

**MELROSE** HOWE  
*children's aid society*

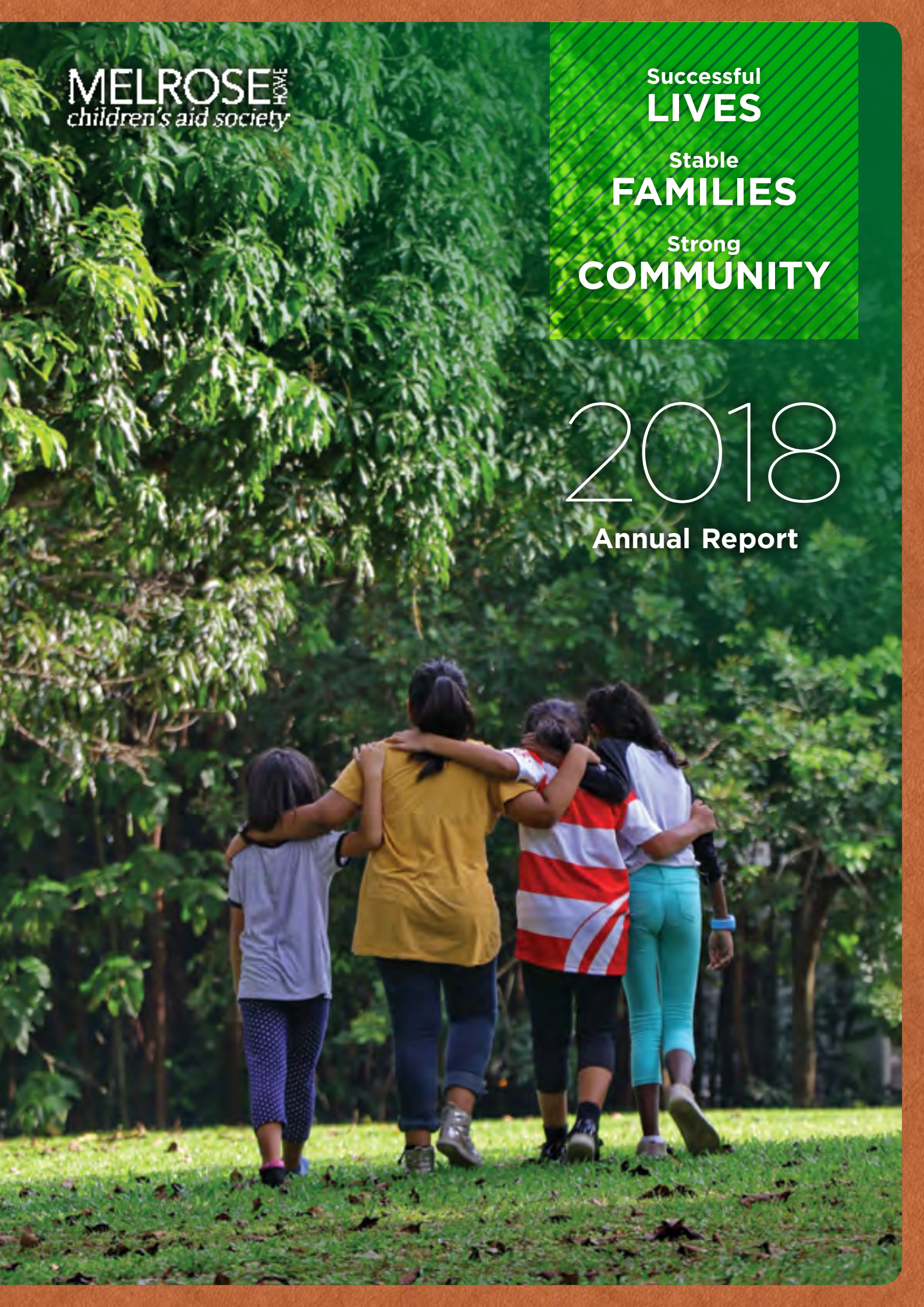
Successful  
**LIVES**

Stable  
**FAMILIES**

Strong  
**COMMUNITY**

2018

Annual Report







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# About CHILDREN'S AID SOCIETY

## 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) 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.

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



## 1970s

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, 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.



## 2002

Children's Aid Society celebrated 100 years of caring for children and launched our centenary book, which highlighted our dedicated service to the community from 1902 to 2002.



## July 2013

To better meet the changing needs of the community, Melrose Home expanded its capacity to welcome more youths. The Home's extended Youth Wing was officially opened by Mrs Mary Tan, our then First Lady, on 26 July 2013. Funded and developed by Ascendas GIVES Foundation and its partners, the new wing bolstered our capacity to be able to provide care for a total of 30 youths. The new wing included study and recreation spaces, as well as outdoor facilities to provide a conducive living environment.

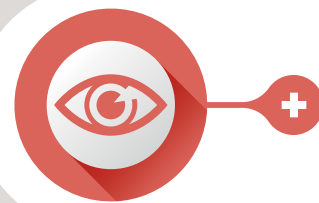




# 116 YEARS ON...

**Children's Aid Society remains dedicated to nurturing successful lives, stable families and a strong community.**

Through our residential care Home – Melrose Home (503 Clementi Road), the Society provides care and protection for vulnerable children and youths (6 to 18 years old) coping with adverse family circumstances, abuse, or child neglect issues. The Home augments residential care services with a holistic range of programmes and therapeutic interventions to guide our young charges in their journey of healthy growth and development and ultimately, successful family reunification or independent living.

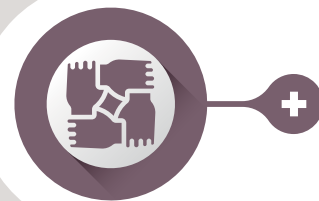


## VISION

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 towards 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.

## CHAIRMAN'S Message

### 2018 marked Children's Aid Society's 116<sup>th</sup> year of service to the underprivileged children, youths and their families.

We continued to strive towards developing new programmes to facilitate the transformation of Melrose Home into a comprehensive small group care model. In the process, we encouraged staff and residents to participate together in the planning of some of these programmes. This collaborative effort has resulted in greater unity among staff and residents. It has also helped in greater acceptance and appreciation of newly developed programmes by all stakeholders as they take ownership of these programmes.

During the reporting year, we welcomed 7 new residents. We also facilitated 8 residents to reunite with their families as conditions at their homes improved. These ex-residents will continue to be in our care; under the after-care programme, as we ensure their smooth transition to their respective family homes.

We are pleased to announce that we will be offering new services beyond Melrose's shore. We are setting up Counselling and Psychotherapy services in Woodlands New Town (Admiralty). We have decided to provide these services in Woodlands after determining that there is a need for subsidised services in this location. This new initiative is in response to rising social concerns in bullying, gaming addiction, child abuse and neglect, academic stress and other emotional stresses that are widely affecting children, youth and their families. Works are underway for this centre to start offering these services in the middle of 2019.

Financially, 2018 was a challenging year. Donations dropped substantially and as a result, we recorded our first deficit in many years. The Executive Committee has taken steps to boost CAS's fundraising capability and has prudently tightened the budget for 2019. This notwithstanding, we are ever grateful to our many loyal supporters – our partners, donors and volunteers – and

the wider community for their continued support and generous contributions. We are also grateful for the guidance and support from the Ministry of Social & Family Development, and the National Council of Social Service.

Finally, I would like to personally express my heartfelt gratitude to our community of volunteers for their commitment of time, effort and love; to our staff team, for their dedication in ensuring high standards of care for the residents; and to members of the Executive Committee, and Sub-Committees for their generous time and effort in steering Melrose Home.

Thank you all for sharing and touching the lives of residents in Melrose Home and their families.

**Mr Jarrod Ong Chew Yeang**  
Chairman, Executive Committee

*This notwithstanding, we are ever grateful to our many loyal supporters – our partners, donors and volunteers – and the wider community for their continued support and generous contributions*





# EXECUTIVE DIRECTOR'S Message

**Through the operation of Melrose Home, Children's Aid Society (CAS) provides the essential round-the-clock care and support in helping young lives through difficult times.** 2018 marked our 116th year as a secular philanthropic organisation serving people in need. This effort to provide refuge and care for young people in need continued through the past year.

I am pleased to highlight several key developments in 2018. First, we have implemented our plans for small-group care for all residents in Melrose Home. Dedicated staff teams catered to the needs of children-boys, children-girls, teenage-boys and teenage-girls in a bespoke fashion. Programmes were customised to better meet the residents' needs and an element of co-creation is

embedded to promote greater ownership and participation.

Second, we did more in public education and in advancing social care knowledge in 2018. We carried out a week-long roadshow to raise public awareness of child neglect and abuse in the community. Our key clinicians spoke at two professional plenaries that discussed child abuse-related trauma and treatment. In the later part of the year, a multidisciplinary delegation from CAS presented 4 research papers on guidance care and therapy treatment at the 13th International Conference on Child & Adolescent Psychopathology (ICCAP) held in Kuching, Malaysia. CAS also provided support in the validation of the Skills Framework for Social Service sector led by Skillsfuture Singapore.

