



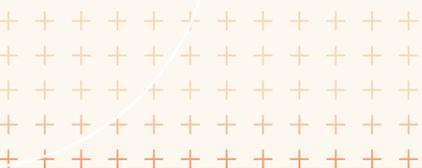
AWWA



CORPORATE

Governance Report

ANNUAL REPORT 2016-2017



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The background is a solid orange color with various decorative elements. In the top left, there is a grid of small white plus signs. In the top right, there are two overlapping white circles. In the bottom left, there is another grid of small white plus signs. In the bottom right, there are several white diagonal lines. In the center, there are two sets of white zigzag lines. The text '1 - Corporate Governance' is centered in a white, italicized font.

*1 - Corporate
Governance*

A) Board of Management, Board of Directors & Board Committees

The Asian Women's Welfare Association ("the Association") is managed by a Board of Management which is elected at its annual general meetings. Since 1 April 2015, the Association's operations and charitable services and activities have been managed by AWWA Ltd. ("AWWA"), a company limited by guarantee and wholly-owned entity of the Association. All members of the Association's Board of Management are also members of the Board of Directors of AWWA.

AWWA's Board of Directors (the "Board") comprises of people from different backgrounds and experiences, bringing together abilities and skill-sets in different areas such as finance, audit, legal, organisation development and human resources management, information technology, media and communications. The Board believes that diversity helps in better informed decision-making and solutions and strives to attract talented people with relevant experience to join its ranks.

It has been the Board's practice to conduct a Board evaluation every four years to assess its performance and effectiveness. The last Board evaluation was conducted by an independent third party in October 2016 and the results showed that the Board was unanimously committed to the mission and objectives of AWWA.

The Board assumes responsibility for the stewardship of AWWA. It is responsible for setting the overall direction and strategy of AWWA and ensures that there are adequate financial and human resources to meet its objectives. The responsibilities of the Board include promoting the best practices of corporate governance, establishing prudent and effective controls, assessing and managing risks and reviewing management performance. The Board is committed to ensuring that high standards of corporate governance are implemented and upheld in AWWA and is guided by the best practices as set out in the Code of Governance for Charities and Institutions of a Public Character (2011) and the Charity Transparency Framework.

Matters which are specifically reserved for the Board's approval include:

- Appointment of Chairman, Deputy Chairman, a Director responsible for overseeing matters relating to finance, Chief Executive Officer ("CEO"), Chief Operating Officer ("COO"), the company secretary and internal and external auditors
- Appointment of members of sub-committees and task forces of the Board and approval of their terms of reference

- Setting strategy and direction for the Company
- Approval of new services and programmes and annual operating budgets
- Approval of financial accounts and announcements
- Formulating policies in keeping with good corporate governance
- Development of an appropriate risk strategy
- Approval of tenders and significant acquisition and disposal of assets
- Approval of investments and divestments

To assist in the execution of its responsibilities, the Board delegates specific responsibilities to various Board sub-committees ("Committees"). These Committees operate within specific terms of reference which set out the scope of its duties and responsibilities. The Committees include the following:

Audit Committee

The Audit Committee ("AC") assists the Board in ensuring the integrity of AWWA's financial information, the financial reporting process, the internal financial control systems and the audit function. Its responsibilities include:

- Discussing with the internal and external auditors their audit plans, the nature, scope and methodology of the audit processes, and the results of their findings and ensuring that the scope and results of their work have not been restricted or influenced in any manner by the management
- Reviewing the scope and results of the external auditors and ensuring that the independence and objectivity of the external auditors have not been compromised
- Reviewing the major accounting and control issues observed during the audits and reviewing management's implementation of the recommended improvements
- Reviewing the audited financial statements to ensure its integrity prior to adoption by the Board
- Evaluating the effectiveness of the internal and external auditors' work and performance and recommend to the Board their appointment, removal and compensation.

Corporate Communications Committee

The Corporate Communications Committee (“CCC”) ensures that the corporate communications plan and strategy are directed towards building a consistent corporate image of AWWA. The CCC monitors and reviews branding and communications collaterals in both traditional and new media platforms to ensure consistency to the mission and vision of AWWA. The CCC works closely with the Fundraising Committee to strengthen donor engagement.

Fundraising Committee

The Fundraising Committee (“FRC”) advises the Board on matters concerning fundraising strategies and programmes. It reviews the fundraising plan and strategy based on AWWA’s projected operating needs, capital expenditure and other funding requirements as determined by the Board and ensures that AWWA’s fundraising policy is in compliance with regulatory requirements. The FRC monitors progress in meeting annual fundraising targets, and provides guidance and assistance to management in its presentations to potential donors and granting agencies.

Human Resources Committee

The Human Resources Committee (“HRC”) advises the Board on matters relating to human resources management in AWWA, including performance evaluation and rewards, training and development and succession planning. In addition, relevant specialists from the HRC are called upon to advise the Board and management.

The HRC also advises on strategies and plans to attract, retain and motivate staff. It reviews human resources policies and recommends to the Board for approval, any new policies or changes to policies that help meet AWWA’s needs.

Information Technology Committee

The Information Technology Committee (“ITC”) assists the Board in guiding and developing IT strategies and plans, monitors and provides guidance on the implementation of major IT projects, reviewing the annual IT budget and ensuring budget compliance. The ITC helps develop an IT strategy with a set of strategic goals and a list of initiatives supporting the goals. The initiatives include projects aimed to strengthen infrastructure, enhance mobile applications, improve data integration and enable better visibility.

Investment Committee

The Investment Committee (“IC”) advises the Board and management on matters concerning its investment strategies and portfolios and oversees the overall investment activities of AWWA in accordance with the policies established by the Board. The key investment objectives are the preservation and safety of funds and ensuring that cash resources are managed in an efficient and effective manner. In addition, the IC ensures that the investment mandate and guidelines which require the funds to have adequate diversification across asset types with a prudent level of risk and with maturities that are in line with liquidity needs are complied with.

Medifund Committee

The Medifund Committee (“MC”) assists the Board to consider and approve Medifund applications from eligible clients in AWWA’s Medifund-accredited programmes - the Dementia Day Care Centre, Rehab and Day Care Centre and Integrated Home & Day Care Centre, and to administer payments out of AWWA’s Medifund account. The MC will review the applications and ensure that applicants fulfil the eligibility criteria prescribed under guidelines issued by the Ministry of Health.

Nominations Committee

The Nominations Committee (“NC”) advises the Board on matters concerning the appointments of the Board and the various Committees. As and when a vacancy or need arises on the Board or Committees, the NC ascertains the experience and capabilities required for the person to fill the role and serves to identify and recommend candidates to the Board to fill the specific position. Periodically, the NC reviews the structure, size of the Board and Committees and evaluates the Board’s performance.

Programme and Services Committee

The Programmes and Services Committee (“PSC”) recommends to the Board new initiatives or programmes and the cessation, expansion and amendment of existing programmes to ensure that outcomes are clearly defined and directed towards achieving AWWA’s objectives. It also evaluates the effectiveness and continuing relevance of the programmes through the review of monthly service/programmes reports, periodic environmental scans and outcome monitoring. The PSC ensures that there is timely reporting to the Board on the implementation of AWWA’s strategic plans and outcomes.

Risk Management Committee

The Risk Management Committee (“RMC”) advises the Board on AWWA’s risk strategy and policies as well as risk governance and oversight. The Committee’s responsibilities include reviewing the adequacy and effectiveness of the Group’s risk framework and ensuring that AWWA’s risk management is in alignment with its risk appetite and tolerance. The Committee is currently working with management to review the risk assessments carried out by all the services and programmes to ensure the adequacy of coverage of risk exposure as well as the effectiveness of actions taken to mitigate identified risks. The Committee works closely with management to conduct risk awareness programmes for all employees. The work of the RMC is at a preliminary stage but over the next few months will begin to make an impact on risk mitigation of AWWA.

School Management Committee

AWWA School provides special education to children with special needs who are unable to attend mainstream schools.

Children from age 7 to 18 years are offered a support system of focused education and therapy, thereby improving the quality of life for its students and helping them to become independent and resilient.

The School Management Committee (“SMC”) is a Ministry of Education (“MOE”) mandated supervisory committee to ensure that AWWA School is governed and managed responsibly and prudently. It supports management and the school principal in accomplishing the aims of the school while complying with all policies set by MOE and the National Council for Social Services (“NCSS”). An MOE representative sits on the SMC.

The functions and duties of the SMC include:

- Overseeing the general management of AWWA School including financial, human resources, management and property matters
- Determining that the policy for admission of students to AWWA School is consistent with guidelines from MOE and NCSS
- Ensuring compliance with all aspects of the MOE-NCSS Joint Funding Agreement

B) Board of Directors

<i>Name</i>	<i>Date Of Appointment</i>	<i>Attendance at Board Meetings</i>	<i>Current Occupation</i>
Ms Janice Ang Chairperson	7 Jan 2015	8/9	Former Chief Financial Officer
Mrs Rosana Quek Deputy Chairperson	11 Feb 2015	7/9	Former Banker
Mr Chan Wai Leong	11 Feb 2015	7/9	Director, Executive Search Firm
Ms Beatrice Chen	11 Feb 2015	9/9	Former Research Consultant
Ms Chung Wei Han	11 Feb 2015	9/9	Former Legal Counsel
Ms Ayadurai Jeyamalar	11 Feb 2015	8/9	Consultant, Organisation Development
Ms Claire Lim	11 Feb 2015	9/9	Former Legal Counsel
Ms Ng Chin Yu	11 Feb 2015	8/9	Former Financial Controller
Mr Natarajan Subramaniam	24 Apr 2015	7/9	Company Director
Mrs Thum Lay Chwan	11 Feb 2015	8/9	Former Banker
Ms Clara Yue	11 Feb 2015	8/9	Company Director
Ms Woo Sin Yue	27 Nov 2015	6/9	Company Director

Note:

3 Directors resigned during the financial year. They are Ms Phua Seok Eng (resigned on 13 Jul 2016); Mrs Sandra Berrick (resigned on 15 Sep 2016); and Mr Teo Chin Seng (resigned on 20 Oct 2016). Prior to their resignation, Mrs Berrick was Chairman of the School Management Committee while Mr Teo was Chairman of the Information Technology Committee.

