

Financial statements

Yellow Ribbon Fund

31 December 2019

Fund information

Fund registration number	T04CC1808H
IPC number	IPC000045
Charity registration number	01808
Registered office	980 Upper Changi Road North Singapore 507708
Main Committee	Cheng Wai Wing Edmund (Chairman) ⁽¹⁾ Keith Tan Keng Soon (Vice-Chairman) Ng Jiak See (Vice-Chairman) ⁽¹⁾ Matthew Wee Yik Keong (Secretary) Goh Soo Lim (Treasurer) Woo Woh Kuan Christopher (Board Member) Lai Siu Chiu (Board Member) Lee Kim Shin (Board Member) Liok Wei Theng Natasha Marie (Board Member) Lim Zhi Yang (Board Member) Tan Kian Hoon (Board Member) ⁽¹⁾ Mohamed Fazal bin Abd Hamid (Board Member) ⁽¹⁾ Woo Tsung Yuan, Francis James (Board Member) ⁽¹⁾ Terrance Goh Leng Chuang (Board Member) ⁽²⁾ <u>Term ended:</u> Wong Ai Ai (Chairman) ⁽³⁾ Manraj Singh Sekhon (Vice-Chairman) ⁽³⁾ Charlotte Yew Li Lin (Board Member) ⁽³⁾ Asad Jumabhoy (Board Member) ⁽³⁾ Nazri Hadi Saparin (Board Member) ⁽³⁾ Mohamed Abdul Jaleel (Board Member) ⁽³⁾ Shie Yong Lee (Board Member) ⁽⁴⁾
	⁽¹⁾ Appointed on 1 January 2020 ⁽²⁾ Appointed on 1 March 2019 ⁽³⁾ Term ended on 31 December 2019 ⁽⁴⁾ Term ended on 1 March 2019
Bankers	DBS Bank CIMB Bank Standard Chartered Bank (Singapore) Limited
Auditor	Foo Kon Tan LLP Public Accountants and Chartered Accountants 24 Raffles Place #07-03 Clifford Centre Singapore 048621

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Main Committee's statement for the financial year ended 31 December 2019

In our opinion,

- (a) the financial statements of the Yellow Ribbon Fund (the "Fund") are drawn up in accordance to the provisions of the Charities Act (Chapter 37) and Financial Reporting Standards in Singapore so as to present fairly the state of affairs of the Fund as at 31 December 2019 and the results, changes in funds and cash flows of the Fund for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Fund will be able to pay its debts as and when they fall due.

On behalf of the Main Committee



.....
MR CHENG WAI WING EDMUND
Chairman



.....
MR GOH SOO LIM
Treasurer

Dated: 8 May 2020

Independent auditor's report to the member of the Yellow Ribbon Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Yellow Ribbon Fund (the "Fund"), which comprise the statement of financial position as at 31 December 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Charities Act, Chapter 37 (the "Act") and other relevant regulations (the Charities Act and Regulations) and Singapore Financial Reporting Standards ("FRS") so as to present fairly, in all material aspects, the state of affairs of the Fund as at 31 December 2019 and the activities, changes in funds and cash flows of the Fund for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSA"). 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 Fund 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 Main Committee is responsible for the other information. The other information comprises the Main Committee's Statement in page 1. We have not read the full content in the annual report.

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 when it becomes available, 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. When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Independent auditor's report to the member of Yellow Ribbon Fund (Cont'd)

Responsibilities of Main Committee for the Financial Statements

The Main Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and FRS, and for such internal control as the Main Committee 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 Main Committee is responsible for assessing the Fund'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 Main Committee either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Main Committee's responsibilities include overseeing the Fund'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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Main Committee.
- Conclude on the appropriateness of the Main Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund'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 Fund to cease to continue as a going concern.

Independent auditor's report to the member of Yellow Ribbon Fund (Cont'd)

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Other matter

The financial statements for the year ended 31 December 2018 were audited by another firm of auditors whose report dated 13 May 2019 expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Fund have been properly kept in accordance with the provision of the Charities Act, Chapter 37 and other relevant regulations.