Third, guided by CAS's strategic plan, we took concrete steps in 2018 to identify gaps and make

comprehensive plans to develop a community-based service centre for children, young people, and their families. As the year drew to a close, we were able to put the plans into action. CAS has a lot to look forward to in the coming year.

I would like to thank our staff and committee members, generous donors and volunteers for their commitment of time, resources and most importantly keeping a space in their hearts and minds for the work we do together.

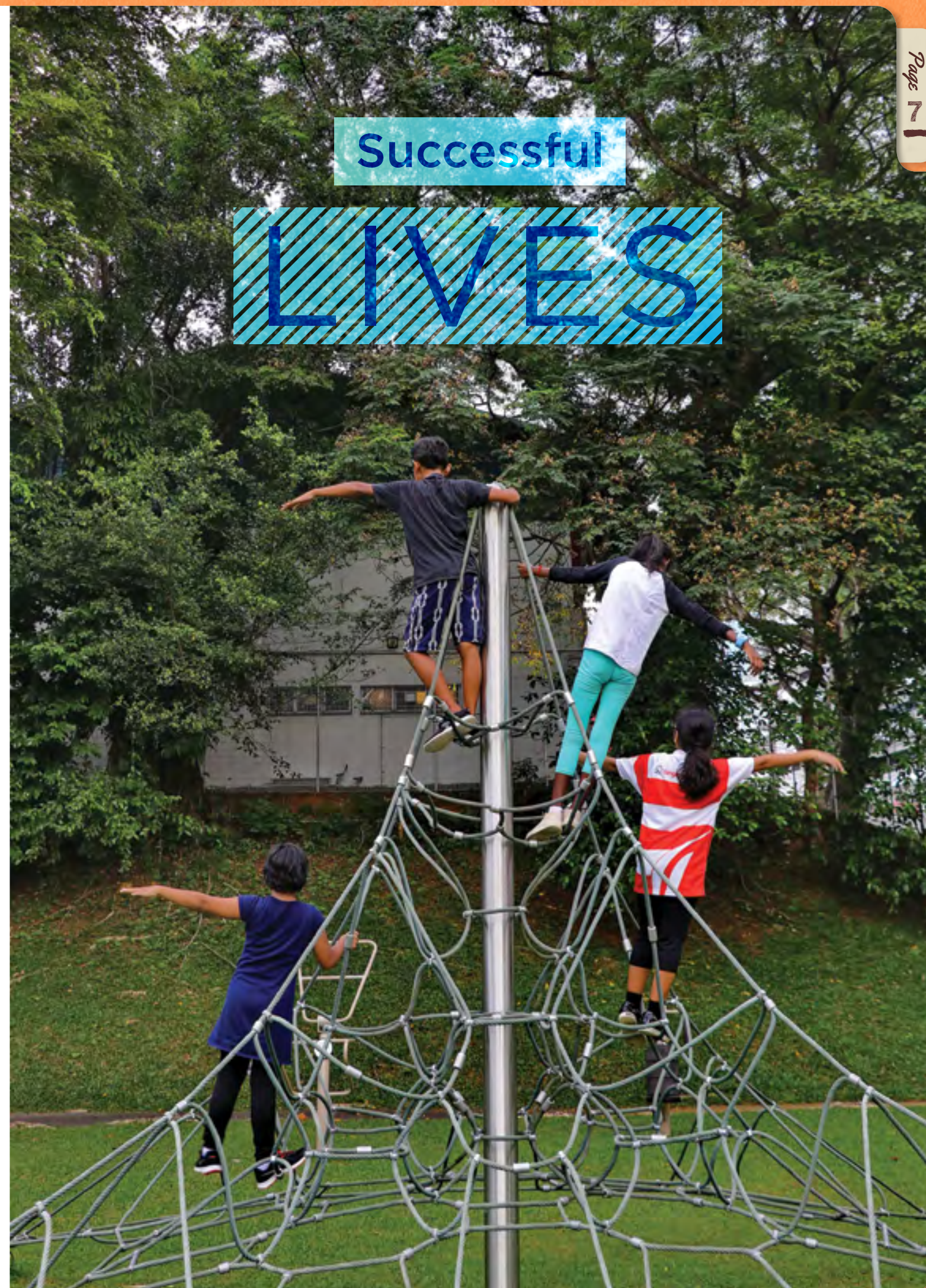
With your support, we will continue to strive to make our community a safer and more conducive space for children and young people to grow, learn and play.

**Dr Frederick Low**  
Executive Director

*As the year drew to a close, we were able to put the plans into action. CAS has a lot to look forward to in the coming year*

Successful

LIVES





# Our RESIDENTS

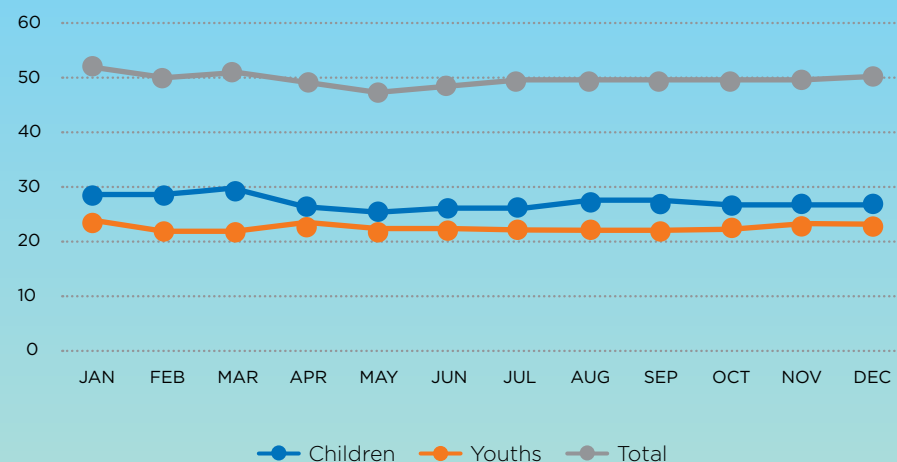
Our residents, typically between the ages of 6 and 18 years old, are placed in Melrose Home primarily because of their care and protection needs.

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

- Statutory Cases — 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

Individual Care Plans are tailored for each resident and managed by our Social and Case Workers. Casework interventions, therapeutic services and support are provided to help address the various behavioural, social and emotional needs of our residents.

## NO. OF RESIDENTS



59 residents in total were cared for in 2018



7 new residents joined Melrose Home

# PROGRAMME Highlights of 2018

## Adopting Positive Adjustment & Growth Indicators (PAGI)

Melrose Home strives to empower our young charges to be morally upright and contributing members of their families and the community. We provide quality care and guidance for our residents through a holistic range of programmes that are developed to nurture 4 essential areas of growth & wellness for a child: BPSS - Biological, Psychological, Social & Spiritual/Values.

The **PAGI Framework** was adopted as a standardised and evidence-based approach to evaluate the functional outcomes and perceptions of care, of the services and BPSS-focused programmes provided. There are 3 key domains that form the PAGI Framework:

### Academic Domain

The evaluation focuses on changes or excellence in school results. This is completed by comparing residents' academic results in each subject over the semesters within the year.

### Behavioural Domain

Multiple stakeholders from the Home, residents' family and school, residents' tutors as well as the residents provide their observation of interpersonal and intrapersonal attributes and behaviours displayed by the residents at the beginning and the end of each semester. Observations are compared over semesters within the year.

### Social Engagement Domain

Residents self-report on changes in their knowledge, skills and attitudes, based on the Home-organised programmes and activities which they have attended within the year. A pre and post-test format is adopted.

83.7%

achieved positive shift in Academics

82%

achieved positive shift in Behaviours

85.1%

achieved positive shift in Social Engagement

82%

achieved positive shifts in at least 2 out of 3 Domains

## Recognizing and Affirming Good Efforts

Improvements in academic pursuit and behavior were rewarded on improvements through Residents' Awards Day. We believe in celebrating successes together with our residents as they strive towards achieving their personal goals.



Residents' Awards



## Forging Good Rapport Amongst All

A variety of staff and resident bonding activities were organized during the year. Activities planned included a bowling challenge at Westwood Bowl, BBQ dinner in Melrose Home, and a lively day out at Sentosa, where we enjoyed exhilarating luge rides and team games at Siloso Beach.







### Caring for Tertiary Teens

The Youth Wing began developing programmes from June 2018 to better engage the teenagers who graduated from the secondary phase to the tertiary phase of their education, as well as to help them take more responsibility for their individual development and personal goals. These youths reviewed their individual targets every month together with their youth worker and social worker.

In addition, new programmes such as 'Learn to Cook' were organised in September 2018 to teach our teenagers crucial independent living skills and habits. The teenagers were guided on how to manage their budget by shopping for ingredients at wet markets and how to prepare their own simple and nutritionally balanced meals.



*Caring for Tertiary Teens*



*Community Day*



### Promoting Access to Art and Play Therapy

To ensure that our residents benefit as much as they can during their stay in Melrose Home, art and play therapies have been made available to those residents with higher needs. Art therapy in both individual and group formats were offered to both children and youths,

while play therapy was offered on an individual basis. The art and play therapies complemented the various social work interventions in meeting the needs of our residents holistically and were very well received by the residents.



