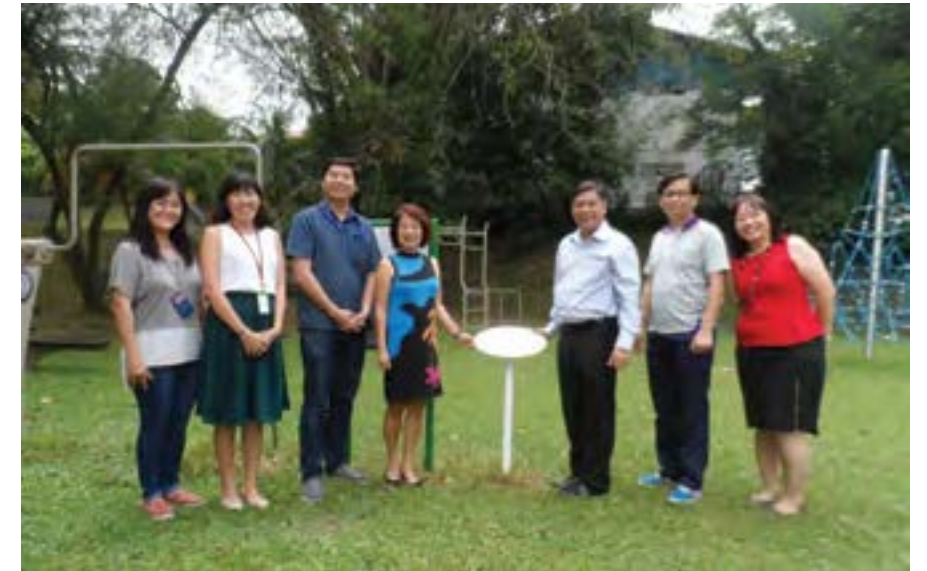
QBE Insurance (Singapore) Pte Ltd

With QBE Insurance (Singapore) Pte Ltd's support in 2017, we were able to renovate our library facilities to meet our residents' reading, study, and group discussion needs. Volunteers also organised enriching learning journeys for our residents, including a supermarket run and healthy sandwich making competition, and an outing to 'Dialogue in the Dark', which helped our residents gain greater awareness and empathy for the challenges facing visually-impaired people.



Singapore Turf Club

March 2017 marked the second anniversary of our partnership with Singapore Turf Club (STC). Through the collaboration, funding was contributed to a series of facilities improvements: renovation of our outdoor sports court, new playground and fitness facilities, improved security systems, and a padded calm room for residents to safely calm down during bouts of emotional distress. The team from STC also actively volunteered with the Home, organising various recreational outings and festive activities for our residents' learning and enjoyment.



UAV Command, Republic of Singapore Air Force

As the adopted charity of RSAF's UAV Command, Melrose Home received tremendous support from the command's monthly volunteering efforts. Volunteers zealously helped with spring cleaning and home improvement tasks and celebrated festive occasions with our residents during Chinese New Year and National Day.



Our FINANCIALS

The running cost of Children's Aid Society - Melrose Home increased during the year under review. In 2017, the monthly average operating cost was about \$207,000. Approximately 59% of this cost was funded by the Ministry of Social & Family Development and the NCSS Care & Share Movement Fund. The remaining portion of our operational costs was funded by donations from corporations, organized groups and well-wishing individuals.

Review of Financial Statements

Children's Aid Society (CAS) recorded a surplus of \$1,223,150 in 2017, which was a significant increase compared to the surplus of \$727,940 in 2016. The Society received a total of \$978,040 in cash donation during the year, which was an increase of 14% as compared to 2016. The Home's operating cost also increased by 12% to \$2,488,410. The main contributing factors were:

- Increase in overall manpower headcount in our effort to improve staff-resident ratio
- Increase in spending on social care, academic and therapy programmes for residents

Both were the result of our intention to embrace small group care concept in our programmes, guidance, therapy and care for our residents.

Reserves Policy

CAS's reserves comprise our investment portfolio and cash balances. As at 31 December 2017, the value of reserves stood at \$11,422,089, an increase of \$1,425,940 or 14% over the previous year. This reflected the overall positive market climate of the year under review. These reserves were primarily established in 1987 when CAS sold off its peripheral land for development netting \$1.1 million and surpluses accumulated over the years. These proceeds were placed in an investment portfolio comprising Singapore equities and bonds.

The dividend and interest income generated by our reserves combined with donations have normally enabled CAS to bridge the gap between the government grant and our total operating expenditure. We hope our current reserves policy will enable CAS to continue to fulfill its obligations to the residents in its care.

In our current three-year strategic plan period, we have set a goal of achieving a reserves-to-annual

operating expenditure ratio of around 5 times. We believe this will give us the ability to increase our expenditure on our care programmes, expand our outreach and services to help children, youths and their families, and to respond to the changing needs of Singapore.

