

Yellow Ribbon Fund
(Registration Number: T04CC1808H)
(IPC No.: IPC000045)
(Charity Registration Number: 01808)

**Executive Committee's Statement and
Financial Statements
Financial Year Ended 31 December 2017**

KONG, LIM & PARTNERS LLP
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**Yellow Ribbon Fund
Executive Committee's Statement
For the financial year ended 31 December 2017**

Executive Committee

Mrs Wong Ai Ai (Chairman)
Mr Keith Tan Keng Soon (Vice Chairman)
Mr Manraj Singh Sekhon (Vice Chairman)
Mr Stanley Tang Soong Jing (Secretary)
Mr Woo Woh Kuan Christopher (Treasurer)
Mr Asad Jumabhoy (Board Member)
Ms Charlotte Yew Li Lin (Board Member)
Ms Natasha Liok (Board Member)
Mr Ajay Kanwal (Board Member)
Mr Mohamed Abdul Jaleel S/O Muthumaricar Shaik Mohamed (Board Member)
Mr Nazri Hadi Saparin (Board Member)
Mr How Kwang Hwee (Board Member)
Ms Lai Siu Chiu (Board Member)
Mdm Shie Yong Lee (Board Member)

Registered Office

407 Upper Changi Road North
20km (Within Prison HQ Complex, Blk B)
Singapore 507658

Auditor

Kong, Lim & Partners LLP

Principal Bankers

DBS Bank
Standard Chartered Bank (Singapore) Limited

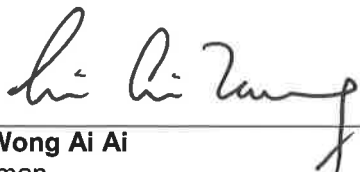
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**Yellow Ribbon Fund
Executive Committee's Statement
For the financial year ended 31 December 2017**

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 Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Fund as at 31 December 2017 and the results, changes in accumulated fund 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 Executive Committee,



Mrs Wong Ai Ai
Chairman



Mr Woo Woh Kuan Christopher
Treasurer

Singapore, 07 MAY 2018

Independent Auditor's Report to the members of Yellow Ribbon Fund

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Yellow Ribbon Fund (the "Fund"), which comprise the statement of financial position as at 31 December 2017, 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 and other relevant regulations (the Charities Act and Regulations) and Singapore Financial Reporting Standards in Singapore (SFRSs) so as to present fairly, in all material aspects, the state of affairs of the Fund as at 31 December 2017 and the results, changes in equity 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 (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 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 Matter

The financial statements of the Fund for the financial year ended 31 December 2016, were audited by another firm of auditors who expressed an unmodified opinion on those statements on 17 May 2017.

Other Information

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

Our opinion on the financial statements do 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 Yellow Ribbon Fund (continued)

Responsibilities of Executive Committee for the Financial Statements

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

In preparing the financial statements, the Executive 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 Executive Committee either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for 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 Executive Committee.
- Conclude on the appropriateness of Executive Committee' 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 members of Yellow Ribbon Fund (continued)

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

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

We communicate with the Executive Committee 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 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; and



