

# **YELLOW RIBBON FUND**

[UEN: T04CC1808H]

[IPC No: IPC000045]

[Registered under the Charities Act, Chapter 37]

## **FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2016*

**Audit Alliance LLP**

**Public Accountants and Chartered Accountants Singapore**

**YELLOW RIBBON FUND**

[UEN: T04CC1808H]

[IPC No: IPC000045]

[Registered under the Charities Act, Chapter 37]

**FINANCIAL STATEMENTS***For the financial year ended 31 December 2016*

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**YELLOW RIBBON FUND**

(Registered under the Charities Act, Chapter 37 in the republic of Singapore)

**STATEMENT BY THE EXECUTIVE COMMITTEE**

*For the financial year ended 31 December 2016*

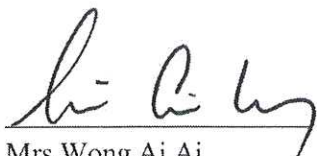
In our opinion:

- (a) the accompanying financial statements of the Yellow Ribbon Fund (the "Fund") set out on pages 6 to 24 are properly drawn up in accordance with the provisions of the Charities Act (Chapter 37) and Statutory Board Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Fund as at **31 December 2016** and of the results, changes in accumulated fund and cash flows of the Fund for the year ended on that date.
- (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; and
- (c) nothing came to our notice that caused us to believe that the receipts, expenditure, and investment of monies by the Fund during the financial year have not been in accordance with the provisions of the Act.

The Executive Committee, comprising the following, authorised the issue of these financial statements on

Chairman	Mrs Wong Ai Ai
Vice Chairman	Mr Chow Wing Keong
Vice Chairman	Mr Manraj Singh Sekhon
Secretary	Mr Stanley Tang
Treasurer	Mr Christopher Woo
Board Member	Mr Asad Jumabhoy
Board Member	Ms Charlotte Yew Li Lin
Board Member	Mr Keith Tan Keng Soon
Board Member	Mr Natasha Liok
Board Member	Mr Ajay Kanwal
Board Member	Mr Mohamed Abdul Jaleel
Board Member	Mr Nazri Hadi Saparin
Board Member	Mr How Kwang Hwee
Board Member	Ms Lai Siu Chiu
Board Member	Mdm Shie Yong Lee

For and on behalf of the Executive Committee,



Mrs Wong Ai Ai  
Chairman



Mr Christopher Woo  
Treasurer

Date: **17 MAY 2017**

**INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF  
YELLOW RIBBONFUND**

(Registered under the Charities Act (Chapter 37) in the Republic of Singapore)

*For the financial year ended 31 December 2016*

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**Report on the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of Yellow Ribbon Fund (the "Fund") which comprise the statement of financial position of the Fund as at 31 December 2016, and the statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies as set out on pages 10 to 24.

In our opinion, the financial statements of the Fund are properly drawn up in accordance with the provisions of the Singapore Charities Act, Chapter 37 (the Act) and Statutory Board Financial Reporting Standards (the SB-FRS) so as to present fairly, in all material respects, the state of affairs of the Fund as at 31 December 2016, and of the results, and changes in accumulated fund 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 Information***

Management is responsible for the other information. The other information comprises the Statement By The Executive Committee included in page 1 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, 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 COMMITTEE OF  
YELLOW RIBBON FUND**

(Registered under the Charities Act (Chapter 37) in the Republic of Singapore)

*For the financial year ended 31 December 2016*

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***Responsibilities of Executive Committee for the Financial Statements***

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, 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 management either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

The Executive 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 auditors' 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.

**INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF  
YELLOW RIBBON FUND**

(Registered under the Charities Act (Chapter 37) in the Republic of Singapore)

*For the financial year ended 31 December 2016*

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

- Conclude on the appropriateness of Executive 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 auditors' 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 auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or charity activities within the Fund to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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.

We also provide the Executive Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Report on Other Legal and Regulatory Requirements**

***Opinion***

- a) the receipts, expenditure and investment of moneys by the Fund during the year are, in all material respects, in accordance with the Charities Act; and
- b) proper accounting and other records required to be kept by the Fund have been properly kept in accordance with the Charities Act and Regulations.