C) Board Committees

Committee	Name	Appointment
Audit	Mr Natarajan Subramaniam	Chairman
	Ms Eleanor Lee	Member
	Ms Loy Wee Khim	Member
	Ms Patricia McKean	Member
	Ms Ng Chin Yu	Member
	Ms Kay Pang Ker-Wei	Member
	Ms Clara Yue	Member
Corporate Communications	Ms Beatrice Chen	Chairman
	Ms Woo Sin Yue	Member
Fundraising	Ms Woo Sin Yue	Chairman
	Mrs Maureen Chan	Member
	Ms Beatrice Chen	Member
	Mrs Elizabeth Choy	Member
	Ms Kemmy Koh	Member
	Ms Rosanna Mak	Member

Human Resources	Ms Ayadurai Jeyamalar	Chairman
	Mr Soumitra Gupta	Member
	Mr Jayakody s/o Mudaliar	Member
	Mr Paul O'Malley	Member
Information Technology	Mr Chan Wai Leong (wef from October 2016)	Chairman
	Mr Joseph Choo	Member
	Mr Stan Lin	Member
	Mr Ng Chun Kiam	Member
Investment	Mrs Thum Lay Chwan	Chairman
	Mrs Rosana Quek	Member
	Ms Clara Yue	Member
Medifund	Ms Chung Wei Han	Chairman
	Ms Koh Hui Ngo	Member
	Ms Low Wai Peng	Member
Nominations	Mr Chan Wai Leong	Chairman
	Ms Saleemah Ismail	Member
	Mrs Sandra Berrick	Member

Programmes and Services	Mrs Rosana Quek	Chairman
	Ms Chung Wei Han	Member
	Ms Ayadurai Jeyamalar	Member
	Mr Eugene Lim	Member
	Ms Jane Lim	Member
	Ms Ng Chin Yu	Member

Risk Management	Mr Natarajan Subramaniam	Chairman
	Ms Kimarie Cheang	Member
	Ms Claire Lim	Member
	Mr Gilbert Ponniah	Member
	Mrs Rosana Quek	Member
	Mr Edmund Wong	Member
	Ms Wong Toon Kok	Member

School Management Committee	Mrs Rosana Quek (wef March 2017)	Chairman
	Mr Leow Wen Pin	School Supervisor
	Ms Clara Yue	Honorary Treasurer
	Mr Tim Oei	Member
	Ms Ong Sian Tjoe	Member
	Ms Morene Sim	Member
	Mrs Ruby Seah	Principal
	Ms Wong Geok Mei	MOE Representative
	Mrs Leaena Tambyah	Member

D) Programmes and Services

The management team led by the CEO is assisted by the COO, who oversees the HQ support functions, and Directors who manage the various services and programmes for our clients.

Disability Support

Disability Support provides services to people with disabilities within our communities in Singapore to help them enjoy a positive quality of life. AWWA offers a wide range of disability support services to children, young people, adults, seniors and their families.

Community Integration Services help children and youth with physical disabilities and low vision in mainstream schools and institutions of higher learning to integrate into their schools and the community, so as to enable them to reach their fullest potential and lead dignified and independent lives.

AWWA has a Resource and Training Centre (“RTC”) which provides a wide range of resource materials on special needs and learning difficulties for parents and caregivers, including an extensive toy library available to the public for a nominal membership fee. The RTC also organises workshops and talks for parents, educators and professionals. These workshops are conducted by local and overseas speakers and provide participants with knowledge and practical strategies to help those with disabilities. The RTC also organises disability awareness workshops for students and teaching staff in mainstream schools and special education needs training for academics and administrative staff in institutes of higher learning.

The Allied Health and Professional Group serves as an internal therapy hub in building capability and capacity among allied health professionals such as occupational therapists, physiotherapists, speech and language therapists, music therapists and psychologists. It also provides a comprehensive range of professional and qualitative therapy to other Voluntary Welfare Organisations and social service providers.

Education and Development

Education and Development programmes recognise that children and youth with special needs have distinct issues around learning, mobility, communication and socialising – activities that can be demanding. AWWA helps these children and youth by equipping them with skills development and interaction while at the same time helping family members to cope, addressing the isolation that so many of these children and families undergo.

Our Early Intervention Centre provides holistic support for infants and toddlers (birth to 6 years old) with special needs. Early intervention focuses on helping these infants and toddlers learn new skills that typically develop during the first six years of life, from physical, cognitive, communication, social/emotional, and self-help.

AWWA's Development Support Programme offers early intervention for mainstream pre-school children (K1 and K2) with mild developmental delays to overcome their challenges earlier. The programme does not focus directly on a child's limitations, but on the child's immediate environment, such as parents, teachers and classmates, to holistically help the child overcome their challenges.

Therapy and learning support are provided within the child's natural environment to help children apply skills acquired during intervention to a classroom set-up. Children under this programme have the potential for mainstream education but require support at the early stages of learning, language, motor skills or socio-emotional development.

AWWA School provides special education to children with multiple disabilities and children with autism. Children from 7 to 18 years old are offered a support system of focused education and therapy, thereby improving the quality of life of the students and helps them to become independent.

Kindle Garden, Singapore's first inclusive preschool seeks to provide all children with access to a values-based, inclusive and non-discriminatory curriculum. Such an approach aims to reduce barriers, embrace diversity and create a rich environment for enriched learning and growth, mutual respect and understanding to benefit all children and society. From a seed planted by the Lien Foundation, and nurtured by AWWA, Kindle Garden creates a fertile environment for learning, growing, and mutual understanding by embracing diversity.

Family and Caregiver Support

Family and Caregiver Support strengthens communities by strengthening families and caregivers. AWWA offers support to families, caregivers and persons in need through counselling or therapy, financial planning, caregiver support, youth programmes or vocational skills enhancement.

Our Family Service Centre ("FSC") works with the family and the community. The focus of the FSC is to encourage family bonding so that families can be resilient in the face of adversity. The FSC believes in community-based preventive, development and educational work, while at the same time helping families to deal with immediate challenges. The FSC assists the needy and connects people within community, to provide support and build resilience together.

AWWA launched its caregiver service in 2006 to provide psychosocial and emotional support for caregivers and to advocate for caregiver-centered services. Since its inception, AWWA Caregiver Service has reached out to more than 37,000 people in Singapore through public education programmes, outreach initiatives, caregiving awareness talks, life skills training workshops, and psychosocial support programmes across the island.

Caregiver Service (Disability) (“CSD”) aids in addressing the needs of caregivers of persons with disability and/or special needs, from childhood to adulthood. CSD was launched on 1 May 2016 to provide home-based therapy, personal hygiene and housekeeping services and medication reminders to caregivers. This two-year pilot programme aims to support caregivers of persons with disabilities and/or special needs through holistic and multi-pronged approaches.

Our Special Student Care Centre provides respite with peace of mind to caregivers or family members caring for children with special needs so that they can be more financially viable, continue to pursue their career or spend time with their children. This is also the place where students with special needs socialize and benefit from enrichment with other peers from various different special schools.

AWWA Personal Care Service (Seniors) supports seniors in their home to allow them to age-in-place. The service helps seniors who are unable to take care of themselves by assisting them with daily activities such as bathing, toileting, dressing and eating.

Health and Senior Care

Health and Senior Care supports seniors in the community with programmes and activities in a warm and nurturing environment in order to enhance the quality of their lives.

The Senior Community Home provides a home for Singaporeans and permanent residents aged 60 and above, who are on public assistance or have no family or financial support.

The Senior Activity Centre provides recreational and social activities for seniors living in the vicinity of Ang Mo Kio Avenue 6.

The Rehab and Day Care Centre supports seniors and people with physical disabilities. The Centre also serves seniors discharged from hospitals. Many of these seniors face physical challenges but have excellent potential of recovery under structured professional care. Our therapists work with them to achieve functional independence and mobility.

The Dementia Day Care Centre (“DDCC”) provides maintenance day care services to clients who have mild to severe dementia. The DDCC, in addition to monitoring and managing clients’ challenging behaviour, also assists them in their Activities of Daily Living.

The Integrated Home and Day Care is a pilot programme comprising centre-based activities and home-based care that enables seniors with multiple health and social needs to continue living in the community and at home with their loved ones. As a one-stop service, it delivers seamless care to seniors in monitoring and tailoring a care plan based on the specific needs of the seniors.

E) Human Resources Management

As at the date of this report, AWWA has approximately 590 employees. Under the guidance of the Human Resources Committee, the Human Resources Department ensures that it has policies and procedures that continue to attract people who have the abilities, experience and attitudes to help empower AWWA's clients with independence and dignity.

AWWA has an open appraisal system where staff set and assess their own annual goals, with the guidance of their managers. These goals are reviewed at mid-year to make relevant changes and help staff achieve success.

AWWA is committed to 'People giving to People' and as part of this commitment, staff are encouraged to volunteer in local and overseas organisations. These contributions are also recognised in staff appraisals.

AWWA ensures that all staff are compensated fairly and that good performers are recognised specifically for their talent and added contributions. Several non-monetary rewards are also developed by the HR Department to strengthen bonds and reinforce the entire AWWA family (volunteers and clients are included in some of these events).