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

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



Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 8 May 2020

Statement of financial position as at 31 December 2019

	Note	31 December 2019 \$	31 December 2018 \$
ASSETS			
Non-current asset			
Equipment	3	-	6,017
Other receivables	4	9,350	9,350
		9,350	15,367
Current assets			
Other receivables	4	425,105	282,568
Prepayments		-	6,954
Fixed deposits	5	4,521,347	1,349,786
Cash and bank balances	6	1,766,562	5,319,731
		6,713,014	6,959,039
Total assets		6,722,364	6,974,406
FUNDS AND LIABILITIES			
Funds			
<i>Unrestricted Fund:</i>			
General fund		3,235,662	3,773,895
<i>Designated Fund:</i>			
Yellow Ribbon Children Fund		627,309	622,309
<i>Restricted Fund:</i>			
Care and Share Grant		558,290	714,044
Changi Foundation		161,549	-
CIMB STAR Bursary		342,946	-
MES STAR Bursary		165,349	186,681
SAL STAR Bursary		620,709	502,032
Springer Singapore STAR Bursary		7,089	7,089
STAR Bursary		313,141	258,141
Subhas Anandan STAR Bursary		251,824	181,611
Surbana Jurong STAR Bursary		13,735	29,166
Temasek Cares Bursary		39,925	44,925
VCF Consultancy Grant		18,832	15,000
Yellow Ribbon Fund-Acronis IT Skills Programme		71,336	41,110
		2,564,725	1,979,799
Total funds		6,427,696	6,376,003
Current liabilities			
Other payables	8	294,668	598,403
Total funds and liabilities		6,722,364	6,974,406

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of financial activities

for the financial year ended 31 December 2019

	Note	Year ended 31 December 2019 \$	Year ended 31 December 2018 \$
Income			
Donation income		521,636	966,277
Donation in kind		-	30,000
Events income		1,437,800	945,608
Grants and bursary		1,160,329	1,836,738
Sales of items		-	1,400
Miscellaneous income		-	114,840
Total income	9	3,119,765	3,894,863
Less: General expenditure			
Audit fees		46,149	13,952
Accounting fee		35,400	9,300
Bank charges		4,021	2,119
Depreciation expense	4	6,017	18,047
Fund raising expenses	11	212,247	123,216
General and miscellaneous expenses		9,481	110,718
Manpower cost	10	455,761	358,821
Other event expenses		13,974	69,128
Printing and stationery		5,870	3,160
Transport		4,426	7,548
YBR programme expenses		(17,103)	64,602
Total general expenditure		776,243	780,611
Operating surplus for the year		2,343,522	3,114,252
Add/(less): Other income/(expenditure)			
Disbursement of funds	12	(2,336,330)	(1,766,457)
Interest income		44,501	18,039
		(2,291,829)	(1,748,418)
Surplus for the year		51,693	1,365,834
Surplus for the year is attributable as follows:			
Unrestricted Fund:			
- General fund		(490,107)	556,643
Designated Fund:			
- Yellow Ribbon Children Fund		5,000	81,042
Restricted Fund:			
- Care and Share Grant		(203,880)	725,465
- Changi Foundation		161,549	(17,011)
- CIMB STAR Bursary		342,946	-
- ISCOG Fairy Godparent Programme		-	(92,450)
- MES STAR Bursary		(21,332)	(17,186)
- SAL STAR Bursary		118,677	31,387
- Springer Singapore STAR Bursary		-	(4,533)
- STAR Bursary		55,000	144,620
- Subhas Anandan STAR Bursary		70,213	(54,204)
- Surbana Jurong STAR Bursary		(15,431)	(12,359)
- Temasek Cares Bursary		(5,000)	(31,690)
- VCF Consultancy Grant		3,832	15,000
- Yellow Ribbon Fund-Acronis IT Skills Programme		30,226	41,110
		51,693	1,365,834

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of changes in funds for the financial year ended 31 December 2019