**INDEPENDENT AUDITOR'S REPORT TO THE COMMITTEE OF  
YELLOW RIBBON FUND**

(Registered under the Charities Act (Chapter 37) in the Republic of Singapore)

*For the financial year ended 31 December 2016*

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***Executive Committee's Responsibility for Compliance with Legal and Regulatory Requirements***

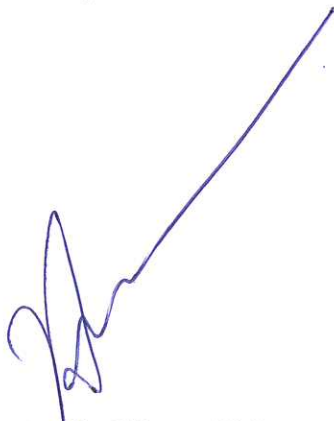
Executive Committee is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition of assets, are in accordance with the provisions of the Act. This responsibility includes implementing accounting and internal controls as management determines are necessary to enable compliance with the provisions of the Act.

***Auditor's responsibility***

Our responsibility is to express an opinion on executive committee's compliance based on our audit of the financial statements. We conducted our audit in accordance with Singapore Standards on Auditing. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Act.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on executive committee's compliance.



**Audit Alliance LLP**  
Public Accountants and Chartered Accountants

Singapore, **17 MAY 2017**

**YELLOW RIBBON FUND**

[UEN: T04CC1808H]

[IPC No: IPC000045]

**STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 December 2016*

	Note	2016 S\$	2015 S\$
<b>Income</b>			
Donations received		423,885	287,721
Events income		450,741	1,211,484
Grants & Bursary		643,307	544,168
Sales of items		10,687	10,063
Miscellaneous income		199,984	-
Total income for general fund	5	1,728,604	2,053,436
<b>LESS: EXPENDITURE</b>			
Audit fee		33,019	13,989
Bad debts written off		-	165
Bank charges		1,902	1,519
Charity golf expenses		62,008	-
Charity Management System Maintenance Fee		2,140	-
Community art exhibition expenses		3,813	13,160
Depreciation	10	12,032	-
Dining behind bars expenses		12,974	9,591
Gala dinner expenses		-	200,355
General and miscellaneous expenses		26,742	78,144
Other events expenses		22,909	17,176
Printing and stationery		4,303	1,604
Production of corporate video		-	24,650
Production of yellow ribbon pack		7,448	23,394
Research Fee		10,000	-
Staff costs	8	376,154	220,154
Supplies and material costs		3,493	18,136
Transport		16,409	16,091
Volunteer expenses		1,727	2,724
YBR tuition fee		44,936	-
YMCA youth for course expenses		1,095	2,596
Total expenditure for general fund		643,104	643,448
Operating surplus for the year		1,085,500	1,409,988
<b>Add/ (less): Other income/(expenditure)</b>			
Disbursement of funds	7	(1,093,132)	(821,579)
Interest income		8,695	4,498
		(1,084,437)	(817,081)
Surplus for the year		1,063	592,907
<b>Total Comprehensive Income for the year</b>		<b>1,063</b>	<b>592,907</b>

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



**YELLOW RIBBON FUND**

[UEN: T04CC1808H]

[IPC No: IPC000045]

**STATEMENT OF FINANCIAL POSITION***As at 31 December 2016*

	Note	2016 S\$	2015 S\$
<b>ASSETS</b>			
<b>Plant and Equipment</b>	10	<b>42,111</b>	-
<b>Current assets</b>			
Other receivables	11	<b>508,386</b>	133,085
Prepayments	12	<b>71,112</b>	-
Fixed deposits with bank	13	<b>1,329,700</b>	1,320,156
Cash and cash equivalents	14	<b>2,779,131</b>	4,341,348
<b>Total current assets</b>		<b>4,688,329</b>	5,794,589
<b>TOTAL ASSETS</b>		<b>4,730,440</b>	5,794,589
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	15	<b>143,096</b>	579,230
<b>Total current liabilities</b>		<b>143,096</b>	579,230
<b>NET ASSETS</b>		<b>4,587,344</b>	5,215,359
<b>FUNDS</b>			
Yellow Ribbon Prestige Children fund	16	<b>347,055</b>	393,091
YRF- ISCOS Fairy Godparent Programme fund	17	-	315,520
YRF- Star Bursary fund	18	<b>103,521</b>	98,521
General Fund	19	<b>4,136,768</b>	4,408,227
		<b>4,587,344</b>	5,215,359
<b>TOTAL FUNDS</b>		<b>4,587,344</b>	5,215,359