KONG, LIM & PARTNERS LLP
Public Accountants and
Chartered Accountants

Singapore, **07 MAY 2018**

Yellow Ribbon Fund
Statement of Financial Position
As at 31 December 2017

	Note	2017 S\$	2016 S\$
Assets			
Non-current asset			
Equipment	4	24,064	42,111
Current assets			
Other receivables	5	359,960	541,577
Prepayments		5,565	37,921
Fixed deposits	6	1,339,960	1,329,700
Cash at banks and on hand	7	3,563,049	2,779,131
		<u>5,268,534</u>	<u>4,688,329</u>
Total assets		<u>5,292,598</u>	<u>4,730,440</u>
Funds and liabilities			
Funds			
<i>Unrestricted Fund:</i>			
General fund		2,775,103	2,741,054
<i>Designated Fund:</i>			
Emergency fund		-	-
SCORE Skills Training		20,650	20,650
<i>Restricted Fund:</i>			
SAL STAR Bursary		470,645	462,837
Springer Singapore STAR Bursary		11,622	15,028
Subhas Anandan STAR Bursary		235,815	275,677
Surbana Jurong STAR Bursary		41,525	55,614
MES STAR Bursary		203,867	-
Temasek Cares Bursary		76,615	85,936
Care and Share Grant		427,089	479,972
VCF Consultancy Grant		-	-
Yellow Ribbon Prestige Children		541,267	347,055
ISCOS Fairy Godparent Programme		92,450	-
STAR Bursary		113,521	103,521
Total funds		<u>5,010,169</u>	<u>4,587,344</u>
Current liabilities			
Other payables	9	282,429	143,096
Total funds and liabilities		<u>5,292,598</u>	<u>4,730,440</u>

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

Yellow Ribbon Fund
Statement of Financial Activities
For the year ended 31 December 2017

	<u>Note</u>	<u>2017</u> S\$	<u>2016</u> S\$
Income			
Donation income		841,244	962,596
Events income		1,176,870	450,741
Grants and bursary		466,746	643,307
Sales of items		3,596	10,687
Miscellaneous income		11,704	199,984
Total income	10	<u>2,500,160</u>	<u>2,267,315</u>
Less: General expenditure			
Audit fee		4,718	33,019
Bank charges		2,842	1,902
Charity golf expenses		-	62,008
Charity management system maintenance fee		4,280	2,140
Community art exhibition expenses		1,469	3,813
Depreciation of equipment	4	18,047	12,032
Fund raising expenses		221,210	12,974
General and miscellaneous expenses		34,927	26,742
Other event expenses		5,494	22,909
Printing and stationery		1,954	4,303
Production of yellow ribbon pack		-	7,448
Research fee		-	10,000
Staff costs	11	443,415	376,154
Supplies and material cost		-	3,493
Transport		7,306	16,409
Volunteer expenses		-	1,727
YBR programme expenses		64,387	-
YBR tuition fee		264,724	44,936
YMCA youth for course expenses		785	1,095
Total general expenditure		<u>1,075,558</u>	<u>643,104</u>
Operating surplus for the year		<u>1,424,602</u>	<u>1,624,211</u>
Add/(less): Other income/(expenditure)			
Disbursement of funds	12	(1,013,895)	(2,260,921)
Interest income		12,118	8,695
		<u>(1,001,777)</u>	<u>(2,252,226)</u>
Surplus/(deficit) for the year		<u>422,825</u>	<u>(628,015)</u>
Surplus/(deficit) for the year is attributable as follows:			
Unrestricted Fund:			
- General fund		228,072	(240,556)
Designated Fund:			
- Emergency fund		(194,023)	(272,522)
- SCORE Skills Training		-	-
Restricted Fund:			
- SAL STAR Bursary		7,808	86,983
- Springer Singapore STAR Bursary		(3,406)	(6,064)
- Subhas Anandan STAR Bursary		(39,862)	(33,698)
- Surbana Jurong STAR Bursary		(14,089)	(4,785)
- MES STAR Bursary		203,867	-
- Temasek Cares Bursary		(9,321)	29,011
- Care and Share Grant		(52,883)	179,972
- VCF Consultancy Grant		-	(9,800)
- Yellow Ribbon Prestige Children		194,212	(46,036)
- ISCOS Fairy Godparent Programme		92,450	(315,520)
- STAR Bursary		10,000	5,000
		<u>422,825</u>	<u>(628,015)</u>

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

Yellow Ribbon Fund
Statement of Changes in Funds
For the financial year ended 31 December 2017