	Unrestricted Fund		Restricted Fund											Yellow Ribbon Fund - Total Funds					
	General Fund	\$	SCORE Skills Training	Yellow Ribbon Children Fund	Care Share Grant	Changi Foundation	CIMB STAR Bursary	ISCOS Fairy Godparent Programme	MES STAR Bursary	SAL STAR Bursary	Springer Singapore STAR Bursary	STAR Bursary	Subhas Anandan STAR Bursary	Surbana Jurong STAR Bursary	Temasek Cares Bursary	VCF Consultancy Grant	Yellow Ribbon Prestige Children	Yellow Ribbon Fund - Acronis IT Skills Programme	\$
At 1 January 2018	3,213,613		20,650	-	(11,421)	-	-	92,450	203,867	470,645	11,622	113,521	235,815	41,525	76,615	-	541,267	-	5,010,169
Transfer of funds	3,639		(20,650)	541,267	-	17,011	-	-	-	-	-	-	-	-	-	(541,267)	-	-	
Surplus/(deficit) for the year (Note 7)	556,643		-	81,042	725,465	(17,011)	-	(92,450)	(17,186)	31,387	(4,533)	144,620	(54,204)	(12,359)	(31,690)	15,000	-	41,110	1,365,834
At 31 December 2018	3,773,895		-	622,309	714,044	-	-	-	186,681	502,032	7,089	258,141	161,611	29,166	44,925	15,000	-	41,110	6,376,003
Reclassification	(48,126)		-	-	48,126	-	-	-	-	-	-	-	-	-	-	-	-	-	
Surplus/(deficit) for the year (Note 7)	(490,107)		-	5,000	(203,880)	161,549	342,946	-	(21,332)	118,677	-	55,000	70,213	(15,431)	(5,000)	3,832	-	30,226	51,693
At 31 December 2019	3,235,662		-	627,309	558,290	161,549	342,946	-	165,349	620,709	7,089	313,141	251,824	13,735	39,925	18,832	-	71,336	6,427,696

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of cash flows

for the financial year ended 31 December 2019

	Year ended 31 December 2019 \$	Year ended 31 December 2018 \$
Cash flows from operating activities		
Surplus for the year	51,693	1,365,834
Adjustments for:		
Depreciation of equipment	6,017	18,047
Interest income	(44,501)	(18,039)
Operating surplus before working capital changes	13,209	1,365,842
Other receivables	(119,518)	76,131
Prepayments	6,954	(1,389)
Other payables	(303,735)	315,974
Net cash generated from operating activities	(403,090)	1,756,558
Cash flows from investing activities		
Interest received	21,482	9,951
Net cash generated from investing activities	21,482	9,951
Net (decrease)/ increase in cash and bank balances	(381,608)	1,766,509
Changes in fixed deposits	(3,171,561)	(9,826)
Cash and bank balances at the beginning of the year	5,319,731	3,563,049
Cash and bank balances at the end of the year (Note 7)	1,766,562	5,319,731

No reconciliation is required as the Fund did not have cash flows from financing activities in the current and previous financial years.

Notes to the financial statements

for the financial year ended 31 December 2019

1 General information

The Yellow Ribbon Fund (the "Fund") was established by the Singapore Corporation of Rehabilitative Enterprises ("SCORE") in June 2004 and managed by a Main Committee. The Fund was registered under the Charities Act (Chapter 37) on 9 September 2004.

The Fund has been approved as an Institution of a Public Character ("IPC") under the Charities Act (Cap.37) up to 30 April 2020, under the preview of the Ministry of Social and Family Development. Its principal place of business is located at 980 Upper Changi Road North, Singapore 507708.

The primary objectives of the Fund are:

- (a) To provide financial support for the provision of rehabilitative and aftercare services to prisoners and inmates before and after their discharge from custody and to assist the provision by others of such services;
- (b) To provide financial support for public awareness programmes aimed at creating awareness in giving second chances to ex-offenders and inspiring community action to support the rehabilitation and reintegration of ex-offenders; and
- (c) To provide financial support for services associated with rehabilitation and reintegration for family members of prisoners and inmates before and after their discharge from custody.

The financial statements for the financial year ended 31 December 2019 were authorised for issue by the Main Committee on the date of the Main Committee's Statement.

2(a) Basis of preparation

The financial statements are prepared in accordance with applicable Singapore Financial Reporting Standards ("FRS"), including related Interpretations promulgated by the Accounting Standards Council. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollar which is the Fund's functional currency. All financial information has been presented in Singapore dollar, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

2(a) Basis of preparation (Cont'd)**Significant accounting estimates and judgements**

The preparation of financial statements in conformity with FRS requires the Fund's management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities and the disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of income and expenditures during the financial year. Although these estimates are based on Main Committee's best knowledge of current events and actions, actual result may differ from those estimates.

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 and in any future periods affected.

There are no critical accounting estimates and assumptions used and areas involving a high degree of judgement.

2(b) Interpretations and amendments to published standards effective in 2019

The Fund's management do not anticipate that the adoption of the FRSs in 2019 will have a material impact on the financial statements of the Fund in the period of their initial adoption.