*Access to Art and Play Therapy*



	1182 Hours of Counselling
	178 Sessions of Art Therapy
	117 Sessions of Play Therapy
	2505 Hours of Academic Guidance & Tutoring
	122 Hours of Special Needs Coaching

## Our Programmes CHILDREN WING

### Preparing Our Children to be Confident Individuals

The children learn some social graces - important skills such as etiquette, deportment, table manners and behavior that will enable them to interact politely and confidently in social situations.



### Developing Care & Compassion

Our Values-In-Action Programme consists of quarterly visits to Lions Befrienders Senior Activity Centre (Clementi Branch), where the children learn to befriend and engage the seniors in a variety of activities.



They participated in bingo sessions, dance performances, served tea and snacks for tea-break and shared goodie bags containing food items like biscuits and milo.



### Building Camaraderie Amongst Staff & Children

A series of Wing-specific activities, such as bowling, ice-skating and meal outings were organized for staff and children to build camaraderie and closer bonds, during the school holidays.



### Encouraging Children to Pursue Varied Interests

Children are encouraged to pursue various interests by participating in Interest Groups championed by our Guidance Staff in the Children Wing. In 2018, 4 diverse interest groups were formed - Chess with Mr Samuel, Hip Hop Dance with Ms Gian, Acapella with Ms Hazel, and Basketball with Ms Vanessa.





### Nurturing Teamwork

An annual full-day camp is held in which activities encouraging teamwork are planned. The camp was held in September 2018 and included a broad range of activities such as cycling and beach games at East Coast Park and a finale night experience at Marina Bay.

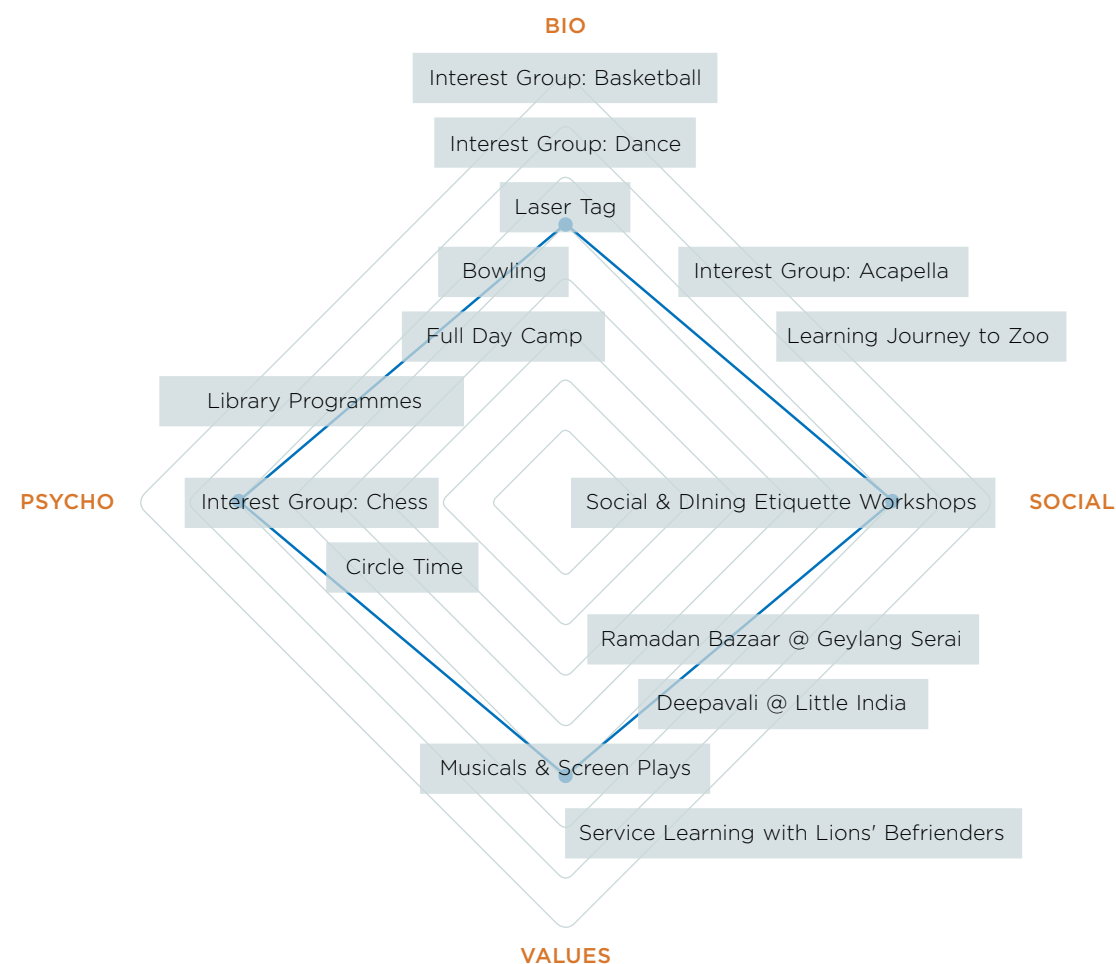
### Collecting Feedback through Circle Time

This is a platform for children to provide comments and suggestions on matters that concern them - from choices of holiday programmes to be organized, to ideas on making Melrose Home a better place!



## BPSS DISTRIBUTION

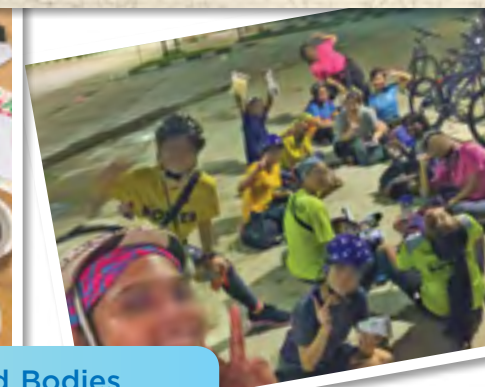
— Children Wing



## Our Programmes YOUTH WING

### Developing Passions through Interest Groups

Similar to the Children Wing, the youths are encouraged to participate in various interest groups, which allow them to develop in activities that they are passionate about, in a small-group setting that are held on a regular basis. Staff members who lead these interest groups also share the same passion and eagerly impart their knowledge and skills to the residents. In 2018, 3 diverse interest groups were formed – Soccer with Mr Jeremy, Embroidery with Ms Joan, and Values-in-Action with Mr Joel (in partnership with Orange Valley – Clementi).



### Strengthening Minds and Bodies through School Holiday Programmes

A wide variety of programmes are organised during the school holidays to strengthen the residents' minds and bodies, and to heighten their awareness of themselves and current social, cultural and environmental issues. Programmes are thoughtfully planned by the Youth Work team to promote the 4 essential areas of growth & wellness: Biological, Psychological, Social & Spiritual/Values in a holistic and balanced way. Some key programmes included:

- Sports and wellness activities to nurture fitness, resilience and teamwork, such as Futsal, an Overnight Cycling Challenge, 2-Star Kayaking Course, and participation in the Singapore Kindness Run
- An Art Jamming Week that featured water colour, calligraphy and leather craft workshops
- An amazing Race at Botanic Gardens
- An Integration & Orientation Day for Primary 6 residents transitioning to the Youth Wing
- Recreational activities at the Trampoline Park, Indoor Batting Arena, and experience at Wave House Sentosa.





## Overseas Bonding Camp & Values-in-Action (VIA) Project @ Johor Bahru, Malaysia

The Youth Wing organised our first overseas values-in-action project and camp in Pontian District, Johor, Malaysia in late November 2018.

On the first day of the camp, the youths interacted with the students of Pusat Pemulihan Dalam Komuniti Sinar Bakti Pontian through lunch and gardening activities and volunteered to help with a repainting project to give the school premises a fresh coat of paint.

Over the remaining duration of the camp, the youths learnt cultural crafts and engaged with the villagers in the kampong through traditional games. A healthy dose of outdoor activities were planned too. The group was tasked to trek to a beautiful waterfall and participated in team-building activities on an outdoor farm.



## BPSS DISTRIBUTION

Youth Wing

BIO

Tabata Workout (Teen Boys)

Interest Group: Hip-Hop (Teen Girls)

Interest Group: Soccer (Teen Boys)

Year-End Overseas Camp

Overnight Cycling

Interest Group: Embroidery (Teen Girls)

Art Jamming Week

PSYCHO

Tuition

Circle Time

Karaoke Singing (Teen Girls)

SOCIAL

World Cup Spectating (Teen Boys)

Amazing Race @ Hort Park

Overseas Values in Action @ Pemulihan Dalam Komuniti (Pontian District, Johor, Malaysia)

Interest Group: Values in Action

VALUES

Stable

# FAMILIES





# Family Work & REUNIFICATION

## Supporting with Information and Referrals

Our Social Care team regularly received and assisted enquiries for placement in 2018. The majority were statutory child protection cases with a handful referred by community agencies like Family Service Centres (FSCs) and schools for clients with multifarious family and behavioural issues.