	Unrestricted Fund		Restricted Fund													Total	S\$
	Designated Fund		Springer Singapore											Yellow Ribbon	ISCOS		
	Emergency fund	SCORE Skills Training	SAL STAR Bursary	STAR Bursary	Subhas Anandian STAR Bursary	Surbana Jurong STAR Bursary	MES STAR Bursary	Temasek Cares Bursary	Care & Share Grant	VCF Consultancy Grant	Children Prestige	Godparent Programme	Fairy	STAR Bursary	S\$	S\$	S\$
Balance as at 1 January 2016	3,254,132	20,650	375,854	21,092	309,375	60,399	-	56,925	300,000	9,800	393,091	315,520	-	98,521	5,215,359		
Transfer of funds (Deficit)/surplus for the year (Note 8)	(272,522)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Balance as at 31 December 2016	(240,556)	(272,522)	86,983	(6,064)	(33,698)	(4,785)	-	29,011	179,972	(9,800)	(46,036)	(315,520)	-	5,000	(628,015)		
Balance as at 31 December 2016	2,741,054	20,650	462,837	15,028	275,677	55,614	-	85,936	479,972	-	347,055	-	-	103,521	4,587,344		
Transfer of funds Surplus/(deficit) for the year (Note 8)	(194,023)	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
Balance as at 31 December 2017	228,072	(194,023)	7,808	(3,406)	(39,862)	(14,089)	203,867	(9,321)	(52,883)	-	194,212	92,450	-	10,000	422,825		
	2,775,103	20,650	470,645	11,622	235,815	41,525	203,867	76,615	427,089	-	541,267	92,450	-	113,521	5,010,169		

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

Yellow Ribbon Fund
Statement of Cash Flows
For the financial year ended 31 December 2017

	2017	2016
	S\$	S\$
Cash flows from operating activities		
Surplus/(deficit) for the year	422,825	(628,015)
Adjustments for:		
Depreciation of equipment	18,047	12,032
Interest income	(12,118)	(8,695)
Operating surplus before working capital changes	428,754	(624,678)
Other receivables	181,617	(375,301)
Prepayments	32,356	(71,112)
Other payables	139,333	(436,134)
Net cash flows generated from/(used in) operating activities	782,060	(1,507,225)
Cash flows from investing activities		
Purchase of equipment	-	(54,143)
Fixed deposits with bank	(10,260)	(9,544)
Interest received	12,118	8,695
Net cash flows generated from/(used in) investing activities	1,858	(54,992)
Net increase/(decrease) in cash at banks and on hand	783,918	(1,562,217)
Cash at banks and on hand at the beginning of financial year	2,779,131	4,341,348
Cash at banks and on hand at the end of financial year (Note 7)	3,563,049	2,779,131

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

Yellow Ribbon Fund
Notes to the financial statements
For the financial year ended 31 December 2017

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

1. General

Yellow Ribbon Fund (the "Fund") was registered under the Charities Act (Chapter 37) and it is also an Institution of Public Character ('IPC') under the Ministry of Social and Family Development. It is located at 407 Upper Changi Road North, 20km (Within Prison HQ Complex, Blk B) Singapore 507658. The Fund had changed its address to 980 Upper Changi Road North, Singapore 507708 with effect from 26 February 2018.

The Fund is established by the Singapore Corporation of Rehabilitative Enterprises ("SCORE") and shall be managed by a committee.

The primary objective of the Fund is:

- (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 2nd chances to ex-offenders and inspiring community action to support the rehabilitation and reintegration of ex-offenders.
- (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.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Fund have been drawn up in accordance with the Singapore Financial Reporting Standards ("SFRS") and the Charities Act, Cap 37. The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 January 2017. The adoption of these standards did not have any material effect on the financial statements.

2.3 Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 January 2017, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards.

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective (continued)

The following standards that have been issued but not yet effective are as follows:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 109 Financial Instruments	1 Jan 2018
Amendments to FRS 7: Disclosure Initiative	1 Jan 2017
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Equipment

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

	<u>Years</u>
Computer and software licence	3

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 useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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 profit or loss in the year the asset is de-recognised.

2.5 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument. The Fund determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, directly attributable transaction costs.

