

SIKH WELFARE COUNCIL
(UEN Number: S98SS0018L)
(Registered under the Societies Act, Chapter 311
and Charities Act, Chapter 37, Singapore)

Audited Financial Statements
For the financial year ended 31 December 2016

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SIKH WELFARE COUNCIL
(UEN Number: S98SS0018L)
(Registered under the Societies Act, Chapter 311
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STATEMENT BY THE MANAGEMENT COMMITTEE

We, the Management Committee of **SIKH WELFARE COUNCIL** ("Society"), are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Societies Act (Cap. 311), the Singapore Charities Act (Cap. 37) and the Regulations enacted thereunder (together the "Acts"), the Society's Constitution and Singapore Financial Reporting Standards. This responsibility includes:

- (a) 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 statement of comprehensive income and statement of financial position and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies;
- (c) making accounting estimates that are reasonable in the circumstances; and
- (d) assessing the risk of fraud and communicate to the Members of the Society on outcome of those assessments.


In our opinion,

- (a) the accompanying financial statements, together with the notes thereon, are properly drawn up so as to present fairly, in all material respects, the financial position of the Society as at 31 December 2016 and of the results, changes in funds and cash flows of the activities of the Division for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee authorised these financial statements for issue, on the date of this statement.

On behalf of the Management Committee


.....
GURDIP SINGH USMA
Chairman


.....
SHARANJIT KAUR
Secretary


.....
HARMIT SINGH S/O LABH SINGH
Treasurer

Singapore,

20 APR 2017



MGI MENON & ASSOCIATES

CHARTERED ACCOUNTANTS OF SINGAPORE

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

SIKH WELFARE COUNCIL

(UEN Number: S98SS0018L)

(Registered under the Societies Act, Chapter 311
and Charities Act, Chapter 37, Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **SIKH WELFARE COUNCIL** (the "Council"), which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provision of the Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore ("FRSs") to the extent practicable so as to present fairly, in all material respects, the state of affairs of the Council as at 31 December 2016 and the results, changes in funds and cash flows of the Council for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Council in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management Committee is responsible for the other information. The other information comprises the Statement by the Management Committee set out on page 1.

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

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



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

SIKH WELFARE COUNCIL – continued

(UEN Number: S98SS0018L)

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

Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, Charities Act and Regulations and FRSS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

SIKH WELFARE COUNCIL – continued

(UEN Number: S98SS0018L)

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Auditor's Responsibilities for the Audit of the Financial Statements – continued

- 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 Council'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 Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

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


MGI MENON & ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS

Singapore,

20 April 2017



SIKH WELFARE COUNCIL
 (UEN Number: S98SS0018L)
 (Registered under the Societies Act, Chapter 311
 and Charities Act, Chapter 37, Singapore)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	<u>NOTE</u>	<u>2016</u> S\$	<u>2015</u> S\$
ASSETS			
NON-CURRENT ASSETS			
Plant and equipment	(3)	19,449	25,561
CURRENT ASSET			
Other receivables		1,842	11,425
Prepayments		-	3,047
Cash and cash equivalents	(4)	2,514,268	1,332,916
Total current assets		2,516,110	1,347,388
TOTAL ASSETS		2,535,559	1,372,949
FUNDS AND LIABILITIES			
FUNDS			
Accumulated fund	(5)	1,892,374	1,288,408
Hearse fund	(5)	46,721	46,597
Total funds		1,939,095	1,335,005
NON-CURRENT LIABILITIES			
Deferred government grant	(6)	320,529	-
Total non-current liabilities		320,529	-
CURRENT LIABILITIES			
Deferred government grant	(6)	256,424	-
Other payables and accruals		19,511	37,944
Total current liabilities		275,935	37,944
Total liabilities		596,464	37,944
TOTAL FUNDS AND LIABILITIES		2,535,559	1,372,949