## Engaging Families & Stakeholders

Collaboration is key and the Social Care Team actively engaged with multiple stakeholders such as our residents' families, schools, and community agencies to address a multitude of complex issues that our

residents and their families faced. The social workers attended regular case conferences to discuss and affirm actions and decisions taken. They also conducted home visits and counselling sessions with our residents and their families. Through such engagement and partnerships, families are empowered to be more self-sufficient and to improve their social circumstances. This ultimately enables safe re-integration of our residents with their families where they belong.

## Aftercare & Mentoring

When a resident is ready to leave our home to return to their family, Melrose Home offers

an aftercare programme that encompasses home visits and in-community support to ensure successful reintegration. The aftercare programme lasts for a period of 6 months.



63

family members were engaged through our services and support programmes



8

residents transitioned through the aftercare programme, receiving continued support to aid successful reunification with their families



## JOURNEYING with Families in Need

### Empowering Lives & Strengthening Family Bonds

**B (older brother) & J (younger sister) were 5 and 7 years old respectively when they were referred to Melrose Home.** As siblings from a single parent family faced with difficult financial circumstances, the hope was for the young children to benefit from a conducive and nurturing environment during their critical childhood years while their father was supported through his struggles of unstable employment and ailing physical health. Under the care and guidance of the Home, B & J adjusted to the new preschool and primary school that they were enrolled in

and slowly built friendships with their peers at Melrose. During the six years spent in the Home, the siblings enjoyed opportunities to explore different interests through the various weekend and school holiday programmes, and eventually developed passions in dance and soccer. As their father's health improved and was able to sustain regular employment, more frequent visits and outings were organised for the family to enable a smooth and successful reunification. When B completed his PSLE, he was officially discharged from Melrose Home and returned to stay with

his father in their new 2-room flat. Melrose provided some financial aid to ensure that the flat was adequately furnished. J stays on in Melrose Home to receive additional support during the final year of her primary school education. The siblings' social worker continues to support the family through Melrose's after-care programme to ensure they can receive suitable financial grants and family support services and will also help guide J towards completing her PSLE and securing a placement in a secondary school.

### Overcoming Trauma & Building Resilience

**Having endured physical and sexual abuse from her stepfather during her childhood, A grew distrustful and resentful towards her mother and their kinship soured as she grew older.** A's family situation was eventually investigated by Child Protective Service and A was referred to Melrose Home when she was 13 years old. An individualised care plan was proposed by A's social worker, which outlined various interventions and therapeutic support she could

receive while in the care of Melrose Home. Through the regular art therapy groups and individual counselling sessions, A was able to rediscover her strengths, come to better terms with her trauma from abuse, and set goals and plans on how to strengthen the kinship with her mother who was now a single parent. With the support and guidance from the Home's youth workers, A gained motivation to prioritise her studies and sustained regular attendance in school. A also

received weekly tuition for subjects she was weak in and participated in the embroidery interest group with other teen girls in her dorm. Three years on, A successfully completed her O levels examination and secured a polytechnic placement. In addition to settling well into her polytechnic course, the mother-daughter relationship has improved tremendously, and A was able to reunite and live with her mother.





# Our TEAM

Children's Aid Society values our team of staff, who are committed to the efficient operation of Melrose Home and to providing quality care and support for our residents. The Executive Director is responsible for the overall management and works closely with the team to achieve the Society's vision of nurturing successful lives, stable families, and a strong community.



*Management Team*



I believe in making a difference no matter how small in the kids' lives. The most memorable moments as a social worker have been when the kids write thank you cards or messages to show their appreciation.

*Anuradha  
Senior Social Worker*

I have always enjoyed working with the youth! I believe every interaction with them matters. Like gardening, with the right amount of water and sunlight, every bud will bloom beautifully in their own way.

*Joel  
Senior Youth Worker*



*Social Care Team*



*Residential Care Team - Youth Wing*



*Residential Care Team - Children Wing*

As guidance officers, we devote most of our days to better understanding the nature of the children in the Home. Work can be mentally exhausting as we explore fresh ways to interact with each child. Even so, time just flies by when I am working with the residents. Nothing is more rewarding than coming to work every day to see the little results of the knowledge and skills that I have imparted to the children in our day to day exchanges.

*Samuel  
Guidance Officer (Children Wing)*



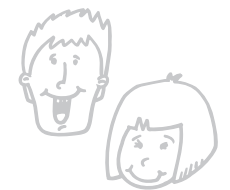
*Residential Care - Support Team*



*Admin Team*

I strive to help in any way I can to bring a smile to a child's face. There is nothing more satisfying than seeing a happy, smiling child.

*Priya  
Unit Leader (Children Wing)*



Working in Melrose Home has given me a sense of accomplishment and I have learnt a lot since I started working here. I especially enjoy the residents and staff bonding activities yearly.

*Daljit  
Administrative Executive*





# TEAM

## Highlights of 2018

### Staff Benefits

The Society's management regularly reviews the staff benefits package and in 2018, introduced several improvements in medical benefit, dental coverage and leave arrangements.

### Staff Development

The Society values all employees and is committed to nurturing every employee to his or her maximum potential through training, development and mentorship.

In 2018, we invested heavily to enhance our staff's skill sets through a series of training workshops focused on essential counselling techniques, effective programme design, and introduction to managing family violence. Trauma-informed care also formed the foundation of our caregiving approach and was incorporated into the formal orientation for all staff.

### Self-Care Workshops

The caregiving journey is a fruitful albeit challenging one and we seek to energise and enable our staff to go the distance with our young residents. A series of customized self-care workshops and coaching sessions are organized throughout the year to support our staff in their caregiving journey. Topics covered include - 'Getting to Know You', 'Let's Break Up with Stress', 'Taking Care of Yourself, Learning to Love Yourself and Finding your Strengths' and 'Rebuilding Your Self-Esteem'.

### Participation in 13th International Conference on Child & Adolescent Psychopathology (ICCAP) 2018 in Kuching, Malaysia

It was our honour to be a part of the acclaimed interdisciplinary conference, which brought together a global audience of academics and social service practitioners to engage in fruitful and progressive discussion on the latest developmental aspects of Child and Adolescent Psychopathology. We thank all our partners and supporters who helped to make this enriching learning journey possible.

The CAS team presented 4 research papers at the conference:

1. Introducing trauma-informed play therapy in a residential care setting: A Singapore experience
2. Journeying through group art therapy for teenage girls in residential care
3. Launching into late teens and preparing for adulthood in residential care: Through advocacy, empowerment and life skills development
4. Positive adjustment and growth indicators: Beyond academic results and maladaptive behaviours

### Staff Retreats & Appreciation Lunches

As a gesture of appreciation from the Society's Executive Committee and management for the different departments' dedicated work during the year, appreciation lunches and retreats were organized at Carousel @ Royal Plaza on Scotts and Marina Mandarin Hotel's Aquamarine, as well as a group karaoke and games session. These sessions provided valuable opportunities for staff from various departments to bond and enjoy a memorable day out together.



41

Team Members

Diverse Team  
from 5 Different  
Countries

1711

Training Hours



Staff Development



Formal Orientation



13th ICCAP 2018 in Kuching, Malaysia



Staff Appreciation Lunch



A BIG THANK YOU TO ALL  
THE STAFF AT MELROSE!



# COMMUNITY

## Highlights of 2018

Our work would not be possible without the support from our volunteers, donors, and partners, who work hand in hand with us as part of a cohesive Melrose Community to improve the lives of vulnerable children, youth, and families. We are thankful for the dedication shown by volunteers 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.

We kicked off 2018 with a series of weekend workshops for our Lego-loving residents. The team of volunteers from **Singapore Adult Fans of Lego (AFOL)** taught our residents fundamental design techniques, shared personal building tips, and helped guide them in creating their first Lego vignette. The entire collaboration culminated in a fundraising LEGO auction and showcase **'Bricks & Mortar'** at Bugis Junction (26 Feb - 4 Mar).



*Bricks & Mortar*

As Melrose Home is in the Mayfair Park neighbourhood within the Bukit Timah constituency, we are privileged to receive passionate and generous support from our fellow residents in the **Mayfair Park Neighbourhood Committee (MPNC)**. In January 2018, MPNC spearheaded a SGCares supported initiative 'Gifts from the Heart', which allowed our residents to benefit from a special shopping trip to Decathlon Singapore to purchase apparel and sports accessories for the new year.



*Mayfair Park Neighbourhood Committee (MPNC)*

As the adopted charity of **Republic of Singapore Air Force (RSAF) UAV Command**, Melrose Home has received tremendous support from the command's monthly volunteering efforts over the years. Volunteers zealously help with spring cleaning and home improvement tasks and celebrate festive occasions with our residents during Chinese New Year and National Day. In celebration of RSAF's 50th anniversary in 2018, our residents were invited to Official Singapore Airshow and had the chance to soak up the exciting #RSAF50 festivities!



*RSAF Volunteering Efforts*

It is with great pleasure that we hosted a team from **天主教福利會 Cathwel Service**, a Taiwanese non-profit organization providing residential care, adoption, and



285

volunteer hours contributed by our community



25

volunteer groups and individuals supported our cause

placement services for children, youth, and unwed mothers in Taipei. The visiting team comprised of management, care associates, and social workers from Cathwel's various services and we are grateful to have gleaned valuable organizational and cultural knowledge from the genuine sharing. This marked the first international learning exchange of 2018 and we look forward to future opportunities to connect, learn, and build friendships with other charities around the world.