Disclosure of Remuneration

Staff

The annual remuneration of the top 3 key executives of CAS did not individually exceed \$150,000.

Board

The members of the Executive Committee and Sub-Committees of CAS do not receive any remuneration or benefits for their services to the Home.

Disclosure of Governance Checklist

CAS has fully complied with the Code of Governance Evaluation Checklist for Institutions of Public Character (IPCs).

(Full checklist is available at www.charities.gov.sg)

Our DONORS

We wish to extend our gratitude to well-wishing donors and volunteers who have contributed the following donations, donation-in-kind, volunteer activities and outings:

\$50,000 & Above

Lee Foundation
PGS Precision Pte Ltd

\$20,000 - \$49,999

Australian & New Zealand Association
Far East Organization
LEGO Singapore Pte Ltd
NSL Ltd
QBE Insurance (Singapore) Pte Ltd

\$10,000 - \$19,999

Republic of Singapore Air Force
Richzone Properties Investment Pte Ltd

\$5,000 - \$9,999

Hard Rock Café Pte Ltd
Singapore Turf Club

\$1,000 - \$4,999

Automated Controls & Machinery Pte Ltd
Bukit View Primary School
Catalyst Engineering Pte Ltd
Cogent Land Capital Pte Ltd
Expats Furniture Rental Pte Ltd
Green Pastures Freight Pte Ltd
Lee Kim Tah Foundation
Ministry of Manpower
Sun Holdings Ltd
Tan Chin Tuan Foundation
Warwick Singapore Society
Yishun Town Secondary School

Due to the Consent Obligation clause under the Personal Data Protection Act 2012 we are unable to list the personal particulars of individual donors. We thank all donors for the generosity but due to limited space, regretfully, only organisational donations equivalent to \$1000 and above are listed here.

Volunteer Activities & Outings

Amdocs Singapore Pte Ltd
Australian & New Zealand Association
Bukit Timah Constituency Office
Cogent Land Capital Pte Ltd
Credit Suisse
Far East Organization
Frasers Property Singapore
Great World Serviced Apartments
Hansabay Singapore
International SOS Singapore
ITE College West
J H Kim Academy
LEGO Singapore Pte Ltd
Mayfair Park Neighbourhood Committee
Natixis
Ngee Ann Polytechnic
NSL Ltd
NUS Tkampung
Pan Pacific Hotels Group
QBE Insurance (Singapore) Pte Ltd
Superior Multi-Packaging Limited
Tan Chin Tuan Foundation
Toshiba Asia Pacific Pte Ltd
Republic of Singapore Air Force
United World College
YMCA Singapore

Donation-in-kind

Blackinkwords Productions BV
Blossom World Society
Cordlife Group Ltd
Far East Organization
LEGO Singapore Pte Ltd
Mewah Oils & Fats Pte Ltd
Odyssey The Global Pre School
Plain Vanilla Bakery
Toshiba Asia Pacific Pte Ltd
U Care Volunteers
Wesley Methodist Church

CHILDREN'S AID SOCIETY
(Registration No. S62SS0031K)

EXECUTIVE COMMITTEES' STATEMENT AND FINANCIAL STATEMENTS

Year Ended 31 December 2017

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Statement of financial position	41
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Statement of changes in funds and reserves	48
Statement of cash flows	49
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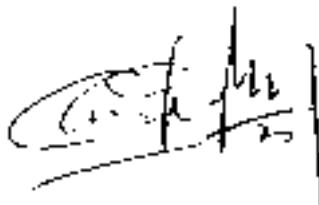
The attached draft financial statements, which have been prepared by management of the Company, are subject to changes that may arise from the resolution of outstanding audit matters which are set out in the attached appendices and comments and adjustments from our engagement quality assurance review. The draft audit report included in the attached financial statements should not be provided to any other party or used for any purpose without our prior written permission.

CHILDREN'S AID SOCIETY EXECUTIVE COMMITTEES' STATEMENT

In the opinion of the Executive Committee,


- (a) the financial statements set out on pages 41 to 63 are drawn up in accordance with the provision of the Singapore Societies Act, Chapter 311 (the "Act"), the Singapore Charities Act, Chapter 37, (the "Charities Act") and Financial Reporting Standards in Singapore so as to give a true and fair view of the financial position of Children's Aid Society (the "Society") as at 31 December 2017 and the financial performance, changes in funds and reserves and cash flows of the Society for the Financial year then ended;
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts when they fall due;
- (c) the use of donation moneys is in accordance with the objectives of the Society as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations;
- (d) the Society has complied with the requirements of regulation 15 (Fund raising expenses) of the Charities (Institutions of a Public Character) Regulations; and
- (e) the accounting and other records required by the Charities Act to be kept by the Society have been properly kept in accordance with the provisions of the Charities Act and those regulations under the Act.