AWWA is committed to staff training and development. Staff are required to complete mandatory training hours to ensure that their skills are honed. Overseas training is also provided for Leaders and Specialists through two options – as Learners or as Teachers.

F) Conflict of Interest

AWWA has a Conflict of Interest Policy and operating procedures are in place to avoid or manage situations of any actual or perceived conflicts of interest. The Policy is read and acknowledged by each member of the Board, the Board of Management of the Association, the Board committees on his appointment and annually thereafter during his term of office. In the event where a conflict of interest arises, full disclosure must be made to the relevant Board or Board of Management and the interested member must abstain from any discussion and voting on the matter.

In order to avoid any conflict of interest or any conflict in roles, staff of AWWA are not allowed to sit on the Board or Board of Management and Board committees. In addition, members of the Board, Board of Management and Board committees are not paid for their services.

G) Whistle Blowing Policy

AWWA is committed to high standards of corporate governance and compliance with all laws and regulatory requirements. AWWA does not condone any malpractice, impropriety or statutory non-compliance by our staff in the course of their work. In line with this commitment, the Whistle-blowing Policy aims to provide an avenue for staff and external parties to raise concerns and to offer reassurance that they will be protected from reprisals or victimization for whistle-blowing in good faith. AWWA's Whistle-blowing Policy is available on the website at <https://www.awwa.org.sg/about-us/governance/our-whistle-blowing-policy/>

During the financial year, there were no complaints or concerns reported by staff or external parties.

H) Financial Management and Internal Controls

The Board is responsible for ensuring that management maintains a sound system of internal controls to safeguard stakeholders' interests and the organisation's assets. The Audit Committee and the Risk Management Committee assist the Board with this responsibility. The Finance Department is headed by the Finance Director who ensures that operations comply with the procedures set out in the Financial Policies and Procedures Manual. The external auditors, in the course of their annual statutory audit, review and test the operating effectiveness of internal controls to enable them to arrive at their audit opinion. In addition, AWWA engages internal auditors to audit the organisation's operations and procedures. Management considers the recommendations made by external and internal auditors and implements changes as appropriate. All recommendations and implementation are reviewed and monitored by the Audit Committee.

The Board receives monthly financial reports and detailed quarterly accounts of the financial position of the organisation. The Board ensures that funds received as donations or from funding agencies are used for the specific purpose they are intended. The Board's policy is to have reserves to meet the expenses of non-funded programmes. Funded programmes are annually reviewed to ensure long term sustainability and AWWA targets for its unrestricted funds to be up to two years of operational expenditure. Funds in excess of immediate needs are invested as fixed deposits with approved banks in Singapore or in Singapore dollar bonds of good credit standing, a list of which is pre-approved by the Board.

The annual budget is prepared by the Finance Department with inputs from the service/programme Directors and is reviewed by the Audit Committee before submission to the Board for approval. The annual budget is reviewed and updated where necessary at mid-year. As part of internal controls, all purchases in excess of \$3,000 require three quotes to be obtained. In addition, the organisation does not extend loans to staff, members of the Board, Board of Management and Board committees and external parties.

I) Fundraising

The Fundraising Committee works together with the Community Partnership team in AWWA to raise funds for programmes that are not fully funded by government or other agencies as well as the HQ support services. All donations received are properly recorded and cash donations are promptly deposited into AWWA's bank account.

The Board is conscious of the need to minimise the cost of fundraising and endeavours to keep costs to below 30% of the funds raised by any fundraising activity. AWWA also maintains a policy of not using commercial fundraisers. For the financial year, the costs of our fundraising activities have been below 30% of funds raised.

J) Annual General Meeting

The Annual General Meeting is held in September of each year and within six months after the end of the financial year, which ends on 31 March. All necessary documents such as Annual Returns and audited financial statements are filed with ACRA and the Commissioner of Charities as well as disclosed on the Charity Portal within six months of the financial year end.

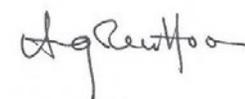


*2- Financial
Statements*

STATEMENT BY BOARD OF MANAGEMENT

On behalf of the Board of Management, we do hereby state that in our opinion, the consolidated financial statements of Asian Women's Welfare Association (the "Association") and its subsidiary (the "Group") and the statement of financial activities and balance sheet of the Association as set out on pages 5 to 36 are drawn up in accordance with the Societies Act, Chapter 311, the Charities Act, Chapter 37 and other relevant regulations and Singapore Charities Accounting Standard so as to present fairly, in all material respects the financial position of the Group and Association as at 31 March 2017, and of the financial performance of the Group and Association and consolidated cash flows of the Group for the financial year then ended.

On behalf of the Board of Management



Janice Ang
President



Clara Yue
Honorary Treasurer

28 July 2017

ASIAN WOMEN'S WELFARE ASSOCIATION
AND ITS SUBSIDIARY
(Registered in Singapore under the Societies Act)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2017

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Baker Tilly TFW LLP
Chartered Accountants of Singapore

An independent member of Baker Tilly International

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF
ASIAN WOMEN’S WELFARE ASSOCIATION**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Asian Women’s Welfare Association (the “Association”) and its subsidiary (the “Group”) as set out on pages 5 to 36, which comprise the balance sheets of the Group and the Association as at 31 March 2017, and the statements of financial activities of the Group and the Association and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Societies Act, Chapter 311 (the “Societies Act”), the Charities Act, Chapter 37 and other relevant regulations (the “Charities Act and Regulations”) and Singapore Charities Accounting Standard so as to present fairly, in all material respects, the financial position of the Group and the Association as at 31 March 2017 and of the financial performance of the Group and the Association and consolidated cash flows of the Group 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 Association in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Management is responsible for the other information. The other information comprises the Statement by Board of Management as set out on page 1 and the information included in the Annual Report but does not include the financial statements and our auditor’s report thereon.

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

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

**INDEPENDENT AUDITOR’S REPORT TO THE MEMBERS OF
ASIAN WOMEN’S WELFARE ASSOCIATION (cont’d)**

Report on the Audit of the Financial Statements (cont’d)

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

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

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

Those charged with governance are responsible for overseeing the Association’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

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

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

- 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 Association’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ASIAN WOMEN'S WELFARE ASSOCIATION (cont'd)**

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

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

- Conclude on the appropriateness of the 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 Association'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 Association 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 Societies Regulations enacted under the Societies Act to be kept by the Association have been properly kept in accordance with those regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year, the Association has not complied with the requirements of Regulation 7 (Fund-raising expenses) of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.



Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

28 July 2017

ASIAN WOMEN'S WELFARE ASSOCIATION AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2017

	Note	Unrestricted funds \$	Restricted income funds \$	Total 2017 \$	Total 2016 \$
Group Income					
Income from generated funds:					
Voluntary income	4	1,870,190	605,689	2,475,879	2,887,239
Activities for generating funds	5	543,835	–	543,835	359,010
Investment income	6	516,854	–	516,854	398,942
Income from charitable activities	7	36,448,512	1,940,759	38,389,271	32,173,765
Total income		39,379,391	2,546,448	41,925,839	35,818,956
Expenditure					
Cost of generating funds:					
Cost of generating voluntary income	8	209,076	–	209,076	223,517
Fundraising costs	9	98,921	–	98,921	71,873
Investment management costs	10	47,110	–	47,110	56,396
Charitable activities	11	34,819,655	6,427,844	41,247,499	34,192,098
Governance costs	12	129,572	–	129,572	93,709
Other expenditure	17	23,929	–	23,929	36,087
Total expenditure		35,328,263	6,427,844	41,756,107	34,673,680
Net income/(expenditure)		4,051,128	(3,881,396)	169,732	1,145,276
Gross transfer between funds		57,520	(57,520)	–	–
Net movements in funds		4,108,648	(3,938,916)	169,732	1,145,276
Total funds brought forward		22,605,162	9,932,935	32,538,097	31,392,821
Total funds carried forward		26,713,810	5,994,019	32,707,829	32,538,097

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

ASIAN WOMEN'S WELFARE ASSOCIATION AND ITS SUBSIDIARY

STATEMENT OF FINANCIAL ACTIVITIES (ASSOCIATION)

For the financial year ended 31 March 2017

	Note	Unrestricted funds	
		2017	2016
		\$	\$
Association			
Income			
Income from generated funds:			
Investment income	6	240,121	240,052
Income from charitable activities	7	345	475
Total income		240,466	240,527
Expenditure			
Cost of generating funds:			
Investment management costs	10	47,110	56,396
Charitable activities	11	188,879	17,646
Governance costs	12	5,350	–
Total expenditure		241,339	74,042
Net (expenditure)/income		(873)	166,485
Total funds brought forward		2,006,804	31,392,821
Transfer to subsidiary (Note 2)		–	(29,552,502)
Total funds carried forward		2,005,931	2,006,804

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

ASIAN WOMEN'S WELFARE ASSOCIATION AND ITS SUBSIDIARY

BALANCE SHEETS

At 31 March 2017

	Note	Group		Association	
		2017	2016	2017	2016
		\$	\$	\$	\$
Non-current assets					
Property, plant and equipment	15	4,597,160	8,073,062	–	–
Investment properties	16	1,801,756	1,814,266	1,801,756	1,814,266
Investments in financial assets	17	1,511,710	2,024,306	–	–
		7,910,626	11,911,634	1,801,756	1,814,266
Current assets					
Investments in financial assets	17	500,725	1,512,058	–	–
Receivables	18	5,045,311	4,236,556	40,000	75,000
Cash and cash equivalents	19	24,075,796	20,638,947	273,966	794,984
		29,621,832	26,387,561	313,966	869,984
Total assets		37,532,458	38,299,195	2,115,722	2,684,250
Current liabilities					
Payables	20	4,495,206	5,472,197	109,791	677,446
Provision for gratuity	21	329,423	288,901	–	–
		4,824,629	5,761,098	109,791	677,446
Total liabilities		4,824,629	5,761,098	109,791	677,446
Net assets		32,707,829	32,538,097	2,005,931	2,006,804
Funds					
<u>Unrestricted funds</u>					
Unrestricted non-designated fund	22a	694,808	681,694	(14,146)	(4,963)
Unrestricted designated funds	22b	26,019,002	21,923,468	2,020,077	2,011,767
Total unrestricted funds		26,713,810	22,605,162	2,005,931	2,006,804
<u>Restricted funds</u>					
Restricted income funds					
- Funds represented by cash	23	2,268,943	3,354,597	–	–
- Funds represented by property, plant and equipment	23	3,725,076	6,578,338	–	–
		5,994,019	9,932,935	–	–
Total funds		32,707,829	32,538,097	2,005,931	2,006,804