*Cathwel Service Learning Exchange*

**SABIC Asia Pacific Pte Ltd** generously sponsored a refurbishment project for our Youth dorms, which provided new sets of furniture and sports equipment, including new book shelving, sofas, and a table tennis table for the residents' recreational enjoyment. Staff volunteers from SABIC also contributed their time and manpower to assist with the moving and set-up of the donated items.



*SABIC Furniture Sponsorship*

With the help of our partners from **Australian & New Zealand Association (ANZA)**, we embarked on a wood-works project to spruce up our outdoor facilities and garden terraces. In addition to a variety of volunteering activities, members of ANZA have contributed through fundraising projects such as the annual Black-Tie Charity Ball and Hilarity for Charity.



*ANZA Woodworks*

Melrose Home proudly participated in **PAssionArts Festival's Animal Plank Art Project**. Our residents had a fun and meaningful experience painting the sets of animal plank art alongside volunteers from Mayfair Park Neighbourhood Committee (MPNC). It is a joyous sight to see our residents' artworks displayed in the community space, by our main entrance gate.



*PA Community Arts*

*April - June*

**Supersteam Asia Pacific** generously donated a series of cleaning equipment and supplies to support our Home's Housekeeping team in their daily work of cleaning the indoor and outdoor premises. Training clinics were also conducted by Supersteam representatives to help our housekeepers pick up new skills and gain proficiency with the new products.



*Supersteam Training*

A variety of **June School Holiday** activities were made possible with the support from our volunteer partners from **ITE College West School of Electronics & Info-Comm Technology, National Institute of Education (NIE), Poh Heng Jewellery & Standard Chartered Bank**. We were able to successfully organize a Puppetry making and storytelling workshop, Aquascaping activity at ITE College West Makerspace, Microsoft Powerpoint workshop, Canvas Art Jamming session at My Art Space, and an educational tour of Jacob Ballas Children's Garden.



*NIE GESL Puppetry Arts*



*ITE College West Powerpoint Workshop*



*Art Jamming*





## July - September

In its sixth year running, **Cogent Land Capital's We All Love Kids (WALK) Project** is amongst the Home's longest volunteer partnerships. The residents in our care have benefitted greatly from the monthly outings and recreational activities planned by the dedicated team of volunteers from the WALK Project, which included an exhilarating Go-Kart experience, indoor rock-climbing challenge, National Day themed art workshop, and a special Christmas gift shopping trip.



WALK Project

As part of our September School Holiday activities, volunteers from **Frasers Property Singapore** organized a fun Ice Cream making workshop for our young residents from the Children Wing. They were overjoyed to try their hand at molding and handcrafting ice cream, as well as customizing flavours and toppings for their creations.



Frasers Property Ice Cream Making

Volunteer Taekwondo Instructor Mr Lai Han Seng has been very committed to **impart values of Taekwondo** to the residents of Melrose Home since 2014. Under his patient and watchful guidance over the past 5 years, our residents have gained valuable Taekwondo skills and techniques, and learnt important values such as respect and self-discipline. Besides weekly sessions in Melrose Home, Mr Lai generously hosted special holiday training sessions at his academy to provide residents exposure to proper training spaces and equipment.



Taekwondo

Beyond developing the youths 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 weekly homework supervision and reading activities. It has been heartening to work alongside passionate students and observe their growth into committed and caring mentors for our children.



BP-NP Mentoring,  
Ngee Ann Polytechnic's  
Community Service Club



On 6 Oct 2018, we welcomed a group of alumni residents and volunteers for an **Alumni Homecoming Tea session** at Melrose Home. It was a wonderful afternoon of reminiscence and it was heartening to see everyone connect, share different stories about their childhood experiences in Melrose Home and how it impacted their lives afterwards. We wrapped up the session with the alumni members writing little notes of encouragement and messages for the young residents in our care.



Alumni Tea



Children's Aid Society organised our first **Charity Movie Screening** on 28 Nov 2018. It was our pleasure to host our community of supporters, volunteers and donors for the screening of the festive movie 'The Grinch' at The Cathay. Over 250 guests joined us for the occasion and thanks to the generosity of our community, we manage to raise over \$25,000 in support of the care of children and youth at Melrose Home.



Charity Movie Screening

## October - December

As regular volunteers with Melrose Home, **International SOS** has readily supported the Home's needs throughout the year. Volunteers shared their healthcare expertise by leading personal care and hygiene workshops for our residents, organized a learning journey to the Science Centre and Omni-theatre, and helped celebrate the festive season with a Christmas craft carnival.



International SOS Christmas Crafts

The School Holidays are always a fun and enriching time, especially the extended **November and December School Holidays**, which saw our volunteers chipping in to organize a variety of outings and activities such as an upcycling art workshop and learning journeys to Ngee Ann Polytechnic Marine & Offshore Technology (COI-MOT) and Singapore Polytechnic Aerohub. Our residents were also provided vocational inspiration and exposure through an outing to Kidzania and a teaser of hospitality operations at Oakwood Premier OUE.



Oakwood Premier OUE  
Hospitality Experience



We thank our partners from **Ngee Ann Polytechnic COI-MOT, Singapore Polytechnic School of Mechanical & Aeronautical Engineering, Oakwood Premier OUE, Raffles Hotel and MOH Holdings** for making all these wonderful activities possible.



Singapore Polytechnic  
Aerohub Visit



Upcycling Crafts with  
Raffles Hotel



## Our DONORS



We wish to extend our gratitude to well-wishing donors and volunteers who have generously contributed the following donations, donation-in-kind, volunteer activities and outings. Thank you for making a difference in the lives of Melrose Home's residents and their families.

### \$10,000 - \$19,999

Australian & New Zealand Association  
Cordlife Group Ltd  
Inaho Enterprise Pte Ltd  
Lei Sheng Dragon & Lion Dance Troupe  
NSL Ltd  
Richzone Properties Investment Pte Ltd

### \$5,000 - \$9,999

Leader Energy Pte Ltd  
Project C

### \$2,000 - \$4,999

Arsenal Singapore Club  
Automated Controls & Machinery Pte Ltd  
Land Transport Authority  
Lee Kim Tah Foundation  
M&L Hospitality Trust  
Maybank Singapore Ltd  
Singapore Pools Pte Ltd  
Singapore Swimming Club  
Tan Chin Tuan Foundation  
Tanglin Trust School  
Technical Frigecon Servicing Co Pte Ltd  
The Hokkien Foundation  
The Shaw Foundation  
Toshiba Asia Pacific Pte Ltd  
Wing Tai Foundation

### \$1,000 - \$1,999

Baker & Mckenzie Wong & Leow  
Carlson Wagonlit Singapore Pte Ltd  
Cogent Land Capital Pte Ltd  
CPA Australia Ltd  
Expats Furniture Rental Pte Ltd  
Fraser's Property Management Services Pte Ltd  
MindChamps Preschool @ Junction 10 Pte Ltd  
MindChamps Preschool @ Jurong West Pte Ltd  
Sun Holdings Ltd  
Whizkid Preschool Center Pte Ltd

### Volunteer Outings & Activities

Amdocs Singapore Pte Ltd  
Australian & New Zealand Association  
Bukit Timah Constituency Office  
Cogent Land Capital Pte Ltd  
Fraser's Property Singapore  
International SOS Singapore  
ITE College West  
J H Kim Academy  
LEGO Singapore Pte Ltd  
Mayfair Park Neighbourhood Committee (MPNC)  
MOH Holdings  
National Institute of Education (NIE)  
Ngee Ann Polytechnic  
Oakwood Premier OUE Singapore  
Poh Heng Jewellery Singapore  
Raffles Hotel  
Singapore Adult Fans of Lego (AFOL)  
Singapore Polytechnic  
Standard Chartered Bank Singapore  
Superior Multi-Packaging Limited  
Tan Chin Tuan Foundation  
Toshiba Asia Pacific Pte Ltd  
Republic of Singapore Air Force (RSAF)  
YMCA Singapore

### Donation-in-kind

ALN Engineering Pte Ltd  
Avios Solution Pte Ltd  
Cordlife Group Ltd  
CWT Meetings & Events  
Far East Organization  
Heartfield Kindergarten Pte Ltd  
ITE College West  
Marriott International Singapore  
SABIC Asia Pacific Pte Ltd  
SuperSteam Asia Pacific Pte Ltd  
Syntech Chemicals Pte Ltd

## Executive COMMITTEE

The Executive Committee is responsible for setting policies and overseeing key operational and financial aspects of Melrose. All EXCO members are members of a Sub-Committee.

The EXCO members are elected and serve for a period of two years. All members are not paid any remuneration or director's fees. There is a maximum term limit of four consecutive years for the Treasurer position.

The EXCO meets at least once every two months with a quorum of a simple majority. No staff member sits on the Board. They regularly review the Company's controls, processes, key programmes and events through reports and information provided by its respective Committee and the Management. A total of 6 EXCO meetings were held in FY2018 on the following dates: 12 Jan, 23 Feb, 27 Apr, 22 Jun, 31 Aug and 26 Oct.