ON BEHALF OF EXECUTIVE COMMITTEE



.....

Jarrod Ong
Chairman



.....

John Lim
Honorary Treasurer

31 May 2018

INDEPENDENT AUDITORS' REPORT TO THE EXECUTIVE COMMITTEE MEMBERS OF CHILDREN'S AID SOCIETY

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Children's Aid Society (the "Society"), which comprise the statement of financial position of the Society as at 31 December 2017, and the statement of financial activities and other comprehensive income, statement of changes in funds and reserves and statement of cash flows of the Society for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 41 to 63.

In our opinion, the financial statements of the Society are properly drawn up in accordance with the provision of the Singapore Societies Act, Chapter 311 (the "Act"), the Singapore Charities Act, Chapter 37, (the "Charities Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Society as at 31 December 2017 and the financial performance, changes in funds and reserves and cash flows of the Society for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Accounting and Corporate Regulatory Authority ("ACR") 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 Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

INDEPENDENT AUDITORS' REPORT TO THE EXECUTIVE COMMITTEE MEMBERS OF CHILDREN'S AID SOCIETY

Responsibilities of Management and Executive Committee for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, the Charities Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

The Executive Committee Members' responsibilities include overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism 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.

INDEPENDENT AUDITORS' REPORT TO THE EXECUTIVE COMMITTEE MEMBERS OF CHILDREN'S AID SOCIETY

- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- (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 Executive Committee Members 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 by the Charities Act and regulations enacted under the Act to be kept by the Society have been properly kept in accordance with the provisions of the Charities Act and those regulations under the Act.

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

- (a) The use of donation monies was not in accordance with the objectives of the Society as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) The Society has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



Public Accountants and
Chartered Accountants
Singapore
31 May 2018

CHILDREN'S AID SOCIETY

STATEMENT OF FINANCIAL POSITION

Year ended 31 December 2017

	NOTE	2017	2016
		\$	\$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,655,938	2,263,267
Receivables	7	18,902	47,779
Financial assets at fair value through profit or loss	8	8,520,809	6,951,474
Total current assets		10,195,649	9,262,520
Non-current asset			
Property, plant and equipment	9	1,548,731	1,554,903
Total assets		11,744,380	10,817,423
LIABILITY, FUNDS AND RESERVE			
Current liability			
Other payables	10	294,031	590,224
Funds and reserves			
Unrestricted funds	11	11,422,089	9,996,149
Restricted funds	11	28,260	231,050
Total funds and reserves		11,450,349	10,227,199
Total liability, funds and reserve		11,744,380	10,817,423

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME
Year ended 31 December 2017

2017	Unrestricted	Restricted					Total
		Sumitomo Fund	Lee Foundation Fund	NSL Fund ⁽ⁱ⁾	Credit Suisse Fund	Tote Board Fund	
INCOME	\$	\$	\$	\$	\$	\$	\$
Contributions from parents towards upkeep of children	1,590	-	-	-	-	-	-
Donations	931,276	-	-	20,002	-	6,600	978,040
Government grant	1,474,240	-	-	-	-	-	1,474,240
Gifts in kind	104,224	-	-	-	-	-	104,224
Total Income	2,511,330	-	-	20,002	-	6,600	2,558,094

⁽ⁱ⁾ NSL Ltd ("NSL")
⁽ⁱⁱ⁾ The QBE Foundation ("QBE")

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY
STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME (cont'd)
Year ended 31 December 2017

2017	Unrestricted	Restricted				Total
		Sumitomo Fund	Lee Foundation Fund	NSL Fund ⁽ⁱ⁾	QBE Fund ⁽ⁱⁱ⁾	
	\$	\$	\$	\$	\$	\$
OPERATING EXPENDITURE:						
Auditors remuneration	25,000	-	-	-	-	25,000
Administrative expenses	38,199	-	-	-	-	38,199
Bank charges	1,474	-	-	-	-	1,474
Catering	68,331	-	-	20,002	-	142,709
Central Provident Fund	191,157	-	-	-	-	191,157
Children's expenditure	209,962	652	93,867	-	-	304,481
Depreciation of property, plant and equipment	155,924	-	-	-	-	155,924
Foreign workers levy	42,356	-	-	-	-	42,356
Housekeeping supplies	15,479	-	-	-	-	15,479
Insurance	18,163	-	-	-	-	18,163
Medical	8,864	-	-	-	-	8,864
Miscellaneous	26,382	-	-	-	358	26,740
Professional fees	57,078	-	-	-	-	57,078
Provision for unutilised leave	714	-	-	-	-	714
Repairs and maintenance	68,427	-	-	-	-	68,427
Salaries	1,264,652	-	-	-	-	1,264,652
Telephone	4,887	-	-	-	-	4,887
Utilities	51,127	-	-	-	-	51,127
Staff training	15,486	-	-	-	-	15,486
Staff welfare	20,960	-	-	-	-	20,960
Government servicetax expenses	5,050	-	-	-	-	11,921
Transportation	22,612	-	-	-	-	22,612
Total operating expenditure	2,312,284	652	93,867	20,002	1,649	2,488,410