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2017

	Group	
	2017	2016
	\$	\$
Cash flows from operating activities		
Net income	169,732	1,145,276
Adjustments for:		
Depreciation of property, plant and equipment	4,288,045	3,859,154
Depreciation of investment properties	12,510	12,512
Property, plant and equipment written off	9,829	9,300
Interest income	(276,319)	(158,942)
Amortisation of premium and premium written off on redemption of bonds	23,929	36,087
Operating cash flows before movements in working capital	4,227,726	4,903,387
Receivables	(808,755)	8,733
Payables and deferred income	(976,991)	(1,073,819)
Provision for gratuity	40,522	119,618
Net cash generated from operating activities	2,482,502	3,957,919
Cash flows from investing activities		
Interest received	276,319	158,942
Restricted cash - bank balance for provision for gratuity	(40,522)	(119,618)
Restricted cash - fixed deposit	168,714	(168,714)
Purchases of property, plant and equipment	(821,972)	(2,855,591)
Additions in investment in bonds	-	(2,037,750)
Proceeds from redemption of bonds	1,500,000	1,519,141
Net cash generated from/(used in) investing activities	1,082,539	(3,503,590)
Net increase in cash and cash equivalents	3,565,041	454,329
Cash and cash equivalents at beginning of the financial year	20,012,618	19,558,289
Cash and cash equivalents at end of the financial year	23,577,659	20,012,618
Restricted cash - provision for gratuity	329,423	288,901
- fixed deposit	168,714	337,428
Cash and cash equivalents at end of financial year as presented on the balance sheet (Note 19)	24,075,796	20,638,947

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2017

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

1. General information

The Asian Women's Welfare Association (Charities Registration No. 00379 and Societies Registration No. 115/70) (the "Association") is registered and domiciled in Singapore and was established as a society under Societies Act on 16 June 1970. The Association was established as a charity on 7 November 1984. The address of the Association's principal place of operations is 9 Lorong Napiri, Singapore 547531.

The Association is a member of the National Council of Social Service ("NCSS") Central Fund.

The principal objective of AWWA Group which is made up of the Association and its subsidiary is to empower the disadvantaged to maximise their potential to lead dignified and independent lives. The Association leases out its investment properties to generate rental income.

The principal activities of the subsidiary are disclosed in Note 2 to the financial statements.

2. Subsidiary

On 7 January 2015, the Association incorporated a wholly-owned subsidiary, AWWA Ltd. (the "Subsidiary"), a Singapore incorporated company limited by guarantee with its place of incorporation in Singapore. The subsidiary is a registered charity and has received approval as an Institution of a Public Character with effect from 1 April 2015. On 1 April 2015, the Subsidiary signed an agreement with the Association, to transfer the operations, employees, funding and other agreements of the Association as well as certain assets and liabilities of the Association with effect from 1 April 2015. Assets and liabilities of the Association were transferred to the Subsidiary at their book values as at 1 April 2015 at \$nil consideration. The transfer enables the Subsidiary to continue to carry on with the existing operations and activities of the Association.

The Group's principal activities are to pioneer, develop and operate a range of services for the disadvantaged from infancy to old age to enable them to maximise their potential and lead dignified and independent lives. The Group's financial statements include the programmes: Allied Health Professional Group, Outsource Service, Family Service Centre, Community Integration Service, Personal Care Service (Disability), Personal Care Service Plus (Disability), Special Student Care Centre, Early Intervention Centre - Hougang, Early Intervention Centre - Kim Keat, Early Intervention Centre - Fernvale, Kindle Garden Preschool, Preschool Support Service - DSP, Preschool Support Service - ISPPA, Senior Community Home, Senior Activity Centre, Rehab and Day Care Centre, Dementia Day Care Centre, Personal Care Service (Senior), AWWA School, Resource and Training Centre, Caregiver Service, Centre Based Nursing and Integrated Home & Day Care.

Pursuant to the agreement dated 1 April 2015, the following funds were transferred by the Association to the Subsidiary on 1 April 2015:

Funds	\$
Unrestricted funds	17,212,023
Restricted funds	12,340,479
	<u>29,552,502</u>

2. Subsidiary (cont'd)

The funds transferred to the Subsidiary from the Association on 1 April 2015 were represented by the following assets and liabilities:

	\$
Non-current assets	
Property, plant and equipment	9,085,925
Investments in financial assets	2,037,843
	<u>11,123,768</u>
Current assets	
Investment in financial assets	1,015,999
Receivables	4,245,289
Cash and cash equivalents	19,882,745
	<u>25,144,033</u>
Total assets	<u>36,267,801</u>
Current liabilities	
Payables	6,546,016
Provision for gratuity	169,283
	<u>6,715,299</u>
Total liabilities	<u>6,715,299</u>
Net assets	<u>29,552,502</u>

3. Significant accounting policies**a) Basis of preparation**

The financial statements, expressed in Singapore dollar (\$), which is the functional currency of the Group and the Association, have been prepared in accordance with the Societies Act, the Charities Act, Chapter 37 and other regulations ("Charities Act and Regulations") and Singapore Charities Accounting Standard ("CAS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with CAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those 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. There were no significant judgements and estimates made during the financial year except as disclosed in Note 3(t).

3. Significant accounting policies (cont'd)**b) Revenue recognition**

Income is recognised in the statement of financial activities to the extent that the Group becomes entitled to the income, when it is probable that the income will be received; and when the amount of the income can be measured with sufficient reliability.

Voluntary income*Donations*

Donations are recognised on receipt. However, donations received and subject to donor-imposed pre-conditions are deferred as liabilities until the Group is able to meet the terms of the donations.

Donations in kind

Donations in kind that can be estimated with sufficient reliability are accounted for at a reasonable estimate of the price that the Group would have to pay in the open market for an equivalent item or at the amount actually realised.

Activities for generating funds

Income from fund raising events are recognised when received.

Investment income*Interest income*

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

Rental income

Rental income is recognised over the term of the lease.

Income from charitable activities*Subventions and grants from government organisations*

Subventions and grants from government organisations are recognised only when there is sufficient evidence that the Group has complied with the conditions of the subventions and grants and the subventions and grants will be received. Such subventions and grants are recognised on an accrual basis. Subventions and grants recognised in the statement of financial activities are calculated based on the funding principles of the relevant government organisations. Subsequent adjustments to the subventions and grants, upon finalisation by the relevant government organisations, are recognised in the statement of financial activities in the financial year in which it is finalised.

Programme and school fees

Programme and school fees are recognised when services are rendered.

Transport fees

Transport fees are recognised when services are rendered.

3. Significant accounting policies (cont'd)

c) Expenditure

Cost of generating funds

The cost of generating funds are those costs attributable to generating income for the Group, other than those costs incurred in undertaking charitable activities in furtherance of the Group's objects.

Charitable activities

Expenditure on charitable activities comprises all costs incurred in undertaking work to meet the charitable objects of the Group. Such costs include the direct costs of the charitable activities of the Group together with those support costs incurred that enable these activities to be undertaken.

Governance costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Group as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Governance costs will normally include both direct costs such as internal and external audit, legal advice for the Group and costs associated with constitutional and statutory requirements, and related support costs which where material, would comprise apportionment of shared and indirect costs involved in supporting the governance activities.

Support costs

Support costs are those, whilst necessary to deliver an activity, do not produce or constitute the output of the charitable activities of the Group. These costs are incurred in supporting the income generation activities of the Group. Support costs comprise manpower and staff related costs of Finance, Human Resource, Community Partnership, IT/Facilities/Admin, Quality Service, Strategic Planning and Research and Chief Executive Officer's office. Support costs are apportioned to the relevant activity cost category they support based on the basis as disclosed in Note 13.

d) Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund ("CPF") are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution plan.

e) Taxation

The Association and its subsidiary are registered charities under the Charities Act and are exempted from income tax under the Income Tax Act.

3. Significant accounting policies (cont'd)

f) Property, plant and equipment

Property, plant and equipment are carried at cost less accumulated depreciation.

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 basis:

	Years
Leasehold building	remaining lease period
Leasehold improvements	5
Office and other equipment	5
Furniture and fittings	5
Computers	3
Motor vehicles	10

The depreciation period is reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision are recognised in the statement of financial activities when the changes arise. No depreciation is provided on construction in progress until the construction is completed. Assets transferred by the Association are depreciated over their remaining estimated useful lives.

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

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 amount of the asset and is recognised in the statement of financial activities.

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

g) Investment properties

Investment properties, comprising freehold properties, are held on a long-term basis for its investment potential and rental income. Investment properties are stated at cost, less accumulated depreciation and any impairment in value.

Depreciation is provided in equal instalments using the straight-line method over the estimated useful life of the depreciable asset. Freehold land is not depreciated and freehold buildings are depreciated over 50 years.

The estimated useful lives and depreciation method of the investment properties are reviewed and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the statement of financial activities when the changes arise.