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

**YELLOW RIBBON FUND**

[UEN: T04CC1808H]

[IPC No: IPC000045]

**STATEMENT OF CHANGES IN FUNDS***For the financial year ended 31 December 2016*

	<b><u>Restricted Funds</u></b>					<b>Total S\$</b>
	<b>General Fund S\$</b>	<b>Emergency Fund S\$</b>	<b>Yellow Ribbon Prestige Children S\$</b>	<b>YRF-ISCOS Fairy Godparent Programme Fund S\$</b>	<b>YRF-Star Bursary Fund S\$</b>	
<b>Beginning of financial year 2015</b>	3,858,360	-	388,091	97,114	93,521	4,437,086
Transfer of funds	(43,040)	43,040	-	-	-	-
Fund received	-	165,498	5,000	776,197	5,000	951,695
Fund utilised	-	(208,538)	-	(557,791)	-	(766,329)
Total comprehensive income for the year	592,907	-	-	-	-	592,907
<b>Balance as at 31 December 2015</b>	<b>4,408,227</b>	<b>-</b>	<b>393,091</b>	<b>315,520</b>	<b>98,521</b>	<b>5,215,359</b>
Transfer of funds	(272,522)	272,522	-	-	-	-
Fund received	-	2,000	115,960	417,751	5,000	540,711
Fund utilised	-	(274,522)	(161,996)	(533,287)	-	(969,805)
Fund transferred to miscellaneous income	-	-	-	(199,984)	-	(199,984)
Total comprehensive income for the year	1,063	-	-	-	-	1,063
<b>Balance as at 31 December 2016</b>	<b>4,136,768</b>	<b>-</b>	<b>347,055</b>	<b>-</b>	<b>103,521</b>	<b>4,587,344</b>

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

**YELLOW RIBBON FUND**

[UEN: T04CC1808H]

[IPC No: IPC000045]

**STATEMENT OF CASH FLOWS***For the financial year ended 31 December 2016*

	Note	2016 S\$	2015 S\$
<b>Cash flows from operating activities</b>			
Surplus for the year		1,063	592,907
Adjustments for:			
Depreciation	10	12,032	-
Interest income		(8,695)	(4,498)
Operating surplus before working capital changes:		4,400	588,409
Increase in receivables		(446,413)	(21,052)
Increase in fixed deposits with maturity over 3 months		(9,544)	(3,400)
Decrease in payables		(436,134)	557,292
Net cash flows (used in)/generated from operating activities		(887,691)	1,121,249
<b>Cash flows from investing activities</b>			
Addition of plant and equipment	10	(54,143)	-
Interest received		8,695	4,498
Net cash flows (used in)/generated from investing activities		(45,448)	4,498
<b>Cash flows from financing activities</b>			
Funds received		540,711	951,695
Funds utilised		(1,169,789)	(766,329)
Net cash flows (used in)/generated from financing activities		(629,078)	185,366
<b>Net (decrease)/increase in cash and cash equivalents</b>		(1,562,217)	1,311,113
Cash and cash equivalents at beginning of the year		4,341,348	3,030,235
<b>Cash and cash equivalents at end of the year</b>		<u>2,779,131</u>	<u>4,341,348</u>

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

**YELLOW RIBBON FUND**

[UEN: T04CC1808H]

[IPC No: IPC000045]

**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2016*

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**1. General information**

Yellow Ribbon Fund (the “Fund”), located at 407 Upper Changi Road North, 20km (Within Prison HQ Complex, Blk B) Singapore 507658 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.

**2. Basis of preparation****2.1 Statement of compliance**

The financial statements of the Fund have been prepared in accordance with the provisions of the Act and Statutory Board Financial Reporting Standards (“SB-FRS”).