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME (cont'd)

Year ended 31 December 2017

2017

	Unrestricted	Restricted					Total
		Sumitomo Fund	Lee Foundation Fund	NSL Fund	Credit Suisse Fund	Tote Board Fund	
	\$	\$	\$	\$	\$	\$	\$
OTHER INCOME							
Dividend income from investments	134,541	-	-	-	-	-	134,541
Interest income from deposits and investments	125,344	-	-	-	-	-	125,344
Members' subscriptions	275	-	-	-	-	-	275
Special employment credit and wage credit scheme from government	42,408	-	-	-	-	-	42,408
Gain on disposal of investments	312,046	-	-	-	-	-	312,046
Changes in fair value of investments	538,852	-	-	-	-	-	538,852
Total other income	1,153,466	-	-	-	-	-	1,153,466
Surplus (Deficit) for the year	1,352,512	(652)	(93,867)	-	(54,376)	1,020	1,223,150

ANNUAL REPORT 2017

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME (cont'd)

Year ended 31 December 2017

2016

2016	Unrestricted	Restricted										
		CLSA Setclear Fund ⁽ⁱ⁾	Sumitomo Fund	Lee Foundation Fund	NSL Fund ⁽ⁱⁱ⁾	Credit Suisse Fund	CFS Bursary Fund ⁽ⁱⁱⁱ⁾	Nippon Fund	Happy Kitchen Fund	Tote Board Fund	QBE Fund ^(iv)	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME:												
Contributions from parents towards upkeep of children	3,760	-	-	-	-	-	-	-	-	-	-	3,760
Donations	582,274	-	-	-	20,000	823	-	12,530	13,335	33,823		662,785
Government grant	1,502,798	-	-	-	-	-	-	-	-	-		1,502,798
Gifts in kind	111,003	-	-	-	-	-	-	-	-	-		111,003
Total Income	2,199,835	-	-	-	20,000	823	-	12,530	13,335	33,823		2,280,346

⁽ⁱ⁾ Credit Lymonnais Securities Asia ("CLSA")

⁽ⁱⁱ⁾ NSL Ltd ("NSL")

⁽ⁱⁱⁱ⁾ Community Foundation of Singapore ("CFS")

^(iv) The QBE Foundation ("QBE")

See accompanying notes to financial statements.

FINANCIAL STATEMENTS

CHILDREN'S AID SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME (cont'd)

Year ended 31 December 2017

2016

	Unrestricted	Restricted																		
		CLSA		Sumitomo		Lee Foundation		NSL		Credit Suisse		CFS		Nippon		Happy Kitchen		Tote Board		Total
		Fund		Fund		Fund		Fund		Fund		Fund		Fund		Fund		Fund		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<u>OPERATING EXPENDITURE:</u>																				
Auditors remuneration	24,229	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,229	
Administrative expenses	17,211	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	17,211	
Bank charges	1,431	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,431	
Catering	59,270	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	136,115	
Central Provident Fund	144,494	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	144,494	
Children's expenditure	117,040	71,756	2,310	73,780	-	-	-	-	-	-	1,000	-	-	-	-	-	-	26,988	292,874	
Depreciation of property, plant and equipment	147,950	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	147,950	
Foreign workers levy	46,223	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	46,223	
Housekeeping supplies	12,788	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,788	
Insurance	14,030	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,030	
Medical	6,702	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,702	
Miscellaneous	8,706	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,706	
Professional fees	52,648	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52,648	
Provision for unutilised leave	2,247	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,247	
Repairs and maintenance	59,775	-	-	-	-	-	-	-	-	-	-	-	-	20	-	-	374	-	60,169	
Salaries	977,419	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	977,419	
Telephone	3,430	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,430	
Utilities	47,394	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	47,394	
Staff training	11,273	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,273	
Staff welfare	8,164	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,164	
Government service tax expenses	1,589	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,061	174	-	2,824	
Transportation	22,366	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,366	
Total operating expenditure	1,786,379	71,756	2,310	73,780	20,000	56,845	1,000	20	1,061	548	26,988	2,040,687								

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY

STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME (cont'd)