Gain or loss arising on disposal of the investment properties is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in the statement of financial activities.

h) Impairment of investment property

Investment property is assessed for indications of impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If any such indication exists, the recoverable amount of the investment property shall be estimated. Whenever the carrying amount of the investment property exceeds its recoverable amount, an impairment loss is recognised in the statement of financial activities.

3. Significant accounting policies (cont'd)**h) Impairment of investment property (cont'd)**

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recognised in the statement of financial activities. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for that investment property in prior years.

i) Investments in financial assets

The Group's investments in financial assets, which comprise investments in bonds are initially measured at transaction price excluding transaction costs. The investment is subsequently measured at amortised cost using the effective interest method less any accumulated impairment losses. Transaction costs are recognised as expenditure immediately in the statement of financial activities.

At each balance sheet date, if there is objective evidence of impairment, the carrying amount of the asset is reduced by an allowance for impairment and the impairment loss is recognised in the statement of financial activities.

This allowance, calculated as the difference between the asset's carrying amount and the undiscounted future cash flows that the Group expects to receive from the financial assets is recognised in the statement of financial activities in the period in which the impairment occurs. Impairment loss is reversed through the statement of financial activities if the impairment loss decrease can be related objectively to an event occurring after the impairment loss was recognised. The reversal of impairment loss shall not result in the carrying value of the investment exceeding transaction price.

j) Receivables

Receivables, excluding prepayments, are measured at initial recognition at transaction price, excluding transaction costs, if any. Transaction costs shall be recognised as expenditure in the statement of financial activities. Prepayments shall be initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, trade and other receivables, excluding prepayments, shall be measured at cost less any accumulated impairment losses. Prepayments shall be measured at the amount paid less the economic resources received or consumed during the financial period.

At each balance sheet date, where there is objective evidence that a receivable is impaired, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial activities. The allowance recognised is measured as the difference between the asset's carrying amount and the undiscounted future cash flows that the Group expects to receive from the receivables. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the statement of financial activities.

k) Payables

Payables are initially measured at transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Accruals shall be recognised at the best estimate of the amount payable.

3. Significant accounting policies (cont'd)**l) Operating leases**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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 balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

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.

n) Unrestricted funds

Unrestricted funds are classified into two categories:

Unrestricted non-designated funds

These represent funds received by the Group that are expendable for any activity within the Group at the discretion of the Board of Management in furtherance of the Group's charitable objectives.

Unrestricted designated funds

These represent funds that have been received by the Group specifically for one of its many programmes, or have been ear-marked for a specific programme or a specific purpose within a programme by the Association's Board of Management. If part of the unrestricted designated fund of a programme is set aside for a particular purpose by the Board of Management, it may be designated as a separate fund within the programme but the designation has an administrative purpose only, and does not restrict the Board of Management from transferring or re-designating the fund for another purpose within the same programme. Funds that have been transferred from unrestricted non-designated funds by the Board of Management and designated for a specific purpose or programme, may at its discretion be transferred back to the non-designated unrestricted funds.

Funds which are received by the Group specifically for a programme are strictly classified and retained with the programme and is not available for use by any of the other programmes of the Group. If, however, in rare instances where a transfer of funds between programmes is required, a request will be put up for approval to the relevant funding government agencies or organisations and the transfer effected only after receipt of such approval.

o) Restricted income funds

Restricted income funds are funds subject to specific trusts, which may be declared by the donors or with their authority such as in the literature of a public appeal or created through legal process, but still within the wider objects of the Group.

3. Significant accounting policies (cont'd)**p) Funds**

Unless specifically indicated, fund balances are not represented by any specific assets or liabilities but are represented by all assets of the Group.

q) Deferred Capital grant for AWWA Centre For Care Education and Social Service ("ACCESS") Building

Government grants for the ACCESS Building and other capital expenditure are taken to the Deferred Capital grant account, which are part of the Group's restricted income funds. The annual depreciation of the related property plant and equipment funded by the grants is calculated over the useful lives of the property, plant and equipment and charged to Deferred Capital grant account.

r) Deferred Capital Asset donations for ACCESS Building

Donations for the ACCESS Building and other capital expenditure are taken to the Deferred Capital Asset donations account for ACCESS Building which is part of the Group's restricted income funds. Donations are transferred to Deferred Capital fund account when the donations are utilised to purchase property, plant and equipment. Specific expenditure incurred for the maintenance and upgrading of the ACCESS Building are taken to the Deferred Capital Asset donations account.

s) Deferred Capital fund

Deferred Capital fund comprises capital grants to fund property, plant and equipment purchased, and transfers made from Deferred Capital Asset donations for ACCESS Building fund, Designated funds and Restricted funds. Transfers are made to the Deferred Capital fund when amounts are utilised for purchase of property, plant and equipment using funds which are specifically donated or received for the purchase of property, plant and equipment. The depreciation of the assets purchased with the related donation and grants are taken to the Deferred Capital fund over the useful lives of the related assets.

t) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Depreciation of property, plant and equipment

Management periodically reviews the estimated useful lives and residual values of property, plant and equipment during the financial year for reasonableness. The carrying amounts of the Group's property plant and equipment and details of a change in estimate during the financial year are disclosed in Note 15. The Group's property, plant and equipment are currently depreciated on a straight line basis, over the estimated useful lives of between 3 to 10 years [Note 3(f)].

The factors considered in assessing the reasonableness of the useful lives include changes in operations and activities of the Group; changes in the Singapore Land Authority's land lease terms for the building and its operations; the assets' expected level of usage and technological developments. These could impact the economic useful lives and the residual values of the assets. Therefore future depreciation charges may change if the estimates are revised.

4. Voluntary income

	Unrestricted funds \$	Restricted income funds \$	Total 2017 \$	Total 2016 \$
Group				
Donations	1,870,190	605,689	2,475,879	2,887,239

During the financial year, the Subsidiary issued tax deductible receipts for donations totalling \$1,315,728 (2016: \$2,901,508). Included in the amount is income deferred of \$nil (2016: \$1,002,433).

5. Activities for generating funds

	Unrestricted funds \$	Restricted income funds \$	Total 2017 \$	Total 2016 \$
Group				
Income from fundraising events	543,835	-	543,835	359,010

6. Investment income

	Unrestricted funds \$	Restricted income funds \$	Total 2017 \$	Total 2016 \$
Group				
Bank interest income	139,827	-	139,827	20,161
Interest income - Bonds	136,492	-	136,492	138,781
Rental income	240,535	-	240,535	240,000
	516,854	-	516,854	398,942
Association				
Bank interest income	121	-	121	52
Rental income	240,000	-	240,000	240,000
	240,121	-	240,121	240,052

7. Income from charitable activities

	Unrestricted funds	Restricted income funds	Total 2017	Total 2016
	\$	\$	\$	\$
Group				
Programme and school fees	2,872,871	–	2,872,871	2,163,504
Therapist income	1,110,833	85,562	1,196,395	581,441
Transport fees	339,115	–	339,115	365,504
Government subventions	29,799,677	1,843,394	31,643,071	27,366,446
Subsidy for rental expenses	722,096	–	722,096	722,096
Other grants and incentives	424,059	–	424,059	414,531
Wage credit/Special employment credit	1,072,478	–	1,072,478	463,952
Miscellaneous income	107,383	11,803	119,186	96,291
	36,448,512	1,940,759	38,389,271	32,173,765
Association				
Miscellaneous income	345	–	345	475

8. Cost of generating voluntary income

	Unrestricted funds	Restricted income funds	Total 2017	Total 2016
	\$	\$	\$	\$
Group				
Allocated manpower costs (Note 13)	209,076	–	209,076	223,517

9. Fundraising costs

	Unrestricted funds	Restricted income funds	Total 2017	Total 2016
	\$	\$	\$	\$
Group				
Expenditure for fundraising events	56,109	–	56,109	44,080
Allocated manpower costs (Note 13)	42,812	–	42,812	27,793
	98,921	–	98,921	71,873

10. Investment management costs

	Unrestricted funds	Restricted income funds	Total 2017	Total 2016
	\$	\$	\$	\$
Group and Association				
Depreciation of investment properties (Note 16)	12,510	–	12,510	12,512
Property tax	34,600	–	34,600	34,600
Others	–	–	–	9,284
	47,110	–	47,110	56,396

11. Charitable activities

	Unrestricted funds	Restricted income funds	Total 2017	Total 2016
	\$	\$	\$	\$
Group				
Manpower and staff related costs	29,962,401	1,022,992	30,985,393	24,137,751
Depreciation of property, plant and equipment (Note 15)	336,822	3,951,223	4,288,045	3,859,154
Property, plant and equipment written off	9,829	–	9,829	9,300
Programme activities	1,361,515	991,484	2,352,999	2,709,089
Repairs, maintenance and utilities	1,968,397	52,159	2,020,556	1,914,470
Replacement/purchase of equipment	194,505	319,546	514,051	285,816
Supplies and materials	569,228	90,393	659,621	663,772
Others	416,958	47	417,005	612,746
	34,819,655	6,427,844	41,247,499	34,192,098
Association				
Manpower and staff related costs	209	–	209	–
Programme activities	3,430	–	3,430	–
Repairs, maintenance and utilities	4,280	–	4,280	–
Others	180,960	–	180,960	17,646
	188,879	–	188,879	17,646

12. Governance costs

	Unrestricted funds	Restricted income funds	Total 2017	Total 2016
	\$	\$	\$	\$
Group				
Auditor's remuneration	85,341	–	85,341	76,094
Board meeting expenses and training	9,262	–	9,262	5,925
Internal audit fees	34,969	–	34,969	11,690
	129,572	–	129,572	93,709
Association				
Auditor's remuneration	5,350	–	5,350	–

The governance costs include costs of preparation and examination of statutory accounts, the cost of holding Board of Management meetings and cost of governance arrangement which relate to the general running of the Group.