**2.2 Basis of measurement**

The financial statements have been prepared on the historical cost basis except for certain financial assets and liabilities as disclosed in the accounting policies below.

**3. Significant Accounting Estimates and Judgements**

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Fund’s accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

There are no areas of critical judgments in applying accounting policies that have significant effect on the amounts recognised in the financial statements and no areas of assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

**4. Summary of significant accounting policies****4.1 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:

- (i) Donations  
Donation income is recognised as income upon receipt of such monies.
- (ii) Government grants  
Government grants are recognised when they have been approved and are accounted for in the income and expenditure statements on accrual basis.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2016*

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**4. Summary of significant accounting policies (Continued)**

**4.1 Income recognition (Continued)**

- (iii) **Event Income**  
Income from event is recognised when the event takes place.
- (iv) **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.
- (v) **Interest Income**  
Interest income is recognised on a time-proportion basis using the effective interest method.
- (vi) **Rendering of service**  
Rendering of service including miscellaneous income is recognised when the services are completed.

**4.2 Currency transactions**

- (i) **Functional and presentation currency**  
  
Items included in the financial statements of the Fund are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The financial statements are presented in Singapore Dollars, which is the functional currency of the Fund.
- (ii) **Transactions and balances**  
  
Transactions in a currency other than functional currency ("foreign currency") are translated into functional currency using the exchange rates at the dates of transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rate at the reporting year are recognised in profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2016*

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**4. Summary of significant accounting policies (Continued)**

**4.3 Plant and equipment**

*(i) Measurement*

All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items.

*(ii) Depreciation*

Depreciation on plant and equipment is calculated using the straight line method to allocate their depreciable amounts over their estimated useful lives.

Computer software license	3 year
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The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the statement of comprehensive income for the financial year in which the changes arise.

*(iii) Subsequent Expenditure*

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as expense in the statement of comprehensive income during the financial year in which it is incurred.

*(iv) Disposal*

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of comprehensive income.



**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2016*

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**4. Summary of significant accounting policies (Continued)**

**4.4 Financial instruments**

**(i) Financial assets**

Non-derivative financial assets comprise of other receivables and cash and cash equivalents.

The Fund initially recognises receivables on the date that they are originated. All other financial assets are recognised initially on the trade date at which the Fund becomes a party to the contractual provisions of the instrument.

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets and liabilities are offset and the net amount presented in the balance sheet, when and only when, the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

**a. Loans and receivables**

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents and other receivables. Cash and cash equivalents comprise cash balances at bank.

**b. Held-to-maturity financial assets**

Held-to-maturity financial assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Fund's management has the positive intention and ability to hold to maturity. If the Fund were to sell other than an insignificant amount of held-to-maturity financial assets, the whole category would be tainted and reclassified as available-for-sale. They are presented as non-current assets, except for those maturing within 12 months after the balance sheet date which are presented as current assets.

**YELLOW RIBBON FUND**

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**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2016*

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**4. Summary of significant accounting policies (Continued)**

**4.4 Financial instruments (Continued)**

**(ii) Non-derivative financial liabilities**

Non-derivative financial liabilities comprise other payables.

Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs on the trade date at which the Fund becomes a party to the contractual provisions of the instrument. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method. The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Fund has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Fund classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise accruals and other payables.

**4.5 Impairment**

**(i) Financial assets (including receivables)**

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2016*

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**4. Summary of significant accounting policies (Continued)**

**4.5 Impairment (Continued)**

**(ii) Financial assets (including receivables)**

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Fund on terms that the Fund would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

The Fund considers evidence of impairment for receivables at a specific level. All individually significant receivables are assessed for specific impairment.

**4.6 Impairment**

**(i) Loans and receivables**

The Fund considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. Loans and receivables that are not individually significant are collectively assessed for any impairment by grouping loans and receivables with similar risk characteristics.

In assessing collective impairment, the Fund uses historical trends of the profitability of default, timing of recoveries and the amount of loss incurred, adjusted for the Management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in the statement of comprehensive income and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statement of comprehensive income.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2016*

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**4. Summary of significant accounting policies (Continued)**

**4.6 Impairment (Continued)**

**(ii) Non-financial assets**

The carrying amounts of the Fund's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating-units ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

**4.7 Cash and cash equivalents**

Cash and cash equivalents comprise cash held with banks that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in risk.