2(c) FRS issued but not yet effective

At the date of authorisation of these financial statements, the Fund has not adopted the new and revised FRS INT FRS and amendments of FRS that have been issued but are not yet effective to them. The Fund's management anticipates that the adoption of these new and revised FRS pronouncements in future periods will not have a material impact on the Fund's financial statements in the period of their initial application, except as discussed below:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to FRS 1 and FRS 8	Definition of Material	1 January 2020

Amendments to FRS 1 and FRS 8: Definition of Material

The amendments are intended to make the definition of 'material' in FRS 1 easier to understand and are not intended to alter the underlying concept of materiality in FRS. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition. The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of 'materiality' in FRS 8 has been replaced by a reference to the definition of 'material' in FRS 8. In addition, the other FRS and the *Conceptual Framework*, which contain a definition of 'material' or refer to the term 'material', have been updated to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after 1 January 2020, with earlier application permitted.

The Fund's management does not anticipate that the adoption of the above FRS in the future period will have a material impact on the financial statements of the Fund in the period of their initial adoption.

2(d) Summary of significant accounting policies**Equipment**

All items of equipment are initially recorded at cost. Subsequent to recognition, equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Fund's management.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Computer and software licences: 3 years

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful lives and depreciation method are reviewed and adjusted as appropriate at the reporting date.

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

Financial instruments

Financial instruments carried on the statement of financial position include financial assets and financial liabilities. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These are recognised on the Fund's statement of financial position when the Fund become a party to the contractual provisions of the instrument. Disclosures of the Fund's financial risk management objectives and policies are provided in Note 14.

Financial assets and financial liabilities are offset and the net amount presented on the statement of financial position when, and only when, the Fund currently has a legally enforceable right to set off the recognised amounts, and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets**Initial recognition and measurement**

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Fund's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Fund has applied the practical expedient, the Fund initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Fund expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not contain a significant financing component at initial recognition.

2(d) Summary of significant accounting policies (Cont'd)**Financial instruments (Cont'd)***Financial assets (Cont'd)*Initial recognition and measurement (Cont'd)

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are “solely payments of principal and interest” (“SPPI”) on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Fund’s business model for managing financial assets refer to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at FVOCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at FVOCI with no recycling of cumulative gains and losses upon derecognition (equity instruments); or
- Financial assets at FVTPL

The Fund does not hold any financial assets at FVOCI or financial assets at FVTPL.

Subsequent measurement of debt instruments depends on the Fund’s business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding the asset.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in the statement of financial activities when the assets are derecognised or impaired, and through amortisation process.

The Fund’s financial assets at amortised cost comprise other receivables, fixed deposits and cash and bank balances.

Impairment of financial assets

The Fund’s management assesses on a forward-looking basis, the expected credit losses (“ECLs”) associated with its debt instrument assets carried at amortised cost and FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Fund expect to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECLs). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (lifetime ECLs).

2(d) Summary of significant accounting policies (Cont'd)**Financial instruments (Cont'd)***Financial assets (Cont'd)*Impairment of financial assets (Cont'd)

For other receivables, the Fund measures the loss allowance at an amount equal to lifetime ECLs. Therefore, the Fund does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Fund has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Fund's management considers a financial asset to be in default when internal or external information indicates that the Fund is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Fund.

At the end of each reporting period, the Fund assess whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Fund on terms that the Fund would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial liabilitiesInitial recognition and measurement

The Fund's management determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVTPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVTPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in the statement of financial activities when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of financial activities.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and fixed deposits.

2(d) Summary of significant accounting policies (Cont'd)**Employee benefits**Defined contribution plans

The Fund makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. A key executive officer is considered key management personnel.

Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Fund if that person:
 - (i) has control or joint control over the Fund;
 - (ii) has significant influence over the Fund; or
 - (iii) is a member of the key management personnel of the Fund.

- (b) An entity is related to the Fund if any of the following conditions applies:
 - (i) the entity and the Fund are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) both entities are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Fund. If the Fund is itself such a plan, the sponsoring employers are also related to the Association;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity; or
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Incoming resources

Incoming resources are measured based on the consideration to which the Fund expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Incoming resources are when the Fund satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Donations (cash or in kind) and grants and bursary

Donation income and grants and bursary are recognised at the timing of receipt of donation whether in cash or in asset (in-kind).

(b) Events income

Income from events is recognised at the timing of receipt of event income.