2. Summary of significant accounting policies (continued)

2.5 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit and loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Loans and receivables comprise other receivables, fixed deposits, cash at banks and on hand.

De-recognition

A financial asset is de-recognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument. The Fund determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Such financial liabilities comprise other payables.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, 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 de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.6 Impairment of financial assets

The Fund assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Fund first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Fund determines that no objective evidence of impairment exists for individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

Financial assets carried at amortised cost (continued)

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Fund considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.7 Cash at banks and on hand

Cash at banks and on hand are subject to an insignificant risk of changes in value.

2.8 Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Fund's activities. Income is recognised as follows:

(a) Donations

Donation income is recognised as income upon receipt of such monies.

(b) Events income

Income from events is recognised when the event takes place.

2. Summary of significant accounting policies (continued)

2.8 Income recognition (continued)

(c) Sales of items

Sales of items income is recognised when there is probable that the economic benefits will flow to the Fund and the sales income can be reliably measured. Sales of items income is recognised on cash basis.

(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.

2.9 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 profit or loss 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 profit or loss, either separately or under a general heading such as "Other income". Alternatively, they are deducted in reporting that related expenses.

2.10 Employee benefits

Defined contribution plans

The Company 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.

2.11 Income tax

As a registered charity under the Charities Act, Cap. 37, the Fund is exempt from income tax under Section 13(1)(zm) of the Income Tax Act, Cap. 134.

3. Significant accounting judgments and estimates

The preparation of the Fund's financial statements requires the Executive Committee to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

The Executive Committee is of the opinion that there are no significant judgments made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Significant accounting judgments and estimates (continued)

3.2 Key sources of estimation of uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Fund based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Fund. Such changes are reflected in the assumptions when they occur.

Impairment of loans and receivables

The impairment of other receivables is based on the ageing analysis and Executive Committee's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Fund's other receivables as at 31 December 2017 were S\$359,960 (2016: S\$541,577).

4. Equipment

	Computer and software license S\$	Total S\$
Cost		
At 1 January 2016	-	-
Additions	54,143	54,143
At 31 December 2016	54,143	54,143
Additions	-	-
At 31 December 2017	54,143	54,143
Accumulated depreciation		
At 1 January 2016	-	-
Depreciation	12,032	12,032
At 31 December 2016	12,032	12,032
Depreciation	18,047	18,047
At 31 December 2017	30,079	30,079
Carrying amount		
At 31 December 2016	42,111	42,111
At 31 December 2017	24,064	24,064

Yellow Ribbon Fund
Notes to the financial statements
For the financial year ended 31 December 2017

5. Other receivables

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Amount due from related party	275,724	275,724
Donations	71,156	12,228
Deposit	-	33,191
Grant receivable	-	220,000
Others	13,080	434
	<u>359,960</u>	<u>541,577</u>

Amount due from related party are non-trade in nature, unsecured, interest-free and are to be settled in cash.

Other receivables amounting to S\$10,913 (2016: Nil) are non-trade in nature, unsecured, interest bearing with rate of 10% (2016: Nil) per annum, repayable on demand and are to be settled in cash.

Other receivables are denominated in Singapore Dollars.

6. Fixed deposits

All fixed deposits mature within one year and bear interest at rates ranging from 0.35% to 1% (2016: 0.2% to 0.35%) per annum.

Fixed deposits are denominated in Singapore Dollars.