Cash and cash equivalents carried in the balance sheet are classified and accounted for as loans and receivables under SB-FRS 39. The accounting policy is stated in Note 4.4.

**4.8 Fair value estimation of financial assets and liabilities**

The carrying amounts of current financial assets and liabilities carried at amortised cost approximate their fair values.

**4.9 Other payables and accruals**

Other payables and accruals represent liabilities for goods and services provided to the Fund prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). If not, they are presented as non-current liabilities. Other payables and accruals are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

**YELLOW RIBBON FUND**

[UEN: T04CC1808H]

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**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2016***5. Income**

	2016 S\$	2015 S\$
Grant and Bursary		
- Care & Share Grant	375,000	300,000
- Surbana Jurong Star Bursary Fund	6,000	60,399
- VCF Consultancy Grant	-	17,400
- YRS-SAL Star Bursary	191,400	62,950
- YRF-TC Star Award	60,307	-
- YRF-Subhas Anandan Star Bursary	10,600	103,419
General donations	423,885	287,721
Events income	450,741	1,211,484
Sales of items	10,687	10,063
Miscellaneous income	199,984	-
Total income for general fund (Note 6)	<u>1,728,604</u>	<u>2,053,436</u>
Represented by:		
Tax-deductible donations	942,414	1,512,360
Non-tax deductible donations	<u>786,190</u>	<u>541,076</u>
	<u>1,728,604</u>	<u>2,053,436</u>

**6. Total donations for restricted funds and general fund**

	2016 S\$	2015 S\$
<u>As restricted funds</u>		
Emergency Fund	2,000	165,498
Yellow Ribbon Prestige Children Fund	115,960	5,000
YRF- ISCOS Fairy Godparent Programme Fund	417,751	776,197
YRF Star Bursary Fund	<u>5,000</u>	<u>5,000</u>
#	<u>540,711</u>	# 951,695
<u>As general fund</u>		
Income received through statement of comprehensive income during the year (Note 5)	<u>1,728,604</u>	<u>2,053,436</u>
	<u>2,269,315</u>	<u>3,005,131</u>
# Funding received under restricted funds are reflected in the Statement of Changes in Funds and are presented by:		
Tax deductible donations	497,455	887,197
Non-tax deductible donations	<u>43,256</u>	<u>64,498</u>
	<u>540,711</u>	<u>951,695</u>

**YELLOW RIBBON FUND**

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**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2016*

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**7. Disbursement of funds**

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

**8. Staff costs**

Included in the expenses expended are the following employee benefits:

	<b>2016</b>	<b>2015</b>
	<b>S\$</b>	<b>S\$</b>
Salaries and related costs	<b>325,273</b>	190,384
Employer's contributions to Central Provident Fund	<b>50,881</b>	29,770
	<b>376,154</b>	220,154

**9. Fund Raising Expenses**

	<b>2016</b>	<b>2015</b>
	<b>S\$</b>	<b>S\$</b>
Direct costs incurred for fund raising events	<b>94,771</b>	41,530

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 the Charities (Institutions of a Public Character) Regulations.



**YELLOW RIBBON FUND**

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**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2016***10. Plant and equipment**

	2016 S\$	2015 S\$
<b><u>Computer software license</u></b>		
<b>Cost</b>		
Beginning of financial year	-	-
Additions	54,143	-
End of financial year	<u>54,143</u>	<u>-</u>
<b>Accumulated Depreciation</b>		
Beginning of financial year	-	-
Depreciation Charge	12,032	-
End of financial year	<u>12,032</u>	<u>-</u>
<b>Net Book Value</b>	<u>42,111</u>	<u>-</u>

**11. Other receivables**

	2016 S\$	2015 S\$
Donations receivables	12,228	131,679
Other receivables	496,158	1,406
	<u>508,386</u>	<u>133,085</u>

Other receivables are unsecured, interest-free and expected to be repayable on demand.