Year ended 31 December 2017

2016

	Unrestricted	Restricted											
		CLSA Setclear Fund		Sumitomo Fund	Lee Foundation Fund	NSL Fund	Credit Suisse Fund	CFS Bursary Fund	Nippon Fund	Happy Kitchen Fund	Tote Board Fund	QBE Fund	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$		
<u>OTHER INCOME</u>													
Dividend income													
from investments	120,386	-	-	-	-	-	-	-	-	-	-	120,386	
Interest income from													
deposits and investments	129,101	-	-	-	-	-	-	-	-	-	-	129,101	
Members' subscriptions	525	-	-	-	-	-	-	-	-	-	-	525	
Special employment credit													
and wage credit scheme from													
government	73,621	-	-	-	-	-	-	-	-	-	-	73,621	
Gain on disposal of investments	54,591	-	-	-	-	-	-	-	-	-	-	54,591	
Changes in fair value of													
investments	110,057	-	-	-	-	-	-	-	-	-	-	110,057	
Total other income	488,281	-	-	-	-	-	-	-	-	-	-	488,281	
Surplus (Deficit) for the year	901,737	(71,756)	(2,310)	(73,780)	-	(56,022)	(1,000)	(20)	11,469	12,787	6,835	727,940	

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY

STATEMENT OF CHANGES IN FUNDS AND RESERVES

Year ended 31 December 2017

	Unrestricted funds	Restricted funds	Total
	\$	\$	
Balance at 1 January 2016	9,054,415	444,844	9,499,259
<i>Total comprehensive income for the year:</i>			
Surplus/(Deficit) for the year	901,737	(173,797)	727,940
Total	9,956,152	271,047	10,227,199
Utilisation of funds for capital expenditure (Note 11)	38,970	(38,970)	-
Transfer from restricted funds to unrestricted funds (Note 11)	1,027	(1,027)	-
Balance as at 31 December 2016	9,996,149	231,050	10,227,199
<i>Total comprehensive income for the year:</i>			
Surplus/(Deficit) for the year	1,352,512	(129,362)	1,223,150
Total	11,348,661	101,688	11,450,349
Utilisation of funds for capital expenditure (Note 11)	73,428	(73,428)	-
Balance as at 31 December 2017	11,422,089	28,260	11,450,349

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY

STATEMENT OF CASH FLOWS

Year ended 31 December 2017

	2017	2016
	\$	\$
Operating activities		
Surplus for the year	1,223,150	727,940
Adjustments for:		
Interest income	(125,344)	(129,101)
Dividend income	(134,541)	(120,386)
Depreciation of property, plant and equipment	155,924	147,950
Change in fair value of investments	(538,852)	(110,057)
Gain on disposal of investments	(312,046)	(54,591)
Operating surplus before movements in working capital	268,291	461,755
Receivables	28,877	(32,707)
Other payables	(296,193)	(28,307)
Cash generated from operations, representing net cash from operating activities	975	400,741
Investing activities		
Purchase of property, plant and equipment	(149,752)	(17,630)
Purchase of investments	(7,416,075)	(5,750,029)
Proceeds from sale of investments	6,697,638	5,044,410
Dividends received	134,541	120,386
Interest received	125,344	129,101
Net cash used in investing activities	(608,304)	(473,762)
Net decrease in cash and cash equivalents	(607,329)	(73,021)
Cash and cash equivalents at beginning of year	2,263,267	2,336,288
Cash and cash equivalents at the end of year (Note 6)	1,655,938	2,263,267

See accompanying notes to financial statements.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

1 GENERAL

The Society (Registration No. S62SS0031K) is registered in the Republic of Singapore with its principal place of operation and registered office at 503, Clementi Road Singapore 599488. The financial statements are expressed in Singapore dollars.

The Society is an independent charitable society to promote the welfare of the children and to maintain a home to care for destitute and needy children.

The financial statements of the Society for the financial year ended 31 December 2017 were authorised for issue by the Executive Committee on 31 May 2018.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING - The financial statements have been prepared in accordance with the historical cost basis except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Societies Act, Chapter 311, the Singapore Charities Act, Chapter 37 and Financial Reporting Standards in Singapore ("FRS").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Society takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

ADOPTION OF NEW AND REVISED STANDARDS - On 1 January 2017, the Society has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRS and INT FRS does not result in changes to the Society's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following new/revised FRSs and amendments to FRS that are relevant to the Society were issued but not effective:

- FRS 109 *Financial Instruments*

FRS 109 was issued in December 2015 to replace FRS 39 *Financial Instruments: Recognition and Measurement* and introduced new requirements for (i) the classification and measurement of financial assets and financial liabilities (ii) general hedge accounting and (iii) impairment requirements for financial assets.

All recognised financial assets that are within the scope of FRS 39 are now required to be subsequently measured at amortised cost or fair value through profit or loss (FVTPL). With some exceptions, financial liabilities are generally subsequently measured at amortised cost.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

Key requirements of FRS 109 that may relevant to the Society:

In relation to the impairment of financial assets, FRS 109 requires an expected credit loss model, as opposed to an incurred credit loss model under FRS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

The Society is currently evaluating the potential impact of the application of FRS 109 on the financial statement of the Society in the period of initial application.