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

SIKH WELFARE COUNCIL
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	<u>NOTE</u>	<u>2016</u> S\$	<u>2015</u> S\$
Income			
Donation income		221,613	247,704
Donation from Sikh Institutions		84,012	70,512
Donation from Ride for Charity		106,235	134,541
Donation from Eldercare Programme		5,911	9,591
	(7)	417,771	462,348
Add: Other income			
Grant from Care and Share		641,950	123,205
Grant from Tote Board		46,470	38,000
Other government grants		35,929	20,220
Interest income		2,197	1,864
		726,546	183,289
Total income		1,144,317	645,637
Less: Expenditure			
Accounts fee		3,900	3,900
Advertisement		2,426	-
Audit fee – current year		6,000	4,500
– prior year underprovision		2,087	-
Bank charges		954	1,218
Communication charges		6,110	29,545
Courier		393	360
Depreciation		17,175	7,952
Eldercare and healthcare programme		14,352	17,412
Employee benefits expenses	(8)	259,986	232,160
Equipment and software		101	-
Balance carried forward		313,484	297,047

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

SIKH WELFARE COUNCIL
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STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	<u>NOTE</u>	<u>2016</u> S\$	<u>2015</u> S\$
Less: Expenditure - continued			
Balance brought forward		313,484	297,047
Family support and food support		85,040	88,330
General expenses		850	3,270
Education support		61,143	50,353
Insurance		4,905	2,829
Medical expenses		654	719
Printing and stationery		7,529	6,117
Ride for charity expenses		25,187	-
Sundry expenses		2,202	2,046
Sunlove financial support		25,361	25,639
Training and seminar		5,692	909
Transport charges		848	2,968
Website development and maintenance		6,220	3,150
Welfare expenses		1,236	4,115
		540,351	487,492
Surplus for the financial year		603,966	158,145
Other comprehensive income		-	-
Total comprehensive income for the financial year		603,966	158,145

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

SIKH WELFARE COUNCIL
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**HEARSE FUND INCOME AND EXPENDITURE ACCOUNT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	<u>2016</u> S\$	<u>2015</u> S\$
Income		
Donations	7,400	5,200
	<u>7,400</u>	<u>5,200</u>
Less: Expenditure		
Depreciation	5,457	4,548
Vehicle maintenance expenses	1,819	4,352
Total expenditure	<u>7,276</u>	<u>8,900</u>
Surplus/(Deficit) for the financial year	124	(3,700)
Other comprehensive income	-	-
Total comprehensive income for the financial year	<u>124</u>	<u>(3,700)</u>

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

SIKH WELFARE COUNCIL
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STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	<u>Accumulated</u> <u>fund</u> <u>S\$</u>	<u>Hearse</u> <u>fund</u> <u>S\$</u>	<u>Total</u> <u>S\$</u>
<u>2016</u>			
Balance as at beginning of financial year	1,288,408	46,597	1,335,005
Total comprehensive income for the financial year	603,966	124	604,090
Balance as at end of financial year	<u>1,892,374</u>	<u>46,721</u>	<u>1,939,095</u>
	<u>Accumulated</u> <u>fund</u> <u>S\$</u>	<u>Hearse</u> <u>fund</u> <u>S\$</u>	<u>Total</u> <u>S\$</u>
	<u>Accumulated</u> <u>fund</u> <u>S\$</u>	<u>Hearse</u> <u>fund</u> <u>S\$</u>	<u>Total</u> <u>S\$</u>
<u>2015</u>			
Balance as at beginning of financial year	1,130,263	50,297	1,180,560
Total comprehensive income for the financial year	158,145	(3,700)	154,445
Balance as at end of financial year	<u>1,288,408</u>	<u>46,597</u>	<u>1,335,005</u>