7. Cash at banks and on hand

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Cash on hand	8,150	8,150
Cash at banks	3,554,899	2,770,981
	<u>3,563,049</u>	<u>2,779,131</u>

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

Yellow Ribbon Fund
Notes to the financial statements
For the financial year ended 31 December 2017

8. Fund account transactions

	Unrestricted Fund		Restricted Funds													Total
	Designated Fund		Restricted Funds													
	Emergency fund	SCORE Skills Training (iii)	SAL STAR Bursary (iv)	Springer Singapore Star Bursary (v)	Subhas Anandan Star Bursary (vi)	Surbana Jurong Star Bursary (vii)	MES Star Bursary (viii)	Temasek Cares Bursary (ix)	Care & Share Grant (x)	Yellow Ribbon Prestige Children Fund (xii)	ISCOS Fairy Godparent Programme Fund (xiii)	Star Bursary Fund (xiv)				
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$			
Fund received																
Donations income	-	-	-	-	-	-	-	-	-	211,139	92,450	10,000	841,244			
Events income	-	-	-	-	-	-	-	-	-	-	-	-	1,176,870			
Grants and bursary	-	-	111,100	-	100	-	209,200	15,000	-	-	-	-	466,746			
Sale of items	-	-	-	-	-	-	-	-	-	-	-	-	3,596			
Miscellaneous income	-	-	-	-	-	-	-	-	-	-	-	-	11,704			
	1,851,171	-	111,100	-	100	-	209,200	15,000	-	211,139	92,450	10,000	2,500,160			
Less: Fund utilised																
Total expenditure	1,061,749	-	13,809	-	-	-	-	-	-	-	-	-	1,075,558			
Disbursement of fund (Note 12)	573,468	194,023	89,483	3,406	39,962	14,089	5,333	24,321	52,883	16,927	-	-	1,013,895			
	1,635,217	194,023	103,292	3,406	39,962	14,089	5,333	24,321	52,883	16,927	-	-	2,089,453			
Other income																
Interest income	12,118	-	-	-	-	-	-	-	-	-	-	-	12,118			
Surplus for the year	228,072	(194,023)	7,808	(3,406)	(39,862)	(14,089)	203,867	(9,321)	(52,883)	194,212	92,450	10,000	422,825			

Yellow Ribbon Fund
Notes to the financial statements
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8. Fund account transactions (continued)

	Unrestricted Fund	Restricted Funds														Total										
		Designated Fund		SCORE Skills Training		SAL STAR Bursary		Springer Singapore Star Bursary		Subhas Anandan Star Bursary		Surbana Jurong Star Bursary		Temasek Cares Bursary			Care & Share Grant		VCF Consultancy Grant		Yellow Ribbon Prestige Children Fund		ISCOS Fairy Godparent Programme Fund		Star Bursary Fund	
	(i)	(ii)	(iii)	(iv)	(v)	(vi)	(vii)	(ix)	(x)	(xi)	(xii)	(xiii)	(xiv)													
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
2016																										
Fund received																										
Donations income	421,885	2,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	115,960	417,751	5,000	962,596		
Events income	450,741	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	450,741	
Grants and bursary	-	-	-	191,400	-	10,600	6,000	60,307	375,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	643,307
Sale of items	10,687	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,687
Miscellaneous income	199,984	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	199,984
	1,083,297	2,000	-	191,400	-	10,600	6,000	60,307	375,000	-	115,960	417,751	5,000	2,267,315												
Less: Fund utilised																										
Total expenditure	643,104	-	-	-	-	-	-	-	-	-	-	-	-	643,104												
Disbursement of fund (Note 12)	689,444	274,522	-	104,417	6,064	44,298	10,785	31,296	195,028	9,800	161,996	733,271	-	2,260,921												
	1,332,548	274,522	-	104,417	6,064	44,298	10,785	31,296	195,028	9,800	161,996	733,271	-	2,904,025												
Other income																										
Interest income	8,695	-	-	-	-	-	-	-	-	-	-	-	-	8,695												
Deficit for the year	(240,556)	(272,522)	-	86,983	(6,064)	(33,698)	(4,785)	29,011	179,972	(9,800)	(46,036)	(315,520)	5,000	(628,015)												

8. Fund account transactions (continued)

(i) General Fund

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

(ii) Emergency Fund

The emergency fund was funded from general fund and disbursed to ex-offenders for emergency usage. Criteria for disbursement is decided by the Board.