FRS 109 applies to annual periods beginning on or after 1 January 2018, with early application permitted.

FINANCIAL INSTRUMENTS - Financial assets and financial liabilities are recognised on the Society's statement of financial position when the Society becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premium or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments "at fair value through profit or loss".

Financial assetsCash and cash equivalents

Cash and cash equivalents in the statement of cash flows comprise cash on hand and bank are subject to an insignificant risk of changes in value.

Receivables

Receivables that have fixed or determinable payments that are not quoted in an active market are classified as "receivables". Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets are classified as at FVTPL where the financial asset is either held for trading or it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- It has been acquired principally for the purpose of selling in the near future; or
- On initial recognition, it is part of an identified portfolio of financial instruments that the Society manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

A financial asset other than a financial asset held for trading may be designated as at FVTPL upon initial recognition if:

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial asset forms part of a Society of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Society's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and FRS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition the financial asset, the estimated future cash flows of the financial asset have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

Derecognition of financial assets

The Society derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Society neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Society recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Society retains substantially all the risks and rewards of ownership of a transferred financial asset, the Society continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Society are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Society after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Other financial liabilities

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest rate method, with interest expense recognised on an effective yield basis, except for short-term payables where the recognition of interest would be immaterial.

Derecognition of financial liabilities

The Society derecognises financial liabilities when, and only when, the Society's obligations are discharged, cancelled or expired.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Freehold land	-	Not depreciated
Freehold building	-	50 years
Plant, fixtures and equipment	-	10 years

Fully depreciated assets which are still in use are retained in the financial statements.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in profit or loss.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the Society reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in statement of financial activities.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in statement of financial activities.

PROVISIONS - Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that the Society will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

RECOGNITION OF INCOME - Income is recognised to the extent that it is probable that the economic benefits will flow to the Society and the amount can be reliably measured.

Grants received to fund operating expenses are recognised on accrual basis, based on the funding principles specified by National Council of Social Service ("NCSS") and Ministry of Social and Family Development ("MSF"). Accruals are made for any over/under funding payable to/receivable from NCSS and MSF.

A gift in kind is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received.

Other income consist of voluntary contribution by parents to maintain the upkeep of the child is recognised upon receipts. Interest revenue is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

Dividend income is recorded in profit or loss when the right to receive the dividend has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

GOVERNMENT GRANTS - Government grants are not recognised until there is reasonable assurance that the Society will comply with the conditions attached to them and the grants will be received.

Government grants are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Society with no future related costs are recognised in statement of financial activities in the period in which they become receivable.

UNRESTRICTED FUNDS – The Unrestricted Funds are funds which are available to be used for any of the charity's purposes.

RESTRICTED FUNDS - The funds comprise the cumulative operating surplus or deficit arising from the specific income and expenditure account. Donations received for specific purposes are accounted for on a cash basis. The specific funds are utilised in accordance with its intended purpose. Amounts not utilised are accumulated in the specific funds.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Society's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

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

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION - The financial statements are measured and presented in Singapore dollars, which is the currency of the primary economic environment in which the Society operates (its functional currency).

In preparing the financial statements, transactions in currencies other than the Society's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Society's accounting policies, which are described in Note 2, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying the Society's accounting policies

Management is of the opinion that any instances of application of judgements on the Society's accounting policies are not expected to have a significant effect of the amounts recognised in the financial statements.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the financial statements within the next financial year, are discussed below:

Impairment of financial assets at fair value through profit or loss

At the end of the reporting period, management assesses whether there is any objective evidence that financial assets at fair value through profit or loss are impaired, which includes information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the investee operates, indicating that the cost of the investments may not be recovered. Based on the assessment performed for financial assets at fair value through profit or loss, management is of the opinion that no impairment is required in the current year. The carrying value of financial assets at fair value through profit or loss is disclosed in Note 8.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

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

	2017	2016
	\$	\$
Financial assets		
Financial assets at fair value through profit or loss	8,520,809	6,951,474
At amortised cost:		
Receivables	12,238	39,465
Cash and cash equivalents	1,655,938	2,263,267
	<u>10,188,985</u>	<u>9,254,206</u>
Financial liabilities		
Payables, at amortised cost	<u>294,031</u>	<u>213,965</u>

(b) Financial risk management policies and objectives

Management monitors and manages the financial risks relating to the operations of the Society to minimise adverse potential effects on financial performance. These risks include market risk (including foreign exchange risk and interest rate risk), equity price risk, credit risk, liquidity risk and fair value risk. Management manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures these risk. Market risk exposures are measured using sensitivity analysis indicated below:

(i) Foreign exchange risk management

The Society transacts only in Singapore dollars and is therefore not exposed to foreign currency risk.

(ii) Interest rate risk management

The Society has no interest-bearing financial liabilities.