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

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

	<u>NOTE</u>	<u>2016</u> S\$	<u>2015</u> S\$
Cash flows from operating activities			
Surplus/(Deficit) for the financial year			
- Accumulated fund		603,966	158,145
- Hearse fund		124	(3,700)
		<u>604,090</u>	<u>154,445</u>
<u>Adjustments for:</u>			
Depreciation		22,632	12,500
Interest income		(2,197)	(1,864)
Operating cash flows before changes in working capital		<u>624,525</u>	<u>165,081</u>
<u>Changes in working capital</u>			
Other receivables		9,583	(10,783)
Prepayment		3,047	(1,059)
Deferred government grant		576,953	-
Other payables and accruals		(18,433)	26,059
Net cash generated from operations		<u>1,195,675</u>	<u>179,298</u>
Interest received		2,197	1,864
Net cash generated from operating activities		<u>1,197,872</u>	<u>181,162</u>
Cash flows from investing activities			
Acquisition of plant and equipment		(16,520)	(34,802)
Net cash used in investing activities		<u>(16,520)</u>	<u>(34,802)</u>
Cash flows from financing activities		-	-
Net increase in cash and cash equivalents		<u>1,181,352</u>	<u>146,360</u>
Cash and cash equivalents at beginning of year		<u>1,332,916</u>	<u>1,186,556</u>
Cash and cash equivalents at end of financial year (4)		<u><u>2,514,268</u></u>	<u><u>1,332,916</u></u>

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

SIKH WELFARE COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016

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

The financial statements of the Sikh Welfare Council for the financial year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Management Committee on the date of the Statement by Management Committee.

1. DOMICILE AND ACTIVITIES

The **Sikh Welfare Council** ("the Council") is a society (UEN: S98SS0018L) registered in Singapore under the Societies Act. The Council is also a charity registered under the Charities Act. The Council was accorded the Institution of Public Character ("IPC") status on 5 November 2009 which has been renewed until 31 July 2017. The principal activities of the Council are:

- (a) Supporting projects and schemes that promote and carry out welfare programmes for those requiring assistance in Singapore; and
- (b) Raising funds from individual Sikhs, Sikh Institutions and the general public for accomplishing the above objective.

The registered office of the Council is located at 2 Towner Road, #06-02, Singapore 327804.

2. BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Societies Act, the Charities Act and Singapore Financial Reporting Standards (FRS).

The financial statements are presented in Singapore Dollars ("S\$") which is the Council's functional currency.

The financial statements are prepared in accordance with the historical cost basis except as disclosed in the accounting policies that follow.

2.2 Significant judgements by the Management Committee in applying accounting policies

The Management Committee is of the opinion that there were no critical judgements made in applying the Council's accounting policies.

SIKH WELFARE COUNCIL
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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - continued

2.3 *Key sources of estimation uncertainty*

The preparation of financial statements in conformity with Singapore Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of income and expenses for the financial year. Although these estimates are based on the Management Committee's best knowledge of current events and actions, actual results may differ from those estimates.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are discussed below:

Depreciation

The Council depreciates the plant and equipment over their estimated useful lives, after taking into account their estimated residual values, if any, using the straight line method. The estimated useful life reflects the Management Committee's estimate of the periods that the Council intends to derive future economic benefits from the use of the Council's plant and equipment. The residual values reflect the Management Committee's estimated amount that the Council could currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

2.4 *Plant and equipment*

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided on a straight line basis to allocate the cost of the assets over their estimated useful lives as follows:-

Office equipment	3 years
Computers	1 year
Furniture and fittings	3 years
Motor vehicle	5 years
Renovation	1 year

The residual values and useful lives of plant and equipment are reviewed and adjusted as appropriate at each reporting date.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - continued

2.4 *Plant and equipment - continued*

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

2.5 *Non-derivative financial assets*

Financial assets, are classified as 'financial assets at fair value through profit or loss', 'loans and receivables', 'held-to-maturity investments', or 'available-for-sale' financial assets. Financial assets are recognised in the statement of financial position when the Council becomes a party to the contractual provisions of the financial assets.

All financial assets are initially recognised at fair value plus any directly attributable transactional costs, except for 'financial assets at fair value through profit or loss' which are measured at fair value only. The classification of financial assets, after initial recognition, is re-evaluated and reclassified where allowed and appropriate.

As at the reporting date, the Council's receivable and cash and cash equivalents, which are classified as loans and receivables, are the only non-derivative financial assets.

2.6 *Cash and cash equivalents*

Cash and cash equivalents include fixed deposits, cash at bank and cash in hand.