Notes to the financial statements for the financial year ended 31 December 2019

2(d) Summary of significant accounting policies (Cont'd)**Incoming resources (Cont'd)**(c) Sale of items

Sale of items income is recognised when the goods are delivered to the donors and all criteria for acceptance have been satisfied.

(d) Interest income

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

(e) Rendering of service income

Rendering of service including miscellaneous income is recognised when the services are rendered.

Government grant

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grant shall be recognised in the statement of financial activities on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in statement of financial activities, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting that related expenses.

Functional currencyFunctional and presentation currency

Items included in the financial statements of the Fund are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of the Fund are presented in Singapore dollar, which is also the functional currency of the Fund.

Conversion of foreign currenciesTransactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in statement of financial activities.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the translations.

3 Equipment

Computer and software licence	2019	2018
		\$
Cost		
At the beginning and end of the year	54,143	54,143
<u>Accumulated depreciation</u>		
At the beginning of the year	48,126	30,079
Depreciation for the year	6,017	18,047
At the end of the year	54,143	48,126
Net carrying amount	-	6,017

Notes to the financial statements for the financial year ended 31 December 2019

4 Other receivables

	2019	2018
	\$	\$
Non-current:		
- Other receivables	9,350	9,350
Current:		
- Amounts due from Singapore Corporation of Rehabilitative Enterprises ("SCORE")	348,715	241,028
- Interest receivable	33,274	10,255
- Other receivables	43,116	31,285
	425,105	282,568
	434,455	291,918

Amounts due from SCORE and other receivables are non-trade in nature, unsecured, non-interest bearing, repayable on demand and are to be settled in cash.

Other receivables are denominated in Singapore Dollar.

5 Fixed deposits

	2019	2018
	\$	\$
Fixed deposits	4,521,347	1,349,786

Fixed deposits mature within six months to one year from the date of placement and bears interest at rates ranging from 0.7% to 2.00% (2018 - 0.20% to 1.62%) per annum.

Fixed deposits are denominated in Singapore Dollar.

6 Cash and bank balances

	2019	2018
	\$	\$
Cash on hand	150	150
Cash at banks	1,766,412	5,319,581
	1,766,562	5,319,731

Cash at banks and on hand are denominated in Singapore Dollar.

Yellow Ribbon Fund

Notes to the financial statements for the financial year ended 31 December 2019

7 Fund account transactions

	Restricted Fund														Total Funds \$	
	Unrestricted Fund	Designated Fund	Yellow Ribbon Children Fund	Care and Share Grant	Changi Foundation	CIMB STAR Bursary	ISCOS Fairy Godparent Programme	MES STAR Bursary	SAL STAR Bursary	Springer Singapore STAR Bursary	STAR Bursary	Subhas Anandan STAR Bursary	Surbana Jurong STAR Bursary	Temasek Cares Bursary		VCF Consultancy Grant
2019																
Fund received																
Donations income																
Events income																
Grants and bursary																
	1,959,436	5,000	5,000	-	250,900	450,000	103,900	-	136,016	-	55,000	90,681	-	18,832	50,000	521,636
	776,243	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Fund utilised																
Total expenditure																
Disbursement of fund (Note 12)	1,717,801	-	203,880	89,351	107,054	103,900	21,332	17,339	20,468	15,431	5,000	15,000	19,774	15,000	19,774	2,336,330
	2,494,044	-	203,880	89,351	107,054	103,900	21,332	17,339	20,468	15,431	5,000	15,000	19,774	15,000	19,774	3,112,573
Interest income	44,501	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44,501
Surplus/(deficit) for the year	(490,107)	5,000	(203,880)	161,549	342,946	-	(21,332)	118,677	70,213	(15,431)	(5,000)	3,832	30,226	51,693		
2018																
Fund received																
Donations income																
Donations in kind																
Events income																
Grants and bursary																
Sale of items																
Miscellaneous income																
	2,028,125	81,042	1,065,000	157,500	342,946	193,100	-	110,476	144,620	-	-	-	-	15,000	100,000	114,840
	780,611	-	-	-	-	-	-	-	-	-	-	-	-	-	-	780,611
Less: Fund utilised																
Total expenditure																
Disbursement of fund (Note 12)	708,910	-	339,535	174,511	285,550	285,550	17,186	79,089	54,204	12,359	31,690	15,000	58,990	15,000	58,990	1,766,457
	1,489,521	-	339,535	174,511	285,550	285,550	17,186	79,089	54,204	12,359	31,690	15,000	58,990	15,000	58,990	2,547,068
Interest income	18,039	-	-	-	-	-	-	-	-	-	-	-	-	-	-	18,039
Surplus/(deficit) for the year	556,643	81,042	725,465	(17,011)	(92,450)	(17,186)	31,387	(4,533)	(54,204)	(12,359)	(31,690)	15,000	41,110	1,365,834		

7 Fund account transactions (Cont'd)**(i) General fund**

The general fund represents accumulated surpluses and is for the purpose of meeting operating expenses incurred by the Fund.