(iii) SCORE Skills Training Fund

This fund aims to help these offenders re-integrate into the workforce, SCORE adopts a structured approach in preparing them for work.

(iv) SAL STAR Bursary Fund

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.

(v) 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.

(vi) Subhas Anandan Star Bursary Fund

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

(vii) Surbana Jurong STAR Bursary Fund

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.

(viii) MES STAR Bursary Fund

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.

(ix) Temasek Cares Bursary Fund

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.

8. Fund account transactions (continued)

(x) 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) agrees to give 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”).

(xi) 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.

(xii) Yellow Ribbon Prestige Children Fund

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

(xiii) ISCOS Fairy Godparent Programme (“YISCOSFGP”) Fund

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

(xiv) Star Bursary (YSB) Fund

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.

9. Other payables

	<u>2017</u>	<u>2016</u>
	<u>S\$</u>	<u>S\$</u>
Other payables	275,829	116,736
Accruals	6,600	26,360
	<u>282,429</u>	<u>143,096</u>

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 Dollars.

Yellow Ribbon Fund
Notes to the financial statements
For the financial year ended 31 December 2017

10. Income

	<u>2017</u>	<u>2016</u>
	<u>S\$</u>	<u>S\$</u>
General Fund:		
General donations	527,655	423,885
Events income	1,176,870	450,741
Grant and bursary income	131,346	-
Sales of items	3,596	10,687
Miscellaneous income	11,704	199,984
Total income for general fund	<u>1,851,171</u>	<u>1,085,297</u>
Restricted fund:		
- SAL STAR Bursary	111,100	191,400
- Subhas Anandan STAR Bursary	100	10,600
- Surbana Jurong STAR Bursary Fund	-	6,000
- MES STAR Bursary	209,200	-
- Temasek Cares Bursary	15,000	60,307
- Care and Share Grant	-	375,000
- Yellow Ribbon Prestige Children	211,139	115,960
- ISCOS Fairy Godparent Programme	92,450	417,751
- Star Bursary	10,000	5,000
Total income for restricted fund	<u>648,989</u>	<u>1,182,018</u>
Total income	<u>2,500,160</u>	<u>2,267,315</u>
Represented by:		
Tax-deductible donations	2,146,010	1,437,869
Non-tax deductible donations	354,150	829,446
	<u>2,500,160</u>	<u>2,267,315</u>

11. Staff costs

	<u>2017</u>	<u>2016</u>
	<u>S\$</u>	<u>S\$</u>
Salaries and related costs	372,729	325,273
Employer's contributions to Central Provident Fund	70,686	50,881
	<u>443,415</u>	<u>376,154</u>

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. Fund raising expenses

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Direct cost incurred for fund raising events	<u>207,402</u>	<u>94,771</u>

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.

14. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	<u>2017</u>	<u>2016</u>
	S\$	S\$
<i>With Committee members</i>		
Donations received	30,095	15,050
Events income	<u>964</u>	<u>13,221</u>
<i>With related parties</i>		
Donations received	219,200	29,748
Events income	-	18,000
Staff costs	<u>443,415</u>	<u>376,154</u>

Related party transactions are based on terms agreed between the parties.

During the year, no loans were given to any employee, executive committee member or any other parties.

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:

	<u>2017</u>	<u>2016</u>
	No. of staff	No. of staff
Annual remuneration		
- S\$50,001 to S\$100,000	3	3
- more than S\$100,000	<u>1</u>	<u>-</u>

15. Financial risk management

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

The Executive 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.

15. Financial risk management (continued)

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 the counterparty will default on its contractual obligations resulting in a loss to the Fund. The Fund has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Fund performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Fund's performance to developments affecting a particular industry.

Exposure to credit risk

The Fund has no significant concentration of credit risk other than those balances with related party comprising 77% (2016: 51%) of other receivables. The Fund has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Fund. Cash at banks are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

Financial assets that are either past due or impaired

There are no financial assets that are either past due or impaired.