2.7 *Reserve policy*

The Council should strive to maintain cash or equivalent reserves amounting to the higher of the following two amounts:

- Three years of total operating and administrative expenses (rounded-up to the nearest \$0.5 million)
- \$2.5 million

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - continued

2.8 *Non-derivative financial liabilities*

Financial liabilities are initially recognized at fair value and subsequently measured at amortised cost using the effective interest method. The financial liability is derecognized when the obligation under the liability is discharged, canceled or expired.

The Council's non-derivative financial liabilities comprise other payables and accruals.

2.9 *Provisions*

Provisions are recognised when the Council has a present obligation as a result of a past event which is probable and which will result in an outflow of economic benefits that can be reliably estimated.

2.10 *Revenue recognition*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Council and the revenue can be reliably measured.

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

i) Donations

Donations, including pledges, are recognised on receipt basis.

ii) Government grants

Grants from the government to meet the Council's operating expenses are recognized as income to match the related operating expenditure. Unconditional government grants are recognised as other income when the grants are received.

iii) Interest income

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

2.11 *Income tax*

The Council is exempt from income tax. The Council has been exempt from filing income tax returns with effect from the Year of Assessment 2008.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. SIGNIFICANT ACCOUNTING POLICIES - continued

2.12 Employee benefits

Defined contribution plan

As required by law, the Council makes contribution to the state pension scheme, Central Provident Fund ("CPF"). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term employee benefits if the Council has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee leave entitlement

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

2.13 Changes in accounting policies

Overview

In the current financial year, the Council has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS has not resulted in changes to the Council's accounting policies and has also no material effect on the amounts reported for the current or prior year's financial information.

The Council has not early adopted any of the FRS, INT FRS, and amendments to FRS that were issued but not effective at the beginning of the financial year. The directors expect that the adoption of these other standards and interpretations will have no material impact on the financial statements in the financial period of initial application.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. PLANT AND EQUIPMENT

2016	Office equipment S\$	Computers S\$	Furniture and fittings S\$	Motor vehicle S\$	Renovation S\$	Total S\$
Cost						
Beginning of financial year	4,395	7,279	8,771	27,286	-	47,731
Additions	2,950	4,270	-	-	9,300	16,520
End of financial year	7,345	11,549	8,771	27,286	9,300	64,251
Accumulated depreciation						
Beginning of financial year	2,279	7,279	8,064	4,548	-	22,170
Charge for the financial year	3,348	4,270	257	5,457	9,300	22,632
End of financial year	5,627	11,549	8,321	10,005	9,300	44,802
Carrying value						
End of financial year	1,718	-	450	17,281	-	19,449

2015	Office equipment S\$	Computers S\$	Furniture and fittings S\$	Motor vehicle S\$	Total S\$
Cost					
Beginning of financial year	2,351	2,578	8,000	-	12,929
Additions	2,044	4,701	771	27,286	34,802
End of financial year	4,395	7,279	8,771	27,286	47,731
Accumulated depreciation					
Beginning of financial year	870	2,578	6,222	-	9,670
Charge for the financial year	1,409	4,701	1,842	4,548	12,500
End of financial year	2,279	7,279	8,064	4,548	22,170
Carrying value					
End of financial year	2,116	-	707	22,738	25,561

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

4. CASH AND CASH EQUIVALENTS

	<u>2016</u> S\$	<u>2015</u> S\$
Fixed deposits	2,419,861	817,634
Cash at bank	93,507	514,420
Cash in hand	900	862
	<u>2,514,268</u>	<u>1,332,916</u>

Fixed deposits earn interest between 0.10% and 0.35% (2015: 0.10% and 0.25%) per annum and are placed for tenures ranging between 90 days and 365 days (2015: 90 days and 365 days).

5. FUNDS

a) Accumulated fund

The accumulated fund represents surplus accumulated from the operations of the Council. The fund is to be applied for the Council's objectives in accordance with the constitution of the Council and is not distributable otherwise.

b) Hearse fund

The hearse fund was transferred from the Central Sikh Gurdwara Board in 2011. The Council has since then operated and maintained the hearse fund.