(ii) Yellow Ribbon Children Fund

The Yellow Ribbon Children Fund is to provide financial support for family and children programmes and services.

(iii) Care and Share Grant

This fund was set up with the following objectives:

- (a) To bring the nation together to show care and concern for the less fortunate;
- (b) To recognise the contributions made by Volunteer Welfare Organisations ("VWOs") over the years; and
- (c) To invest in building capability in the social service sector to meet future needs beyond 2015.

Ministry of Social and Family Development (MSF) agreed to provide YRF a grant of up to S\$2,900,000 ("the Grant") which shall be computed on the basis that MSF will disburse a dollar and twenty-five cents for every eligible donation dollar for the first S\$1,000,000 that YRF raises, a dollar for every eligible donation dollar for the subsequent S\$1,000,000 that YRF raises, and sixty-five cents for every eligible donation dollar for the next subsequent S\$1,000,000 that YRF raises between 1 December 2013 and 31 March 2016 ("the matching period").

(iv) Changi Foundation

Changi Foundation is to provide grant to the Recipient for the purpose of Yellow Brick Road Programme whereby it target on academic and emotional support to children and youths during their parents' incarceration, as well as case management support to the caregivers.

(v) CIMB STAR Bursary

The CIMB Star bursary aims to provide 3 key initiatives that are, inmates release packs for newly released inmates; education support for YRF STAR Bursary Programme; and "Back to School" packs for children with incarcerated parents, respectively.

(vi) ISCOS Fairy Godparent Programme ("YISCOSFGP")

The Yellow Ribbon YISCOSFGP fund is to provide children of ex-offenders better family support and a conducive home study environment.

(vii) MES STAR Bursary

Mini Environment Service (MES) STAR Bursary Fund aims to support financially needy ex-offenders seeking vocational and skills training. This helps ex-offenders by training them for jobs so that they have a purpose in life, earn a living for themselves and their families, and regain their self-respect.

7 Fund account transactions (Cont'd)**(viii) SAL STAR Bursary**

SAL Skills Training Assistance to Restart (STAR) Bursary Fund aims to support financially needy ex-offenders seeking vocational and skills training. This helps ex-offenders by training them for jobs so that they have a purpose in life, earn a living for themselves and their families, and regain their self-respect.

The SAL STAR Bursary covers up to 100% of recipients' course fees and is part of a larger STAR Bursary which has supported financially needy ex-offenders seeking vocational and skills training since 2010.

(ix) Springer Singapore STAR Bursary

This fund aims to provide ex-offenders the financial support they need to obtain vocational and skills training, so that they have a purpose in life, earn a living for themselves and their families and regain their self-respect.

(x) Star Bursary (YSB)

The Yellow Ribbon YSB fund is to provide financial support for ex-offenders in a form of paying their course fee or giving them living allowance.

(xi) Subhas Anandan STAR Bursary

This fund aims to help in the rehabilitation and reintegration of ex-offenders.

(xii) Surbana Jurong STAR Bursary

This fund aims to provide ex-offenders the financial support they need to obtain vocational and skills training, so that they have a purpose in life, earn a living for themselves and their families and regain their self-respect.

(xii) Temasek Cares Bursary

This fund aims to provide financial support to enable the ex-offenders to pursue training and education, helping them to gain skills for employment and self-sufficiency. Vocational training, skills upgrading and further education improve their employability and re-integration into society.

(xiv) VCF Consultancy Grant

VCF Consultancy Grant provides co-funding for the engagement of external consultants for governance and management consultancy projects. The grant covers consultancy projects by external consultants to improve key governance and management areas, for example, conducting a review on policies covering regulatory compliance, internal controls and governance best practices.

(xv) Yellow Ribbon Fund – Acronis IT Skills Programme

Yellow Ribbon Fund-Acronis IT Skills Programme is to provide for the IT educational programs in the forms of both cash and services donation in the amount of not less than SGD1 million over the course of 10 years.