13. Support costs

	Cost of generating voluntary activities	Fundraising activities	Charitable activities	Total costs
	\$	\$	\$	\$
Group				
2017				
Manpower costs	209,076	42,812	3,022,046	3,273,934
2016				
Manpower costs	223,517	27,793	2,490,716	2,742,026

The allocation of support costs is based on the ratio of income of the respective category of activity over total income of the Subsidiary excluding investment income. Support costs comprise manpower and staff related costs of Finance, Human Resource, Community Partnership, IT/Facilities/Admin, Quality Service, Strategic Planning and Research and Chief Executive Officer's office.

14. Employee benefits

	Group	
	2017	2016
	\$	\$
Short-term employee benefits	27,449,720	21,491,887
Contributions to defined contribution plan	3,787,561	2,897,174
	31,237,281	24,389,061

Short-term employee benefits include staff salaries, bonuses, welfare and training expenses.

Included in the above are remuneration paid to key management personnel as follows:

	Group	
	2017	2016
	\$	\$
Short-term employee benefits	1,129,930	1,042,176
Contributions to defined contribution plan	110,513	97,329
	1,240,443	1,139,505

None of the members of the Board of Management and their close family members has received any remuneration, benefits, allowances or any other manner of compensation from the Association.

15. Property, plant and equipment

Group 2017 Cost	Leasehold building \$	Leasehold improvements \$	Office and other equipment \$	Furniture and fittings \$	Computers \$	Motor vehicles \$	Construction in progress \$	Total \$
At 1.4.2016	13,908,294	4,765,139	1,438,648	472,961	491,841	826,174	365,523	22,268,580
Additions	–	352,053	39,134	70,190	356,600	3,995	–	821,972
Written off	–	(20,438)	(49,473)	(23,487)	(9,660)	(850)	–	(103,908)
Reclassification	–	365,523	–	–	–	–	(365,523)	–
At 31.3.2017	13,908,294	5,462,277	1,428,309	519,664	838,781	829,319	–	22,986,644
Accumulated depreciation								
At 1.4.2016	10,134,036	1,720,241	1,012,877	295,225	395,371	637,768	–	14,195,518
Depreciation	3,019,409	949,561	114,449	57,600	118,137	28,889	–	4,288,045
Written off	–	(20,438)	(40,055)	(23,487)	(9,660)	(439)	–	(94,079)
At 31.3.2017	13,153,445	2,649,364	1,087,271	329,338	503,848	666,218	–	18,389,484
Net carrying value								
At 31.3.2017	754,849	2,812,913	341,038	190,326	334,933	163,101	–	4,597,160

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15. Property, plant and equipment (cont'd)

Group 2016 Cost	Leasehold building \$	Leasehold improvements \$	Office and other equipment \$	Furniture and fittings \$	Computers \$	Motor vehicles \$	Construction in progress \$	Total \$
At 1.4.2015	13,908,294	2,696,153	1,112,556	455,281	436,958	830,972	–	19,440,214
Additions	–	2,068,986	330,946	25,084	65,052	–	365,523	2,855,591
Written off	–	–	(4,854)	(7,404)	(10,169)	(4,798)	–	(27,225)
At 31.3.2016	13,908,294	4,765,139	1,438,648	472,961	491,841	826,174	365,523	22,268,580
Accumulated depreciation								
At 1.4.2015	7,114,628	1,134,853	930,319	248,418	337,713	588,358	–	10,354,289
Depreciation	3,019,408	585,388	87,254	53,229	62,226	51,649	–	3,859,154
Written off	–	–	(4,696)	(6,422)	(4,568)	(2,239)	–	(17,925)
At 31.3.2016	10,134,036	1,720,241	1,012,877	295,225	395,371	637,768	–	14,195,518
Net carrying value								
At 31.3.2016	3,774,258	3,044,898	425,771	177,736	96,470	188,406	365,523	8,073,062

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15. Property, plant and equipment (cont'd)

	Leasehold building \$	Leasehold improvements \$	Office and other equipment \$	Furniture and fittings \$	Computers \$	Motor vehicles \$	Total \$
Association							
2016							
Cost							
At 1.4.2015	13,908,294	2,696,153	1,112,556	455,281	436,958	830,972	19,440,214
Transfer to subsidiary (Note 2)	(13,908,294)	(2,696,153)	(1,112,556)	(455,281)	(436,958)	(830,972)	(19,440,214)
At 31.3.2016	–	–	–	–	–	–	–
Accumulated depreciation							
At 1.4.2015	7,114,628	1,134,853	930,319	248,418	337,713	588,358	10,354,289
Transfer to subsidiary (Note 2)	(7,114,628)	(1,134,853)	(930,319)	(248,418)	(337,713)	(588,358)	(10,354,289)
At 31.3.2016	–	–	–	–	–	–	–
Net carrying value							
At 31.3.2016	–	–	–	–	–	–	–

Depreciation is charged as follows:

	Group	
	2017 \$	2016 \$
Unrestricted funds	336,822	290,104
Deferred Capital grant for ACCESS Building	1,805,938	1,805,938
Deferred Capital funds	2,145,285	1,763,112
Restricted income funds	3,951,223	3,569,050
	4,288,045	3,859,154

16. Investment properties

	Group and Association \$
2017	
Cost	
At 1 April 2015, 31 March 2016 and 31 March 2017	2,152,011
Accumulated depreciation	
At 1 April 2015	325,233
Depreciation	12,512
At 31 March 2016	337,745
Depreciation	12,510
At 31 March 2017	350,255
Net carrying value	
At 31 March 2017	1,801,756
At 31 March 2016	1,814,266

The net carrying value of freehold land and buildings as at the balance sheet date are as follows:

	Group and Association	
	2017 \$	2016 \$
Freehold land	1,526,556	1,526,556
Buildings	275,200	287,710
	1,801,756	1,814,266

For the purpose of calculating depreciation of freehold buildings, the costs attributed to freehold land and buildings as at the balance sheet date are as follows:

	Group and Association	
	2017 \$	2016 \$
Freehold land	1,526,556	1,526,556
Buildings	625,455	625,455
	2,152,011	2,152,011

The fair values of the investment properties as at 31 March 2017 amounted to \$12,000,000 (2016: \$11,900,000). The fair values of the investment properties were determined by reference to a valuation performed by an independent valuer on 31 March 2017 (2016: 27 June 2016). The valuer adopted the market data approach in their valuation and this approach is based primarily on a comparison of the investment properties with other similar properties which have been sold recently, plus current asking prices and offers, thereby establishing a measure of market reaction to the subject properties. In the process of comparison, adjustments are made to account for differences in the properties. The investment properties are located in Singapore.

17. Investments in financial assets

	Group	
	2017 \$	2016 \$
<i>Bonds</i>		
Balance at beginning of financial year	3,536,364	3,053,842
Additional investments	–	2,037,750
Less: Redemption	(1,500,000)	(1,519,141)
Amortisation of premium and premium written off upon redemption of bonds	(23,929)	(36,087)
Balance at end of financial year	2,012,435	3,536,364
<i>Representing:</i>		
Non-current asset	1,511,710	2,024,306
Current asset	500,725	1,512,058
	2,012,435	3,536,364

The investments in financial assets represent investment in bonds issued in Singapore which earn fixed interest ranging from 2.54% to 4.75% (2016: 2.54% to 4.90%) per annum and maturing from December 2017 to October 2019 (2016: August 2016 to October 2019).

18. Receivables

	Group		Association	
	2017 \$	2016 \$	2017 \$	2016 \$
Interest receivable	58,316	47,676	–	–
Prepayments	180,119	133,463	–	–
Deposits	66,574	56,890	–	–
Grant receivables	4,159,914	3,186,648	–	–
Sundry receivables	580,388	811,879	40,000	75,000
	5,045,311	4,236,556	40,000	75,000

19. Cash and cash equivalents

	Group		Association	
	2017 \$	2016 \$	2017 \$	2016 \$
Bank and cash balances	14,525,947	11,659,320	273,966	794,984
Bank balance for provision for gratuity (Note 21)	329,423	288,901	–	–
Fixed deposits	9,220,426	8,690,726	–	–
	24,075,796	20,638,947	273,966	794,984

Fixed deposits bear interest at interest rates ranging from 0.25% to 1.88% (2016: 0.18% to 1.88%) per annum at the balance sheet date and mature within 3 to 18 months after the balance sheet date (2016: 2 to 11 months). Included in fixed deposits are restricted amounts of \$168,714 (2016: \$337,428) which is pledged to a bank as security for the land lease, and bank balance of \$329,423 (2016: \$288,901) which is set aside for provision for gratuity for foreign staff.

20. Payables

	Group		Association	
	2017 \$	2016 \$	2017 \$	2016 \$
Accrued operating expenses	2,298,413	1,586,569	–	–
Amount due to subsidiary (a)	–	–	64,583	632,446
Refundable deposits	270,523	214,012	45,000	45,000
Sundry creditors	1,012,479	1,575,784	208	–
Grants received in excess of entitlement (b)	59,297	187,346	–	–
Deferred income (c)	854,494	1,908,486	–	–
	4,495,206	5,472,197	109,791	677,446

(a) The amount due to subsidiary is non-trade, interest-free and repayable on demand.

(b) At the balance sheet date, Management reviews the government grants and funding received by the Group during the financial year and accounts for any underfunding and/or overfunding of grants. Management computes and estimates these underfunding and/or overfunding amounts with reference to the funding agreements for the respective programmes and grants. The final underfunding amounts receivable (Note 18) and/or overfunding amounts payable are evaluated and finalised by the respective Government agencies subsequent to the balance sheet date. Adjustments to the underfunding and overfunding accruals arising from finalisation by the Government Agencies are credited/charged to the statement of financial activities in the financial year in which the evaluation is completed.