### Disclosure of EXCO meetings and attendance in annual report: FY18 Total number of EXCO meeting (including AGM): 6

Position	Name	Attendance for FY 2018
Chairman	Jarrod Ong	6/6
Vice Chairman	Stephen Yeap	6/6
Honorary Secretary	Elaine Lim (Resigned wef 31 August 2018)	3/6
	Josephine Koh (From 31 August 2018)	2/6
Treasurer & Chairman, Finance Sub-Committee	John Lim	5/6
Chairman, Audit Sub-Committee	Johnny Quah	3/6
Chairman, Children & Programmes Sub-Committee	Genevieve McCully Tan	5/6
Chairman, Staff & Administration Sub-Committee	Lai Su Yim	6/6
Chairman, Fund-raising Sub-Committee	Elizabeth Martin Chua	6/6
Members	Datuk T.A. Zain	2/6
	Dawn Ng	4/6
	Henry Yeo	5/6
	Huang Cheng Eng	4/6

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.



# SUB-COMMITTEES

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

Audit	Johnny Quah (Chairman) Chun Kwong Chee Huang Cheng Eng Irene Chia Juliana Lee Stephen Yeap
Children & Programmes	Genevieve McCully (Chairman) Dawn Ng Elaine Lim Henry Yeo Josephine Koh Nelly Kwa Peggy Ann Desker Ronald Tan
Finance	John Lim (Chairman) Datuk Tuan Azad Zain David Chia Nick Lai
Fundraising	Elizabeth Martin-Chua (Chairman) Faye Ong Josephine Koh Pang Yee Ean
Staff & Administration	Lai Su Yim (Chairman) Elizabeth Martin Chua Huang Cheng Eng Irene Chia Peggy Ann Desker Stephen Yeap

# Corporate Information & GOVERNANCE

<b>Date of Society Registration</b>	19 December 1962
<b>ROS Reference Number</b>	0990/1947 WEL
<b>UEN Number</b>	S62SS0031K
<b>Institution of Public Character Number</b>	IPC000456
<b>Registered Address</b>	503 Clementi Road, Singapore 599488
<b>Charity Trustees Bankers</b>	HSBC Trustee (S) Ltd
<b>Bankers</b>	Hongkong & Shanghai Banking Corporation Ltd United Overseas Bank Ltd
<b>Auditors</b>	Deloitte & Touche LLP, Shared Services for Charities Ltd
<b>Honorary Legal Advisors</b>	Allen & Gledhill LLP
<b>Honorary Doctors</b>	Drs Bain & Partners, Chang Clinic
<b>Honorary Advisors</b>	Dr Chang Tou Liang – Medical Practitioner Dr Jazmyn Chelliah – Child Psychologist

Children's Aid Society is 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

Succession planning is an on-going consideration of the EXCO. 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 / she will be co-opted as a sub-committee member for exposure to the work of the Home. After a period of observation of at least 6 months, the sub-committee member who demonstrates core competencies, skills, experience and commitments may be appointed as an EXCO member.



# GOVERNANCE EVALUATION CHECKLIST

## for Intermediate Tier

Applicable to charities with annual gross annual receipts or total expenditure from \$500,000 to less than \$10 million. This submission is for the financial year 1 January 2018 to 31 December 2018.

Code Guideline	Code ID	Compliance
<b>BOARD GOVERNANCE</b>		
1 Induction and orientation are provided to incoming governing board members upon joining the Board.	1.1.2	Complied
Are there governing board members holding staff appointments? (skip items 2 and 3 if "No")		No
2 Staff <b>does not chair</b> the Board and does <b>not comprise more than one third of the Board</b> .	1.1.3	Complied
3 There are written job descriptions for the staff's executive functions and operational duties, which are distinct from the staff's Board role.	1.1.5	Complied
4 The Treasurer of the charity (or any person holding an equivalent position in the charity, e.g. Finance Committee Chairman or a governing board member responsible for overseeing the finances of the charity) <b>can only serve a maximum of 4 consecutive years</b> . If the charity has not appointed any governing board member to oversee its finances, it will be presumed that the Chairman oversees the finances of the charity.	1.1.7	Complied
5 All governing board members must submit themselves for <b>re-nomination and re-appointment</b> , at least once every 3 years.	1.1.8	Complied
6 There are <b>documented terms of reference</b> for the Board and each of its committees.	1.2.1	Complied
<b>CONFLICT OF INTEREST</b>		
7 There are documented procedures for governing board members and staff to declare actual or potential <b>conflicts of interest</b> to the Board at the earliest opportunity.	2.1	Complied
8 Governing board members <b>do not vote or participate</b> in decision making on matters where they have a conflict of interest.	2.4	Complied
<b>STRATEGIC PLANNING</b>		
9 The Board <b>periodically reviews and approves the strategic plan</b> for the charity to ensure that the charity's activities are in line with the charity's objectives.	3.2.2	Complied
<b>HUMAN RESOURCE AND VOLUNTEER MANAGEMENT</b>		
10 The Board approves <b>documented human resource policies</b> for staff.	5.1	Complied
11 There is a <b>documented Code of Conduct</b> for governing board members, staff and volunteers (where applicable) which is approved by the Board.	5.3	Complied
12 There are processes for regular supervision, appraisal and professional development of staff.	5.5	Complied

Code Guideline	Code ID	Compliance
<b>FINANCIAL MANAGEMENT AND INTERNAL CONTROLS</b>		
13 There is a documented policy to seek the Board's approval for any loans, donations, grants or financial assistance provided by the charity which are not part of the charity's core charitable programmes.	6.1.1	Complied
14 The Board ensures that <b>internal controls for financial matters</b> in key areas are in place with <b>documented procedures</b> .	6.1.2	Complied
15 The Board ensures that reviews on the charity's internal controls, processes, key programmes and events are regularly conducted.	6.1.3	Complied
16 The Board ensures that there is a process to <b>identify, and regularly monitor and review</b> the charity's <b>key risks</b> .	6.1.4	Complied
17 The Board approves an <b>annual budget</b> for the charity's plans and regularly monitors the charity's expenditure.	6.2.1	Complied
Does the charity invest its reserves (e.g. in fixed deposits)? (skip item 18 if "No")		Yes
18 The charity has a <b>documented investment policy</b> approved by the Board.	6.4.3	Complied
<b>FUNDRAISING PRACTICES</b>		
Did the charity receive cash donations (solicited or unsolicited) during the financial year? (skip item 19 if "No")		Yes
19 All collections received (solicited or unsolicited) are <b>properly accounted for</b> and <b>promptly deposited</b> by the charity.	7.2.2	Complied
Did the charity receive donations in kind during the financial year? (skip item 20 if "No")		Yes
20 All donations in kind received are <b>properly recorded</b> and <b>accounted for</b> by the charity.	7.2.3	Complied
<b>DISCLOSURE AND TRANSPARENCY</b>		
21 The charity discloses in its annual report — (a) the number of Board meetings in the financial year; and (b) the attendance of every governing board member at those meetings.	8.2	Complied
Are governing board members remunerated for their services to the Board? (skip items 22 and 23 if "No")		No
22 <b>No</b> governing board member is involved in setting his own remuneration.	2.2	Complied
23 The charity discloses the <b>exact</b> remuneration and benefits received by each governing board member in its annual report. OR The charity discloses that no governing board member is remunerated.	8.3	Complied
Does the charity employ paid staff? (skip items 24 and 25 if "No")		Yes
24 No staff is involved in setting his own remuneration.	2.2	Complied
25 The charity discloses in its annual report — (a) the total annual remuneration for <b>each of its 3 highest paid staff</b> who each has received remuneration (including remuneration received from the charity's subsidiaries) <b>exceeding \$100,000</b> during the financial year; and (b) whether any of the 3 highest paid staff also serves as a governing board member of the charity. The information relating to the remuneration of the staff must be presented in bands of \$100,000. OR The charity discloses that <b>none</b> of its paid staff receives more than \$100,000 each in annual remuneration.	8.4	Complied



## Our FINANCIALS

The running cost of Children's Aid Society - Melrose Home has increased during the year under review. In 2018, the monthly average operating cost is about \$241,000. Approximately 53% of this cost is funded by the Ministry of Social & Family Development and the NCSS Care & Share Movement Fund. The remaining portion of our operating costs is funded by donations from corporations, organized groups, and well-wishing individuals.

### Review of Financial Statements

Children's Aid Society recorded a deficit of \$414,920 in 2018, which is a reversal of the trend of surplus recorded in the past years. The Society received a total of \$518,827 in cash donation during the year, which recorded a significant decrease of 44% as compared to 2017. The Home's operating cost also increased by 16% to \$2,893,398. The main contributing factors were:

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

Both were part of our intentional effort in transforming to small group care format in our programmes, guidance, therapy, and care for our residents. The care model transformation is informed by global advancement in social care standards and is also aligned with the State's approach to residential care in recent years.

### Reserves Policy

Children's Aid Society's reserves comprise our managed investment portfolio and cash balances. As of 31 December 2018, the value of reserves stood at \$11,031,871, a decrease of \$390,218 or 3.4% from the previous year. This reflects the adverse impact on our managed investment portfolio as a result of the relatively poor investment market in the year under review.