Liquidity risk

Liquidity risk refers to the risk that the Fund will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Fund's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Fund's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Fund's operations are financed mainly through funds. The executive committee are satisfied that funds are available to finance the operations of the Fund.

15. Financial risk management (continued)

Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Fund's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount	Contractual cash flows	One year or less
	S\$	S\$	S\$
2017			
Financial assets:			
Other receivables	359,960	361,051	361,051
Fixed deposits	1,339,960	1,344,300	1,344,300
Cash at banks and on hand	3,563,049	3,563,049	3,563,049
Total undiscounted financial assets	<u>5,262,969</u>	<u>5,268,400</u>	<u>5,268,400</u>
Financial liabilities:			
Other payables	282,429	282,429	282,429
Total undiscounted financial liabilities	<u>282,429</u>	<u>282,429</u>	<u>282,429</u>
Net undiscounted financial assets	<u>4,980,540</u>	<u>4,985,971</u>	<u>4,985,971</u>
2016			
Financial assets:			
Other receivables	541,577	541,577	541,577
Fixed deposits	1,329,700	1,332,055	1,332,055
Cash at banks and on hand	2,779,131	2,779,131	2,779,131
Total undiscounted financial assets	<u>4,650,408</u>	<u>4,652,763</u>	<u>4,652,763</u>
Financial liabilities:			
Other payables	143,096	143,096	143,096
Total undiscounted financial liabilities	<u>143,096</u>	<u>143,096</u>	<u>143,096</u>
Net undiscounted financial assets	<u>4,507,312</u>	<u>4,509,667</u>	<u>4,509,667</u>

16. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Other receivables, fixed deposits, cash at banks and on hand and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Yellow Ribbon Fund
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17. 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:

	<u>2017</u>	<u>2016</u>
	S\$	S\$
Loans and receivables		
Other receivables (Note 5)	359,960	508,386
Fixed deposits (Note 6)	1,339,960	1,329,700
Cash at banks and on hand (Note 7)	3,563,049	2,779,131
Total loans and receivables	<u>5,262,969</u>	<u>4,617,217</u>
Financial liabilities measured at amortised cost		
Other payables (Note 9)	282,429	143,096
Total financial liabilities measured at amortised cost	<u>282,429</u>	<u>143,096</u>

18. Conflict of interest

Executive Committee members 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 Executive 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.

19. Fund management policy

The primary objective of the Fund is to ensure it maintains sufficient cash in order to support its activities. Its approach to fund management is to balance the allocation of cash and incurrence of debt. Available cash is deployed primarily to cover operational requirements.

20. 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 management 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.

21. Comparative figures

Change in classification

During 2017, the Company modified the classification of the funds and the presentation of the Statement of Financial Position and Statement of Financial Activities to include the activities of the restricted fund to reflect more appropriately for current year presentation.

	Before reclassification	Reclassification	After reclassification
	2016	2016	2016
	S\$	S\$	S\$
Statement of Financial Statement			
<i>Unrestricted Fund:</i>			
General fund	4,136,768	(1,395,714)	2,741,054
<i>Designated Fund:</i>			
SCORE Skills Training	-	20,650	20,650
<i>Restricted Fund:</i>			
SAL STAR Bursary	-	462,837	462,837
Springer Singapore STAR Bursary	-	15,028	15,028
Subhas Anandan STAR Bursary	-	275,677	275,677
Surbana Jurong STAR Bursary	-	55,614	55,614
Temasek Cares Bursary	-	85,936	85,936
Care and Share Grant	-	479,972	479,972
Statement of Financial Activities			
Income			
Donation received	423,885	538,711	962,596
Add/(less): Other income/ (expenditure)			
Disbursement of funds	(1,093,132)	(1,167,789)	(2,260,921)
Surplus for the year	1,063	(629,078)	(628,015)

22. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2017 were authorised for issue by the Executive Committee on the date of the Executive Committee's Statement.