The Society relies on professional fund managers to monitor and mitigate the adverse effects of interest rate changes on its investment portfolios.

No sensitivity analysis is prepared as the Society does not expect any material effect on the Society's surplus for the year arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the reporting period.

(iii) Investment price risk management

Investment price risk arises mainly from uncertainty about the future prices of financial instruments invested by the Society. It represents the potential financial loss the Society might suffer through holding investments in the face of price movements. It is the Society's policy to achieve an appropriate diversification in its investment portfolio in order to mitigate such risk.

(iv) Credit risk management

Credit risk is the potential financial loss resulting from the failure of a customer or a counterparty to settle its financial and contractual obligations to the Society, as and when they fall due. The maximum exposure to credit risk in the event that the counter parties fail to perform their obligations as at the end of financial year in relation to each class of recognised financial assets is the carrying amounts of those assets as stated in the statement of financial position.

The Society has assessed that there is no credit risk as most of the receivables are either due from Ministry or Government related organisations which are backed by the Government of Singapore.

The Society places its cash and cash equivalents with creditworthy financial institutions and large reputable corporations. The credit risk on bank deposits and investment funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and reputable corporations with a good credit history.

(v) Liquidity risk management

Liquidity risk refers to the risk that the Society is unable to pay its creditors due to insufficient funds. The Society is primarily funded via grants and donations and it attempts to ensure sufficient liquidity at all times through efficient cash management. All financial assets and financial liabilities are repayable on demand or due within 1 year from the end of the reporting period.

(vi) Fair value of financial assets and financial liabilities

The carrying amounts of cash and cash equivalents, receivables and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

Fair value of the Society's financial assets and financial liabilities that are measured at fair value on a recurring basis

Some of the Society's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined.

Financial Assets	Fair value as at 31 December		Fair value hierarchy	Valuation techniques and key inputs	Sensitivity Analysis (Note 1)	
	2017 Assets	2016 Assets				
Financial assets at fair value through profit or loss: (see note 8)					2017	2016
1) Quoted equity shares	3,777,956	3,172,329	Level 1	Quoted bid prices in an active market.	377,796	317,233
1) Quoted debt securities	4,351,386	2,815,808	Level 1	Quoted bid prices in an active market.	435,139	281,581

Note 1: If the quoted prices are 10% higher/lower while all the other variables were held constant, the Society's surplus would increase/decrease as detailed in the above table.

There were no significant transfers between Levels of the fair value hierarchy in 2016 and 2017.

Except as detailed in the above table, the Society had no other financial assets or liabilities carried at fair value.

(c) Capital management policies and objectives

The Society manages its capital to ensure it will be able to continue as a going concern. The capital structure of the Society consists only of funds and reserves. Management reviews the capital structure on a regular basis. The Society's overall strategy remains unchanged from 2016.

5 COMPENSATION OF KEY MANAGEMENT PERSONNEL

The remuneration of key management personnel during the year is as follows:

	2017	2016
	\$	\$
Short-term benefits	289,609	162,640
Post-employment benefits	48,738	47,989
	<u>338,347</u>	<u>210,629</u>
Number of key management in remuneration bands:		
\$50,000 - \$100,000	3	2
\$100,000 - \$150,000	<u>1</u>	<u>1</u>

Key management personnel comprise the executive director and respective heads of department. The committee members did not receive any compensation during the year.

There were no transactions with a corporation in which the above key management personnel have an interest.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

6 CASH AND CASH EQUIVALENTS

	2017	2016
	\$	\$
Fixed deposits	950,000	1,102,303
Cash and bank balances	705,938	1,160,964
	<u>1,655,938</u>	<u>2,263,267</u>

Fixed deposits bear interest at 1% to 1.3% (2016 : 1.24% to 1.95%) per annum and for a tenure between 3 to 12 months (2016 : 6 to 12 months). The fixed deposits could be drawn without having to incur significant cost.

7 RECEIVABLES

	2017	2016
	\$	\$
Prepayment	6,664	8,314
Deposit	1,719	30,559
Interest receivables	10,456	8,906
Other receivable	63	-
	<u>18,902</u>	<u>47,779</u>

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017	2016
	\$	\$
Quoted equity shares, at fair value	3,777,956	3,172,329
Quoted debt securities, at fair value	4,351,386	2,815,808
Cash and cash equivalents	356,329	937,843
Dividend and interest receivables	38,848	31,265
Accrued management fees	(3,710)	(5,771)
	<u>8,520,809</u>	<u>6,951,474</u>

Quoted equity shares offer the opportunity for return through dividend income and fair value gains. The fair values of these equities are based on closing quoted market prices on the last market day of the financial year.