Notes to the financial statements for the financial year ended 31 December 2019

8 Other payables

	2019 \$	2018 \$
Amounts due to SCORE	149,558	109,652
Other payables	57,511	324,853
Accruals	87,599	133,898
Financial liabilities at amortised cost	294,668	568,403
Prepaid donations	-	30,000
	294,668	598,403

Other payables are non-trade in nature, unsecured, non-interest bearing, normally settled within 90 days or on demand and are to be settled in cash.

Other payables are denominated in Singapore Dollar.

9 Income

	2019 \$	2018 \$
General Fund:		
General donations	521,636	966,277
Events income	1,437,800	945,608
Sales of items	-	1,400
Miscellaneous income	-	114,840
Total income for general fund	1,959,436	2,028,125
Grants and bursary income:		
Designated fund:		
- Yellow Ribbon Prestige Children Fund	5,000	81,042
Total income for designated fund	5,000	81,042
Restricted fund:		
- Care and Share Grant	-	1,065,000
- Changi Foundation	250,900	157,500
- CIMB STAR Bursary	450,000	-
- ISCOS Fairy Godparent Programme	103,900	193,100
- SAL STAR Bursary	136,016	110,476
- Star Bursary	55,000	144,620
- Subhas Anandan STAR Bursary	90,681	-
- VCF Consultancy Grant	18,832	15,000
- Yellow Ribbon Fund-Acronis IT Skills Programme	50,000	100,000
Total income for restricted fund	1,155,329	1,785,696
Total grants and bursary income	1,160,329	1,866,738
Total income	3,119,765	3,894,863
Represented by:		
Tax-deductible donations	2,513,380	2,299,836
Non tax-deductible donations	606,385	1,595,027
	3,119,765	3,894,863

Notes to the financial statements for the financial year ended 31 December 2019

10 Manpower costs

	2019 \$	2018 \$
Salaries and related costs	383,019	311,581
Employer's contributions to Central Provident Fund	72,742	47,240
	455,761	358,821

11 Fund raising expenses

	2019 \$	2018 \$
Charity Golf	-	59,280
Gala Dinner Expenses	203,024	2,980
Dining Behind Bars Expenses	9,223	60,956
	212,247	123,216

Total expenses incurred on public fund-raising appeals in the financial year did not exceed 30% of the total donations collected through the public appeals in the same year. The Fund had complied with the requirements on the 30/70 fund-raising rule set out in Regulation 15 of Charities (Institutions of a Public Character) Regulations.

12 Disbursement of funds

This represents funding to various agencies for children programmes, reintegration programmes for ex-offenders and family support programmes for inmates.

13 Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Fund with related parties at agreed rates:

	2019 \$	2018 \$
<u>With Committee members</u>		
Donations received	43,665	121,710
Events income	104,700	-
<u>With SCORE</u>		
Donations received	77,275	-
Staff costs	504,290	401,236

As at the balance sheet date, there are 7 employees (2018: 7 employees) who are seconded to the Fund by SCORE. Related party transactions are based on terms agreed between the parties.

During the year, no loans were given to any employee, Main Committee's member or any other parties.

Notes to the financial statements for the financial year ended 31 December 2019

13 Significant related party transactions (Cont'd)

The Fund did not have any transaction with key management personnel and the annual remuneration (comprising basic salary, bonuses, allowances and employer's contributions to Central Provident Fund) of the three highest paid staff classified by remuneration bands are as follows:

	2019 No. of staff	2018 No. of staff
Annual remuneration		
- S\$50,001 to S\$100,000	4	2
- more than S\$100,000	1	1

14 Financial risk management objectives and policies

The Fund's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, interest rate risk and liquidity risk.

The Main Committee reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is and has been throughout the current and previous financial year, the Fund's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Fund's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Fund's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Fund.

The Fund's exposure to credit risk arises primarily from other receivables.

The Fund establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables. The allowance account in respect of other receivables is used to record impairment losses unless the Association is satisfied that no recovery of the amount owing is possible.

At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the reporting date, the other receivables are neither past due nor impaired. They are based on the creditworthiness of the counterparties, credit quality and past collection history of the receivables.

As the Fund does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

The Fund's major classes of financial assets are other receivables, fixed deposits and cash and bank balances. Cash and fixed deposits are placed with financial institutions which are regulated and have good credit ratings. Further details of credit risks on other receivables are disclosed in Note 4.