These reserves were primarily established in 1987 when the Society sold off its peripheral land for development netting \$1.1 million and surpluses accumulated over the years. These proceeds were placed in a managed investment portfolio comprising Singapore equities and bonds.

The dividend and interest income generated by our reserves combined with public donations have normally enabled the Society to bridge the gap between the government grant and our total operating expenditure. We rely on our current reserves to enable the Society to fulfil its continuing obligations to the residents in its care. We have drawn from our reserves to bridge the operating deficit in the year under review.

Our reserves-to-annual operating expenditure ratio as of 31 December 2018 is 3.8. Since 2017, we have been improving and widening the scope of our care programmes, expanding our outreach and services to help children, youth, and their families. In the coming years, the Society will strive to increase donation income to support further improvement and creation of needful new services in response to the changing social needs in Singapore.

### Disclosure of Remuneration

#### Staff

The annual remuneration of the top 3 key executives of Children's Aid Society did not individually exceed \$150,000.

#### Board

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

# Deloitte.

**CHILDREN'S AID SOCIETY**  
(Registration No. S62SS0031K)

## EXECUTIVE COMMITTEES' STATEMENT AND FINANCIAL STATEMENTS

Year Ended 31 December 2018

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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 COMMITTEE MEMBERS' STATEMENT

In the opinion of the Executive Committee Members,

the financial statements set out on pages 39 to 56 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 2018 and the financial performance, changes in funds and reserves and cash flows of the Society for the financial year then ended;

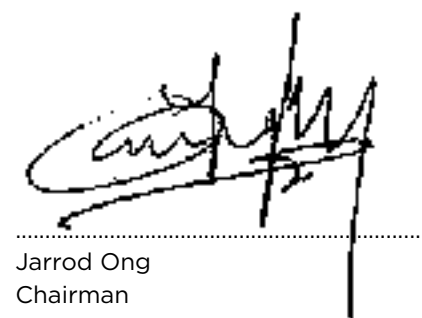
at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts when they fall due;

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;

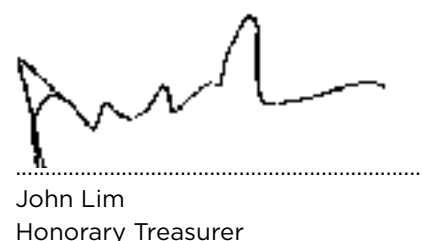
the Society has complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations; and

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.

ON BEHALF OF EXECUTIVE COMMITTEE MEMBERS



.....  
Jarrod Ong  
Chairman



.....  
John Lim  
Honorary Treasurer

Date: 12 June 2019

## INDEPENDENT AUDITOR'S 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 2018, 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 39 to 56.

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 2018 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 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.

#### 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.



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

### 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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


We communicate with 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:

- 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
- 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

Date: 12 June 2019

## CHILDREN'S AID SOCIETY STATEMENT OF FINANCIAL POSITION Year ended 31 December 2018

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	1,505,233	1,655,938
Receivables	7	31,078	18,902
Financial assets at fair value through profit or loss	8	8,458,421	8,520,809
Total current assets		9,994,732	10,195,649
<b>Non-current asset</b>			
Property, plant and equipment	9	1,453,225	1,548,731
<b>Total assets</b>		<b>11,447,957</b>	<b>11,744,380</b>
<b>LIABILITY, FUNDS AND RESERVE</b>			
<b>Current liability</b>			
Other payables	10	412,528	294,031
<b>Funds and reserves</b>			
Unrestricted funds	11	11,031,871	11,422,089
Restricted funds	11	3,558	28,260
Total funds and reserves		11,035,429	11,450,349
<b>Total liability, funds and reserve</b>		<b>11,447,957</b>	<b>11,744,380</b>

See accompanying notes to financial statements.



## CHILDREN'S AID SOCIETY

## STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2018

2018

	Unrestricted	Restricted	Total
	\$	Credit Suisse Fund \$	\$
<b>INCOME:</b>			
Contributions from parents towards upkeep of children	180	-	180
Donations	518,827	-	518,827
Government grant	1,530,774	-	1,530,774
Gifts in kind	105,831	-	105,831
<b>Total income</b>	<b>2,155,612</b>	<b>-</b>	<b>2,155,612</b>
<b>OPERATING EXPENDITURE:</b>			
Auditors remuneration	29,000	-	29,000
Administrative expenses	20,365	-	20,365
Bank charges	1,764	-	1,764
Food expenses	124,838	21,353	146,191
Central Provident Fund	212,982	-	212,982
Residents expenditure	311,835	-	311,835
Depreciation of property, plant and equipment	118,715	-	118,715
Foreign workers levy	41,826	-	41,826
Housekeeping supplies	18,247	-	18,247
Insurance	15,416	-	15,416
Medical	8,504	-	8,504
Miscellaneous	18,098	-	18,098
Professional fees	52,722	-	52,722
Provision for unutilised leave	5,998	-	5,998
Repairs and maintenance	43,116	-	43,116
Telephone	5,920	-	5,920
Salaries	1,431,805	-	1,431,805
Staff training	24,939	-	24,939
Staff welfare	18,111	-	18,111
Government service tax expenses	1,969	-	1,969
Transportation	25,597	-	25,597
Loss on disposal of financial assets at value	42,080	-	42,080
Utilities	56,101	-	56,101
Changes in fair value of financial assets at value through profit or loss	242,097	-	242,097
Total operating expenditure	2,872,045	21,353	2,893,398
<b>OTHER INCOME:</b>			
Dividend income from investments	75,667	-	75,667
Interest income from deposits and financial assets at fair value through profit or loss	182,786	-	182,786
Members' subscriptions	550	-	550
Special employment credit and wage credit scheme from government	57,480	-	57,480
Other income	6,383	-	6,383
<b>Total other income</b>	<b>322,866</b>	<b>-</b>	<b>322,866</b>
<b>Deficit for the year</b>	<b>(393,567)</b>	<b>(21,353)</b>	<b>(414,920)</b>

See accompanying notes to financial statements.

## CHILDREN'S AID SOCIETY

## STATEMENT OF FINANCIAL ACTIVITIES AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2018

2017

	Unrestricted	Restricted						
		Sumitomo	Lee	NSL	Credit	Tote	QBE	Total
	\$	Fund	Fund	Fund	Suisse	Board	Fund	\$
<b>INCOME:</b>								
Contributions from parents towards upkeep of children	1,590	-	-	-	-	-	-	1,590
Donations	931,276	-	-	20,002	-	6,600	20,162	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	20,162	2,558,094
<b>OPERATING EXPENDITURE:</b>								
Auditors remuneration	25,000	-	-	-	-	-	-	25,000
Administrative expenses	38,199	-	-	-	-	-	-	38,199
Bank charges	1,474	-	-	-	-	-	-	1,474
Food expenses	68,331	-	-	20,002	54,376	-	-	142,709
Central Provident Fund	191,157	-	-	-	-	-	-	191,157
Residents 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 service tax expenses	5,050	-	-	-	-	5,580	1,291	11,921
Transportation	22,612	-	-	-	-	-	-	22,612
Total operating expenditure	2,312,284	652	93,867	20,002	54,376	5,580	1,649	2,488,410
<b>OTHER INCOME:</b>								
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
<b>Surplus (Deficit) for the year</b>	<b>1,352,512</b>	<b>(652)</b>	<b>(93,867)</b>	<b>-</b>	<b>(54,376)</b>	<b>1,020</b>	<b>18,513</b>	<b>1,223,150</b>

See accompanying notes to financial statements.



## CHILDREN'S AID SOCIETY

## STATEMENT OF CHANGES IN FUNDS AND RESERVES

Year ended 31 December 2018

	Unrestricted funds \$	Restricted funds \$	Total \$
Balance as at 31 December 2016	9,996,149	231,050	10,227,199
Total comprehensive income for the year:			
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
Total comprehensive loss for the year:			
Deficit for the year	(393,567)	(21,353)	(414,920)
Total	11,028,522	6,907	11,035,429
Utilisation of funds for capital expenditure (Note 11)	3,349	(3,349)	-
Balance as at 31 December 2018	11,031,871	3,558	11,035,429

See accompanying notes to financial statements.

## CHILDREN'S AID SOCIETY

## STATEMENT OF CASH FLOWS

Year ended 31 December 2018

	2018 \$	2017 \$
<b>OPERATING ACTIVITIES</b>		
(Deficit) Surplus for the year	(414,920)	1,223,150
Adjustments for:		
• Interest income	(182,786)	(125,344)
• Dividend income	(75,667)	(134,541)
• Depreciation of property, plant and equipment	118,715	155,924
• Change in fair value of financial assets at value through profit or loss	242,097	(538,852)
• Gain on disposal of financial assets at value through profit or loss	42,080	(312,046)
Operating (deficit) surplus before movements in working capital	(270,481)	268,291
<b>RECEIVABLES</b>	(12,176)	28,877
Other payables	118,497	(296,193)
Cash (used in) generated from operations, representing net cash (used in) from operating activities	(164,160)	975
<b>INVESTING ACTIVITIES</b>		
• Purchase of property, plant and equipment	(23,209)	(149,752)
• Purchase of investments	(21,845,634)	(7,416,075)
• Proceeds from sale of investments	21,623,845	6,697,638
• Dividends received	75,667	134,541
• Interest received	182,786	125,344
Net cash from (used in) investing activities	13,455	(608,304)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(150,705)	(607,329)
Cash and cash equivalents at beginning of year	1,655,938	2,263,267
Cash and cash equivalents at end of year (Note 6)	1,505,233	1,655,938

See accompanying notes to financial statements.