The investments in quoted debt securities have effective interest rates ranging from 2.33% to 4.6% (2016 : 3.08% to 4.15%) per annum and have maturity dates ranging from 2018 to 2029 (2016 : 2021 to 2028). The fair value of the quoted debt securities are estimated by reference to the current market value provided by the custodian bank.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

31 December 2017

9 PROPERTY, PLANT AND EQUIPMENT

	Freehold land	Freehold building	Plant, fixtures and equipment	Total
	\$	\$	\$	\$
Cost:				
At 1 January 2016	524,373	763,206	1,296,513	2,584,092
Additions	-	-	17,630	17,630
At 31 December 2016	524,373	763,206	1,314,143	2,601,722
Additions	-	-	149,752	149,752
At 31 December 2017	<u>524,373</u>	<u>763,206</u>	<u>1,463,895</u>	<u>2,751,474</u>
Accumulated depreciation:				
At 1 January 2016	-	136,368	762,501	898,869
Depreciation	-	30,835	117,115	147,950
At 31 December 2016	-	167,203	879,616	1,046,819
Depreciation	-	30,835	125,089	155,924
At 31 December 2017	<u>-</u>	<u>198,038</u>	<u>1,004,705</u>	<u>1,202,743</u>
Carrying amount:				
At 31 December 2017	<u>524,373</u>	<u>565,168</u>	<u>459,190</u>	<u>1,548,731</u>
At 31 December 2016	<u>524,373</u>	<u>596,003</u>	<u>434,527</u>	<u>1,554,903</u>

10 OTHER PAYABLES

	2017	2016
	\$	\$
Accrued expenses	269,082	189,730
Grants received in advance	-	376,259
Other payables	24,949	24,235
	<u>294,031</u>	<u>590,224</u>

Grant received in advance from NCSS under the Care and Share Matching Grant are recognised as income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis.

11 RESTRICTED FUNDS

These funds comprise the cumulative operating surplus arising from the restricted profit or loss account for specific purposes transferred from the profit or loss.

	(i) CLSA Setclear Fund	(ii) Happy Kitchen Fund	(iii) Credit Suisse Fund	(iv) Nippon Fund	(v) QBE Fund	(vi) Sumitomo Fund	(vii) Lee Foundation Fund	(viii) CFS Fund	(ix) Tote Board Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance at 1 January 2016	71,756	4,708	131,751	20	-	2,962	167,647	1,000	65,000	444,844
Net Surplus (Deficit) for the Year	(71,756)	11,469	(56,022)	(20)	6,835	(2,310)	(73,780)	(1,000)	12,787	(173,797)
Utilisation of Funds for Capital Expenditure	-	(15,150)	-	-	-	-	-	-	(23,820)	(38,970)
Transferred to unrestricted funds	-	(1,027)	-	-	-	-	-	-	-	(1,027)
Balance at 31 December 2016	-	-	75,729	-	6,835	652	93,867	-	53,967	231,050
Net Surplus (Deficit) for the Year	-	-	(54,376)	-	18,513	(652)	(93,867)	-	1,020	(129,362)
Utilisation of Funds for Capital Expenditure	-	-	-	-	(18,441)	-	-	-	(54,987)	(73,428)
Balance at 31 December 2017	-	-	21,353	-	6,907	-	-	-	-	28,260

Reserve policy:

	2017	2016
	\$	\$
Unrestricted fund	11,422,089	9,996,149
Ratio of reserve to annual operating expenditure	4.59	4.90

The reserves of the Society provide financial stability and the means for the development of the Society's activities. The Society intends to maintain the reserves at a level sufficient for its operating needs. The Executive Committee reviews the level of reserves regularly for the Society's continuing obligations.

CHILDREN'S AID SOCIETY

NOTES TO THE FINANCIAL STATEMENTS
31 December 2017

- (i) CLSA Setclear Fund is set aside to fund academic support of the residents.
- (ii) Happy Kitchen Fund is set aside for kitchen renovation.
- (iii) Credit Suisse Fund is set aside for children daily meals.
- (iv) Nippon Fund is set aside for refurbishment of dormitories, replacement of old furniture used by children, repainting of tuition room and other charitable programs.
- (v) QBE Fund is set aside for children enrichment and recreation programmes.
- (vi) Sumitomo Fund is set aside for development and therapeutic services for the children and teenagers
- (vii) Lee Foundation Fund is set aside for children tuition program.
- (viii) CFS Fund is set aside for children books and study materials.
- (ix) Tote Board Fund is set aside for playground renovation.

12 INCOME TAXATION

The Society was exempted from tax under the Income Tax Act, following registration with the Commissioner of Charities as a charity under the Charities Act (Cap. 37).

13 TAX EXEMPT RECEIPT

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times double tax deduction for the donations made to the Society. The status for general donations was renewed from 1 October 2017 to 31 March 2019.

	2017	2016
	\$	\$
Donations for which tax exempt receipts were issued	810,241	467,722






CHILDREN'S AID SOCIETY

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