(c) At the balance sheet date, included in \$854,494 (2016: \$1,908,486) are funds totalling \$nil (2016: \$1,002,433) which have been deferred as approval for the activities to be funded have yet to be received at the balance sheet date. Additionally, funding of \$307,833 (2016: \$906,053) was received in advance specifically for the operations of the Kindle Garden Preschool programme and \$496,869 (2016: \$nil) was for AWWA School.

21. Provision for gratuity

The provision for gratuity was created in January 1999 by the Association in connection with the gratuity payment scheme implemented by the Association for the benefit of its foreign staff. This provision and the gratuity payment scheme were transferred to its Subsidiary and will be continued by the Subsidiary with the transfer to employers from the Association to the Subsidiary during the previous financial year. The contributions will be paid to the respective staff upon completion of the duration of their employment contracts. The provision for gratuity is calculated on a monthly basis with reference to the foreign staff's monthly salary multiplied by the comparable Singapore Central Provident Fund rates that is paid for local staff.

The movements during the financial year are as follows:

	Group	
	2017 \$	2016 \$
Balance at the beginning of financial year	288,901	169,283
Provision made	289,682	190,108
Interest income received during the financial year	–	18
Payments during the financial year	(249,160)	(70,508)
Balance at the end of financial year	329,423	288,901

22. Unrestricted funds

(a) Unrestricted non-designated fund

	Balance at 1.4.2016 \$	Income \$	Expenditure \$	Net income \$	Fund transfer \$	Balance at 31.3.2017 \$
2017						
Group	681,694	2,463,536	(2,450,422)	13,114	-	694,808
	Balance at 1.4.2015 \$	Income \$	Expenditure \$	Net expenditure \$	Fund transfer \$	Balance at 31.3.2016 \$
2016						
Group	547,502	2,216,343	(2,251,506)	(35,163)	169,355	681,694
	Balance at 1.4.2016 \$	Income \$	Expenditure \$	Net expenditure \$	Fund transfer \$	Balance at 31.3.2017 \$
2017						
Association	(4,963)	466	(9,649)	(9,183)	-	(14,146)
	Balance at 1.4.2015 \$	Income \$	Expenditure \$	Net expenditure \$	Transfer to subsidiary \$ (Note 2)	Balance at 31.3.2016 \$
2016						
Association	547,502	527	(5,490)	(4,963)	(547,502)	(4,963)

22. Unrestricted funds (cont'd)

(b) Unrestricted designated funds

Each programme of the Group maintains separate accounts for funds received and to be utilised for general activities within the programme as well as funds designated by Management of the respective programmes for specific designated use within the programme. The consolidated balances and movements in these funds are presented below:

	Balance at 1.4.2016 \$	Income \$	Expenditure \$	Net income/ (expenditure) \$	Fund transfer \$	Balance at 31.3.2017 \$
Group						
2017						
Association	2,011,767	240,000	(231,690)	8,310	-	2,020,077
AWWA HQ	1,314,046	1,355,474	(609,791)	745,683	-	2,059,729
Resource and Training	483,819	288,731	(395,164)	(106,433)	-	377,386
Family Service Centre	1,816,247	2,474,113	(2,264,749)	209,364	8,896	2,034,507
Community Integration						
Service	3,122,239	2,849,517	(2,473,630)	375,887	-	3,498,126
Special Student Care						
Centre	725,455	880,810	(777,212)	103,598	-	829,053
AWWA School	3,075,324	9,739,717	(8,829,260)	910,457	-	3,985,781
Senior Community Home	1,992,199	1,636,453	(1,459,281)	177,172	(3,834)	2,165,537
Rehab and Day Care						
Centre	2,130,256	1,974,270	(1,226,702)	747,568	63,386	2,941,210
Senior Activity Centre	431,004	369,819	(200,667)	169,152	-	600,156
Dementia Day Care						
Centre	(135,153)	996,395	(614,223)	382,172	(82,884)	164,135
Personal Care Service						
(Senior)	(35,010)	289,696	(283,270)	6,426	-	(28,584)
Early Intervention						
Centre - Hougang	2,498,699	6,227,141	(5,743,088)	484,053	(3,500)	2,979,252
Caregiver Service	295,422	716,633	(1,097,640)	(381,007)	-	(85,585)
Allied Health						
Professional Group	942,634	6,178,904	(5,698,237)	480,667	-	1,423,301
Preschool Support						
Service - DSP	391,850	951,457	(956,681)	(5,224)	2,230	388,856
Preschool Support						
Service - ISPPA	13,750	(11,485)	(35)	(11,520)	(2,230)	-
Personal Care						
Service (Disability)	(13,255)	210,620	(249,192)	(38,572)	-	(51,827)
Outsource Service	122,000	1,416,776	(1,516,739)	(99,963)	-	22,037
Kindle Garden Preschool	694,968	1,042,179	(1,041,198)	981	-	695,949
Centre Based Nursing	14,406	84,041	(215)	83,826	-	98,232
Personal Care Service						
Plus (Disability)	106,257	253,460	(187,999)	65,461	-	171,718
Early Intervention						
Centre - Fernvale	-	725,457	(880,518)	(155,061)	-	(155,061)
Early Intervention						
Centre - Kim Keat	-	735,595	(886,896)	(151,301)	-	(151,301)
Integrated Home &						
Day Care	-	46,556	(10,238)	36,318	-	36,318
	21,998,924	41,672,329	(37,634,315)	4,038,014	(17,936)	26,019,002
Inter-Programme						
Elimination	(75,456)	(4,756,474)	4,756,474	-	75,456	-
	21,923,468	36,915,855	(32,877,841)	4,038,014	57,520	26,019,002

22. Unrestricted funds (cont'd)*(b) Unrestricted designated fund (cont'd)*

Group	Balance at 1.4.2015 \$	Income \$	Expenditure \$	Net income/ (expenditure) \$	Fund transfer \$	Balance at 31.3.2016 \$
2016						
Association	1,840,319	240,000	(68,552)	171,448	–	2,011,767
AWWA HQ	1,391,611	1,181,022	(1,089,232)	91,790	(169,355)	1,314,046
Resource and Training	478,473	312,363	(307,017)	5,346	–	483,819
Family Service Centre	1,769,509	2,320,688	(2,273,950)	46,738	–	1,816,247
Community Integration Service	2,859,944	2,744,047	(2,481,752)	262,295	–	3,122,239
Special Student Care Centre	435,157	887,659	(597,361)	290,298	–	725,455
AWWA School	2,351,082	9,095,707	(8,340,423)	755,284	(31,042)	3,075,324
Senior Community Home	1,846,045	1,708,852	(1,562,698)	146,154	–	1,992,199
Rehab and Day Care Centre	1,515,835	1,773,645	(1,159,224)	614,421	–	2,130,256
Senior Activity Centre	313,488	318,482	(200,966)	117,516	–	431,004
Dementia Day Care Centre	(13,154)	436,366	(558,365)	(121,999)	–	(135,153)
Personal Care Service (Senior)	(5,446)	272,463	(302,027)	(29,564)	–	(35,010)
Early Intervention Centre	2,260,468	4,556,428	(4,308,937)	247,491	(9,260)	2,498,699
Caregiver Service	622,887	488,535	(816,000)	(327,465)	–	295,422
Allied Health						
Professional Group	258,933	4,335,761	(3,652,060)	683,701	–	942,634
Preschool Support Service - DSP	378,253	906,187	(892,590)	13,597	–	391,850
Preschool Support Service - ISPPA	133,192	(46,689)	(72,753)	(119,442)	–	13,750
Personal Care Service (Disability)	12,668	205,634	(231,557)	(25,923)	–	(13,255)
Outsource Service	44,623	691,283	(613,906)	77,377	–	122,000
Kindle Garden Preschool	10,953	2,630,767	(656,196)	1,974,571	(1,290,556)	694,968
Centre Based Nursing	–	14,406	–	14,406	–	14,406
Personal Care Service Plus (Disability)	–	250,660	(144,403)	106,257	–	106,257
	18,504,840	35,324,266	(30,329,969)	4,994,297	(1,500,213)	21,998,924
Inter-Programme Elimination	–	(3,498,912)	3,423,456	(75,456)	–	(75,456)
	18,504,840	31,825,354	(26,906,513)	4,918,841	(1,500,213)	21,923,468

Included in the respective programmes' unrestricted designated funds are funds which have been designated by Management to be utilised for specific purposes within the respective programmes such as Equipment fund, Programme development fund, Special Project fund and others.

Programmes with closing balances in deficit will be funded if required by AWWA HQ's unrestricted non-designated fund.

During the financial year, an amount of \$nil (2016: \$1,290,556) was transferred to Restricted fund - Deferred Capital fund upon purchase of certain assets for Kindle Garden Preschool.