Notes to the financial statements for the financial year ended 31 December 2019

14 Financial risk management objectives and policies (Cont'd)**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Fund's financial instruments will fluctuate because of changes in market interest rates.

The Fund's exposure to interest rate risk arises primarily from its variable rate fixed deposits.

For fixed deposits at variable rates, an increase/decrease of 50 basis points in interest rate at the reporting date would not have a material impact on the total comprehensive income for the year and total funds as at the balance sheet date. This analysis assumes that all other variables, in particular foreign currency rates, remain constant and does not take into account the associated tax effect.

Liquidity risk

Liquidity or funding risk is the risk that the Fund will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Fund maintains sufficient level of cash and cash equivalents to finance the Fund's operations and mitigate the effects of fluctuation in cash flows.

The table below analyses the maturity profile of the Fund's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount \$	Contractual cash flows \$	Less than 1 year \$	More than 1 year \$
At 31 December 2019				
Other payables (Note 8)	294,667	294,667	294,667	-
At 31 December 2018				
Other payables (Note 8)	568,403	568,403	568,403	-

15 Fair value measurementDefinition of fair value

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The notional amounts of financial assets and liabilities with a maturity of less than one year (including other receivables, cash and cash equivalents, trade and other payables) approximate their fair values because of the short period to maturity.

16 Financial instruments by category

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	2019 \$	2018 \$
Financial assets measured at amortised cost		
Other receivables (Note 4)	434,455	291,918
Fixed deposits (Note 5)	4,521,347	1,349,786
Cash and bank balances (Note 6)	1,766,562	5,319,731
Total financial assets measured at amortised cost	6,722,364	6,961,435
Financial liabilities measured at amortised cost		
Other payables (Note 8)	294,667	568,403

17 Conflict of interest

Members of the Main Committee are required to disclose any interest that they may have, whether directly or indirectly, that Fund may enter into or in any organisations that the Fund has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Fund's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Main Committee members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

18 Fund management policy

The objectives of the Main Committee when managing funds are:

- (a) to safeguard the Fund's ability to continue as going concerns; and
- (b) to provide capital for the purpose of promoting the economic, social, cultural, physical and intellectual advancement of the Eurasian community in Singapore.

The Main Committee actively and regularly reviews and manages its funds structure to ensure optimal capital structure, taking into consideration the future requirements, prevailing and projected profitability, projected operating cash flows and projected capital expenditures.

The Main Committee monitors funds using the annual-operating-expenditure-to-total-funds ratio.

	2019 \$	2018 \$
Total operating expenditure excluding depreciation expense (A)	776,243	780,611
Total funds (B)	6,427,696	6,376,033
Annual-operating-expenditure-to-total-funds ratio (times) (A)/(B)	12%	12%

The Fund is not subject to externally imposed capital requirements. There were no changes in the Association's approach to capital management during the year.

19 Reserve position and policy

The primary objective of the Fund's reserves management policy is to provide financial stability and the means to support its ongoing programmes and develop its principal activities.

The Main Committee periodically reviews the amount of reserves that are required to ensure that they are adequate to fulfil the fund's continuing obligations.

The Fund is not subject to externally imposed capital requirements.

There were no changes to the Fund's approach to reserves management during the year.

Notes to the financial statements for the financial year ended 31 December 2019

20 Prior year's reclassifications

The following financial statement captions in the statement of financial position and the statement of financial activities for the financial year as at/ended 31 December 2018 have been reclassified to conform to current year's presentation.

	As previously reported 2018	Reclassifications	As adjusted 2018
	\$	\$	\$
Statement of financial activities			
Income			
Donation income	1,466,549	(500,271)	966,277
Events income	864,098	81,510	945,608
Grants and bursary	1,417,976	418,762	1,836,738
General Expenditure			
Charity golf expenses	59,280	(59,280)	-
Community art exhibition expenses	1,482	(1,482)	-
Fund raising expenses	123,913	(697)	123,216
Other event expenses	7,669	61,459	69,128
Depreciation expense	-	18,047	18,047
Disbursement of funds	1,784,504	(18,047)	1,766,457
Statement of changes in funds			
Unrestricted Fund:			
General Fund	3,808,953	(35,058)	3,773,895
Restricted Fud:			
Care and Share Grant	722,523	18,047	740,570
Changi Foundation	(17,011)	17,011	-