## CHILDREN'S AID SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

## 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 2018 were authorised for issue by the Executive Committee on 12 June 2019.

## 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 ("FRSs").

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** - In the current financial year, the Society has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2018. The adoption of these new/revised FRSs and INT FRSs 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 except as disclosed below.

## FRS 109 Financial Instruments

FRS 109 introduces new requirements for 1) the classification and measurement of financial assets and financial liabilities, 2) impairment of financial assets and 3) general hedge accounting. Details of these new requirements as well as their impact on the financial statements are described below.

The Society applied FRS 109 with an initial application date of 1 January 2018. The Society has not restated the comparative information, which continues to be reported under FRS 39.

The significant accounting policies for financial instruments under FRS 109 is as disclosed in Note 2.

## a. Classification and measurement of financial assets and financial liabilities

The Society has applied the requirements of FRS 109 to instruments that have not been derecognised as at 1 January 2018 and has not applied the requirements to instruments that have already been derecognised as at 1 January 2018. The classification of financial assets is based on two criteria: the Society's business model for managing the assets and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding. There are no changes in classification and measurement of the Society's financial assets and financial liabilities.

## CHILDREN'S AID SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

## b. 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 the Society 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 of the financial assets. It is no longer necessary for a credit event to have occurred before credit losses are recognised.

The application of the FRS 109 impairment requirements has not resulted in additional loss allowance to be recognised.

At the date of authorisation of these financial statements, certain FRSs were issued but not effective and are expected to have no impact to the Society in the periods of their initial application.

**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.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

**Financial assets (before 1 January 2018)**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".

Cash 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 2018

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.

**Financial assets (after 1 January 2018)**Classification of financial assets

Debt instruments mainly comprise cash and bank balances and receivables that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

## CHILDREN'S AID SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

*Amortised cost and effective interest method*

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Financial assets at FVTPL

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the "changes in fair value of investments" line item. Fair value is determined in the manner described in Note 4(b)(vi).

Impairment of financial assets

The Society recognises a loss allowance for expected credit losses ("ECL") on receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

*Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

*Write-off policy*

The Society writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Society's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

*Measurement and recognition of expected credit losses*

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Society in accordance with the contract and all the cash flows that the Society expects to receive, discounted at the original effective interest rate.

If the Society has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Society measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.



## CHILDREN'S AID SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

Derecognition of financial assets

The Society derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. 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.

**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.

**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).

## CHILDREN'S AID SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

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.

**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.



## CHILDREN'S AID SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

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.

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 judgments on the Society's accounting policies are not expected to have a significant effect of the amounts recognised in the financial statements.

***Key sources of estimation uncertainty***

The management is of the opinion that there are no key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that would have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

## CHILDREN'S AID SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

31 December 2018

## 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:

	2018 \$	2017 \$
<b>Financial assets</b>		
Financial assets at fair value through profit or loss	8,458,421	8,520,809
At amortised cost:		
Receivables	21,962	12,238
Cash and cash equivalents	1,505,233	1,655,938
	<u>9,985,616</u>	<u>10,188,985</u>

**Financial Liability**

Payables, at amortised cost	<u>412,528</u>	<u>294,031</u>
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***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.

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.



## CHILDREN'S AID SOCIETY

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## 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 low 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.

***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.

	Fair value as at 31 December		Fair value hierarchy	Valuation techniques and key inputs	Sensitivity analysis (Note 1)	
	2018 Assets	2017 Assets			2018	2017
Financial assets						
Financial assets at fair value through profit or loss: (see Note 8)					2018	2017
Quoted equity shares	1,838,117	3,777,956	Level 1	Quoted bid prices in an active market.	183,812	377,796
Quoted debt securities	6,522,062	4,351,386	Level 1	Quoted bid prices in an active market.	652,206	435,139

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 2017 and 2018.

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 2017.

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## 5 COMPENSATION OF KEY MANAGEMENT PERSONNEL

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

	2018 \$	2017 \$
Short-term benefits	372,161	289,609
Post-employment benefits	54,511	48,738
	<u>426,672</u>	<u>338,347</u>
Number of key management in remuneration bands:		
\$50,000 to \$100,000	2	3
\$100,000 to \$150,000	2	1

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.

## 6 CASH AND CASH EQUIVALENTS

	2018 \$	2017 \$
Fixed deposits	951,015	950,000
Cash and bank balances	554,218	705,938
	<u>1,505,233</u>	<u>1,655,938</u>

Fixed deposits bear interest at 0.45% to 1.3% (2017 : 1% to 1.3%) per annum and for a tenure between 3 to 12 months (2017 : 3 to 12 months). The fixed deposits could be drawn without having to incur significant cost.

## 7 RECEIVABLES

	2018 \$	2017 \$
Prepayment	9,116	6,664
Deposit	4,856	1,719
Interest receivables	4,686	4,140
Other receivable	12,420	6,379
	<u>31,078</u>	<u>18,902</u>

In determining the ECL, management has taken into account the financial position of the other receivables adjusted for factors that are specific to these companies and general economic conditions of the industry in which these companies operate, in estimating the probability of default of the receivables as well as the loss upon default. Management determines the receivables are subject to immaterial credit loss.



## CHILDREN'S AID SOCIETY

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## 8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2018 \$	2017 \$
Quoted equity shares, at fair value	1,838,117	3,777,956
Quoted debt securities, at fair value	6,522,062	4,351,386
Cash and cash equivalents	39,658	356,329
Dividend and interest receivables	63,593	38,848
Accrued management fees	(5,009)	(3,710)
	<u>8,458,421</u>	<u>8,520,809</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 2.75% to 5.75% (2017 : 2.33% to 4.6%) per annum and have maturity dates ranging from 2019 to 2166 (2017 : 2018 to 2029). The fair value of the quoted debt securities are estimated by reference to the current market value provided by the custodian bank.

## 9 PROPERTY, PLANT AND EQUIPMENT

	Freehold land \$	Freehold building \$	Plant, fixtures and equipment \$	Total \$
Cost:				
At 1 January 2017	524,373	763,206	1,314,143	2,601,722
Additions	-	-	149,752	149,752
At 31 December 2017	524,373	763,206	1,463,895	2,751,474
Additions	-	-	23,209	23,209
At 31 December 2018	524,373	763,206	1,487,104	2,774,683
Accumulated depreciation:				
At 1 January 2017	-	167,203	879,616	1,046,819
Depreciation	-	30,835	125,089	155,924
At 31 December 2017	-	198,038	1,004,705	1,202,743
Depreciation	-	30,835	87,880	118,715
At 31 December 2018	-	228,873	1,092,585	1,321,458
Carrying amount:				
At 31 December 2018	524,373	534,333	394,519	1,453,225
At 31 December 2017	524,373	565,168	459,190	1,548,731

## CHILDREN'S AID SOCIETY

## NOTES TO THE FINANCIAL STATEMENTS

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## 10 OTHER PAYABLES

	2018 \$	2017 \$
Accrued expenses	315,606	269,082
Grants received in advance	65,975	-
Other payables	30,947	24,949
	<u>412,528</u>	<u>294,031</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) Credit Suisse Fund \$	(ii) QBE Fund \$	(iii) Sumitomo Fund \$	(iv) Lee Foundation Fund \$	(v) Tote Board Fund \$	Total \$
Balance at 1 January 2017	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
Net Deficit for the Year	(21,353)	-	-	-	-	(21,353)
Utilisation of Funds for Capital Expenditure	-	(3,349)	-	-	-	(3,349)
Balance at 31 December 2018	-	3,558	-	-	-	3,558

## Reserve policy:

	2018 \$	2017 \$
Unrestricted fund	<u>11,031,871</u>	<u>11,422,089</u>
Ratio of reserve to annual operating expenditure	<u>3.81</u>	<u>4.59</u>



## CHILDREN'S AID SOCIETY

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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 Members review the level of reserves regularly for the Society's continuing obligations.

- i. Credit Suisse Fund is set aside for children daily meals.
- ii. QBE Fund is set aside for children enrichment and recreation programmes.
- iii. Sumitomo Fund is set aside for development and therapeutic services for the children and teenagers.
- iv. Lee Foundation Fund is set aside for children tuition program.
- v. 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 OPERATING LEASE COMMITMENTS

The Society leases office under non-cancellable operating lease agreements. These lease have varying terms, escalation clauses and renewal rights.

The future minimum rental payable under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2018 \$	2017 \$
Due:		
Within 1 year	35,184	-
Within 2 to 5 years	70,368	-

## 14 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 April 2019 to 31 March 2022.

	2018 \$	2017 \$
Donations for which tax exempt receipts were issued	404,120	810,241








## **CHILDREN'S AID SOCIETY**

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