6. DEFERRED GOVERNMENT GRANT

Deferred government grant consist of Care and Share grant which is a national fund-raising and volunteerism movement led by the Ministry of Social and Family Development ("MSF") for the social service sector. It aims to recognize the contributions made by voluntary welfare organisations (VWOs) in the social service sector. Eligible donations raised will be matched dollar-for-dollar by MSF. The matched amount will go towards building the Society's capabilities and capacities which is to be fully utilised by April 2019.

7. INCOME

Included within total income is a sum of \$253,392/- (2015 - \$302,506/-) for which tax-deductible receipts were issued by the Council for donations received during the financial year, pursuant to its IPC status.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

8. EMPLOYEE BENEFITS EXPENSES

	<u>2016</u> S\$	<u>2015</u> S\$
Staff salaries, bonus and allowances	222,025	200,574
Staff CPF	37,961	31,586
	<u>259,986</u>	<u>232,160</u>

Neither the Management Committee members nor their immediate family members received any compensation or remuneration from the Council during the financial year. (2015: Nil)

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

Financial instruments

Accounting classifications and fair values

Fair values versus carrying amounts

	<u>Note</u>	<u>Loans and receivables</u> S\$	<u>Other financial liabilities</u> S\$	<u>Total carrying amount</u> S\$	<u>Fair value*</u> S\$
2016					
Other receivables		1,842	-	1,842	1,842
Cash and cash equivalents	(4)	2,514,268	-	2,514,268	2,514,268
		<u>2,516,110</u>	<u>-</u>	<u>2,516,110</u>	<u>2,516,110</u>
Other payables and accruals		-	19,511	19,511	19,511

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - CONTINUED

Financial instruments - continued

Accounting classifications and fair values - continued

Fair values versus carrying amounts - continued

	<u>Note</u>	<u>Loans and receivables</u> S\$	<u>Other financial liabilities</u> S\$	<u>Total carrying amount</u> S\$	<u>Fair value*</u> S\$
<u>2015</u>					
Other receivables		11,425	-	11,425	11,425
Cash and cash equivalents	(4)	1,332,916	-	1,332,916	1,332,916
		<u>1,344,341</u>	<u>-</u>	<u>1,344,341</u>	<u>1,344,341</u>
Other payables and accruals		-	37,944	37,944	37,944

* Refer to Note 10 as to how fair values have been determined.

Financial risk management policies

The Council's operations carry certain financial risks. The Council's overall risk management approach is to moderate the effects of such volatility on its financial results.

a) Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rate and equity prices will affect the Council's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

i) Foreign exchange risk

The Council is not exposed to any foreign exchange risk as all of its transactions are carried out in S\$.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

9. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued

Financial risk management policies - continued

a) Market risk - continued

ii) Interest rate risk

The Council's exposure to market risk for changes in interest rates relates to interest-bearing fixed deposits placed with a financial institution. Although interest income is not significant, it is the Council's policy to obtain the most favorable interest rates available. The interest rates of the fixed deposits are disclosed in Note 4.

b) Credit risk

Credit risk is the risk of financial loss to the Council if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Council's cash and cash equivalents.

The Council is not exposed to any substantial credit risk as the Council places its cash and fixed deposits with a fully licensed bank in Singapore.

c) Liquidity risk

Liquidity risk is the risk of the Council being unable to secure adequate funding to meet current obligations as they fall due. The Council monitors its liquidity risk and maintains a level of cash and cash equivalents considered adequate to finance the Council's operations and to mitigate the effects of fluctuations in cash flows.

The Council manages its liquidity position with a view to meet its obligation on a timely basis. The Council measures and manages its cash flow requirements regularly and constantly monitors its funds to ensure that it has sufficient funds to meet its obligations as they fall due.

All financial liabilities are due within 1 year.

10. FAIR VALUE DETERMINATION

The fair values of the Council's financial assets and financial liabilities approximate their respective carrying values due to the relatively short-term nature of these financial instruments.