22. Unrestricted funds (cont'd)*(b) Unrestricted designated fund (cont'd)*

Association	Balance at 1.4.2016 \$	Income \$	Expenditure \$	Net income \$	Balance at 31.3.2017 \$	
2017						
Association	2,011,767	240,000	(231,690)	8,310	2,020,077	
	Balance at 1.4.2015 \$	Income \$	Expenditure \$	Net income \$	Transfer to Subsidiary \$	Balance at 31.3.2016 \$
2016					(Note 2)	
Association	1,840,319	240,000	(68,552)	171,448	–	2,011,767
AWWA HQ	1,391,611	–	–	–	(1,391,611)	–
Resource and Training	478,473	–	–	–	(478,473)	–
Family Service Centre	1,769,509	–	–	–	(1,769,509)	–
Community Integration Service	2,859,944	–	–	–	(2,859,944)	–
Special Student Care Centre	435,157	–	–	–	(435,157)	–
AWWA School	2,351,082	–	–	–	(2,351,082)	–
Senior Community Home	1,846,045	–	–	–	(1,846,045)	–
Rehab and Day Care Centre	1,515,835	–	–	–	(1,515,835)	–
Senior Activity Centre	313,488	–	–	–	(313,488)	–
Dementia Day Care Centre	(13,154)	–	–	–	13,154	–
Personal Care Service (Senior)	(5,446)	–	–	–	5,446	–
Early Intervention Centre	2,260,468	–	–	–	(2,260,468)	–
Caregiver Service	622,887	–	–	–	(622,887)	–
Allied Health						
Professional Group	258,933	–	–	–	(258,933)	–
Preschool Support Service - DSP	378,253	–	–	–	(378,253)	–
Preschool Support Service - ISPPA	133,192	–	–	–	(133,192)	–
Personal Care Service (Disability)	12,668	–	–	–	(12,668)	–
Outsource Service	44,623	–	–	–	(44,623)	–
Kindle Garden Preschool	10,953	–	–	–	(10,953)	–
	18,504,840	240,000	(68,552)	171,448	(16,664,521)	2,011,767

23. Restricted funds - Restricted income funds

	Balance at			Net income/	Fund	Balance at
	1.4.2016	Income	Expenditure	(expenditure)	transfer	31.3.2017
	\$	\$	\$	\$	\$	\$
2017 - Group						
<i>Funds represented by</i>						
<i>cash:</i>						
Client's fund	608,035	150,728	(185,361)	(34,633)	(48,554)	524,848
Community Silver						
Trust fund	1,254,233	450,126	(1,150,966)	(700,840)	(126,116)	427,277
Equipment fund	155,674	363,748	(251,015)	112,733	5,601	274,008
Pupil Welfare	360,311	36,167	(30,338)	5,829	-	366,140
Staff Training Vote	93,896	7,834	(97,806)	(89,972)	-	3,924
Deferred Capital Asset						
donations for						
ACCESS Building	400,661	-	(124,685)	(124,685)	-	275,976
Sensory Playground	(25,000)	31,400	-	31,400	-	6,400
Care and Share fund	263,618	675,000	(312,696)	362,304	(521,540)	104,382
HSC IT Project	-	301,827	(15,016)	286,811	(286,847)	(36)
Others	243,169	325,214	(308,738)	16,476	26,379	286,024
	3,354,597	2,342,044	(2,476,621)	(134,577)	(951,077)	2,268,943
<i>Funds represented by</i>						
<i>property, plant and</i>						
<i>equipment:</i>						
Deferred Capital						
grants for ACCESS						
Building	2,252,594	-	(1,805,938)*	(1,805,938)	-	446,656
Deferred Capital fund						
[Note 3(s)]	4,325,744	204,404	(2,145,285)*	(1,940,881)	893,557	3,278,420
	6,578,338	204,404	(3,951,223)	(3,746,819)	893,557	3,725,076
Total	9,932,935	2,546,448	(6,427,844)	(3,881,396)	(57,520)	5,994,019

23. Restricted funds - Restricted income funds (cont'd)

	Balance at			Net income/	Fund	Balance at
	1.4.2015	Income	Expenditure	(expenditure)	transfer	31.3.2016
	\$	\$	\$	\$	\$	\$
2016 - Group						
<i>Funds represented by</i>						
<i>cash:</i>						
Client's fund	531,518	285,497	(208,980)	76,517	-	608,035
Community Silver						
Trust fund	1,463,502	-	(209,269)	(209,269)	-	1,254,233
Equipment fund	212,984	62,213	(69,103)	(6,890)	(50,420)	155,674
Pupil Welfare	314,800	165,110	(119,599)	45,511	-	360,311
Staff Training Vote	84,161	89,235	(79,500)	9,735	-	93,896
Deferred Capital Asset						
donations for						
ACCESS Building	513,297	-	(112,636)	(112,636)	-	400,661
Sensory Playground	300,000	-	-	-	(325,000)	(25,000)
Care and Share fund	300,000	375,000	(411,382)	(36,382)	-	263,618
Others	315,943	660,808	(733,582)	(72,774)	-	243,169
	4,036,205	1,637,863	(1,944,051)	(306,188)	(375,420)	3,354,597
<i>Funds represented by</i>						
<i>property, plant and</i>						
<i>equipment:</i>						
Deferred Capital						
grants for ACCESS						
Building	4,058,532	-	(1,805,938)*	(1,805,938)	-	2,252,594
Deferred Capital fund						
[Note 3(s)]	4,245,742	139,396	(1,765,672)*	(1,626,276)	1,706,278	4,325,744
	8,304,274	139,396	(3,571,610)	(3,432,214)	1,706,278	6,578,338
Total	12,340,479	1,777,259	(5,515,661)	(3,738,402)	1,330,858	9,932,935

* Included in restricted fund are depreciation relating to leasehold building of \$3,019,409 (2016: \$3,019,408) (Note 15) of which \$1,805,938 (2016: \$1,805,938) is included in Deferred Capital grants for ACCESS Building and \$1,213,471 (2016: \$1,213,470) is included in Deferred Capital fund.

(a) The restricted income funds are represented by the following:

	Group	
	2017	2016
	\$	\$
Assets		
Property, plant and equipment		
- Leasehold building	754,849	3,774,258
- Leasehold improvements	2,291,189	2,458,751
- Office and other equipment	201,405	205,463
- Furniture and fittings	64,092	36,259
- Computers	319,459	52,279
- Motor vehicles	94,082	51,328
	3,725,076	6,578,338
Cash and cash equivalents	2,268,943	3,354,597
	5,994,019	9,932,935

23. Restricted funds - Restricted income funds (cont'd)

(b) The purposes of the major restricted income funds are set out below:

Clients' fund

To provide financial assistance to clients.

Community Silver Trust fund

Community Silver Trust ("CST") is a Trust managed by the Ministry of Health ("MOH") and Ministry of Social and Family Development ("MSF"). The objective of CST is to encourage donations and provide additional resources for the service providers in the intermediate and long term care sector to enhance capabilities and provide value-added services to achieve higher quality care and affordable step down care.

Deferred Capital grants for ACCESS Building

The fund comprise government grants for the ACCESS Building and other related capital expenditure.

Deferred Capital Asset donations for ACCESS Building

To fund the cost of capital expenditure, upgrading, repair and maintenance, including any consultancy, professional fees and staff costs for maintenance of the premise to be incurred for AWWA Centre For Care Education and Social Service ("ACCESS") Building located at Nos. 9 and 11 Lorong Napiri, Singapore.

Deferred Capital fund

This fund comprise transfers made from Deferred Capital Asset donations for ACCESS Building fund, Designated funds and Restricted funds. Transfers are made to the Deferred Capital fund when amounts are utilised for purchases of property, plant and equipment using funds which are specifically donated or received for purchases of property, plant and equipment. The depreciation charge of the assets purchased with the related donation and grants are taken to the Deferred Capital fund over the useful lives of the related assets.

Equipment fund

To fund renovation costs and purchase and replacement of equipment/furniture, educational hardware and software for the improvement of the programmes provided to clients and the purchase of equipment such as wheelchairs for needy clients.

Pupil Welfare

To provide subsidies on school and transport fees and other financial assistance to needy students. To fund the purchase, replacement, upgrade and maintenance of the school bus.

Staff Training Vote

This represents grant from MOE for staff to receive training and professional development.

23. Restricted funds - Restricted income funds (cont'd)

(b) The purposes of the major restricted income funds are set out below (cont'd):

Sensory Playground

This represents funding received to finance the costs of a playground built for children with special needs to meet their learning and physical needs. It is a wet and dry play area suitable for children with Autism Spectrum Disorders and physical disabilities.

Care and Share fund

This represents a dollar for a dollar matching for eligible donations raised and shall be used to develop social service related Voluntary Welfare Organisations and their programmes to better serve the beneficiaries. The grant shall be used for both capability and capacity building.

HSC IT Project

This represent funding to finance the on-going cost of customer relationship management system.

24. Reserve management

The Group's accumulated reserves are made up of unrestricted and restricted funds. The accumulated reserves are annually reviewed to ensure long term sustainability and the Group targets for its unrestricted fund to be up to two years of its operational expenditure.

25. Commitments**(a) Capital commitments**

Capital commitments not provided for in the financial statements:

	2017	Group	2016
	\$		\$
Expenditure for plant and equipment, approved by Board of Management but not contracted for	–		198,440
Expenditure for plant and equipment, approved by Board of Management and contracted for	50,000		502,710
			700,150

(b) Lease commitments - as lessee

At the balance sheet date, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	2017	Group	2016
	\$		\$
Within one financial year	168,714		674,856
In the second to third financial year inclusive	–		168,714
	168,714		843,570

Operating lease payments represent land lease rentals payable by the Group for its leasehold building. Leases are negotiated for a term of three years.

The land rental expenses are fully subsidised by MOE and MSF.

25. Commitments (cont'd)

(c) Lease commitments - as lessor

The Association leases out its investment properties to non-related parties under non-cancellable operating leases. The lease agreement has remaining lease terms of 19 (2016: 31) months at the balance sheet date.

The future minimum lease receivable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivable, are as follows:

	Association	
	2017	2016
	\$	\$
Within one financial year	180,000	180,000
In the second to fifth financial year inclusive	112,500	292,500
	<u>292,500</u>	<u>472,500</u>

The lease includes a clause for contingent rent which is determined based on monthly rents net of operating costs collected by the lessee for the financial year up to a maximum of \$60,000 per annum. Contingent rent income recoverable for the financial year totaled \$60,000 (2016: \$75,000).

26. Authorisation of financial statements

The financial statements of the Group and Association for the financial year ended 31 March 2017 were authorised for issue in accordance with a resolution of the Board of Management dated 28 July 2017.



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