**12. Prepayments**

	2016 S\$	2015 S\$
Prepayment	37,921	-
Deposit	33,191	-
	<u>71,112</u>	<u>-</u>

**YELLOW RIBBON FUND**

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**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2016***13. Fixed deposits with bank**

All fixed deposits mature within one year and bear interest at rates ranging from 0.35% to 0.2% (2015: 0.2% to 1.1%) per annum.

**14. Cash and cash equivalents**

	2016 S\$	2015 S\$
Fixed deposits with bank	1,329,700	1,320,156
Cash and bank balances	<u>2,779,131</u>	<u>4,341,348</u>
	4,108,831	5,661,504
Less: Fixed deposits with maturity over 3 months	<u>1,329,700</u>	<u>1,320,156</u>
	<u><u>2,779,131</u></u>	<u><u>4,341,348</u></u>

At the date of the statement of financial position, the carrying amounts of cash and cash equivalents approximated their fair values.

**15. Other payables**

	2016 S\$	2015 S\$
Other payables	116,736	575,170
Accruals	<u>26,360</u>	<u>4,060</u>
	<u><u>143,096</u></u>	<u><u>579,230</u></u>

Other payables are unsecured, non-interest bearing and are normally settled within 90 days or on demand.

## **YELLOW RIBBON FUND**

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### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2016*

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#### **16. Yellow Ribbon Prestige Children Fund**

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

#### **17. YRF-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. The balance of the fund as at 31 December 2016 amounting to S\$ Nil (2015: S\$315,520).

#### **18. YRF-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.

#### **19. General Fund**

Included in general fund are fund received and utilised from YRF-Pitt Chin Hui Memorial Fund, YRF-SAL Star Bursary Fund, YRF- Springer Singapore Star Bursary, YRF-Subhas Anandan Star Bursary, YRF-Score Skills Training, Bursary Fund - TC, Care and Share Grant, VCF Consultancy Grant, Surbana Jurong Star Bursary fund, and other unrestricted fund.

#### **20. Related party transactions**

A related party is a person or body of persons who has the ability, directly or indirectly, to control or exercise significant influence over the financial and operating decisions of the Fund, including other charity that is subject to common control or common significant influence.

The Fund is governed by Main Committee which is the final authority and has overall responsibility for policy making and determination of all activities. Members of the Main Committee are volunteers and receive no monetary remuneration for their contribution.

**YELLOW RIBBON FUND**

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**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2016***20. Related party transactions (Continued)**

Significant transactions and balances with related parties, not otherwise disclosed in the financial statements, are as follow: -

	2016 S\$	2015 S\$
(a) With Committee members		
Donations received	15,050	350
Events income	<u>13,221</u>	<u>71,200</u>
(b) With related parties		
Donations received	29,748	46,340
Events income	18,000	17,000
Salaries and related cost	<u>376,154</u>	<u>220,154</u>

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

All amounts owing to related parties are unsecured, interest-free and are repayable on demand.

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

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

	2016 S\$	2015 S\$
Annual remuneration		
- \$50,001 to \$ 100,000	3	2
- Below \$50,000	<u>-</u>	<u>1</u>

**YELLOW RIBBON FUND**

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**NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2016*

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**21. Financial risk management objectives and policies**

The Fund is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are market risk, credit risk, interest rate risk and liquidity risk. The Fund's trustee and secretary reviews and agrees on policies for managing each of these risks and they are summarised below:

***Currency risk***

The Fund is not exposed to foreign exchange risk as all its transactions are in Singapore Dollar.

***Interest rate risk***

The Fund is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The interest-bearing assets comprise bank balances, which are short-term in nature. Any short-term fluctuation in interest rates will not significantly affect the Fund. No sensitivity analysis is prepared as the Fund does not expect any material effect on the Fund's profit or loss arising from the effects of reasonably possible changes in interest rates on interest-bearing financial instruments at the end of the reporting period.

***Credit risk***

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Fund. The major classes of financial assets of the Fund are bank deposits. For other financial assets, the Fund adopts the policy of dealing only with high credit quality counterparties.

***Fair values***

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Fund approximate their fair values due to their short-term nature.

**22. 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 the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

## **YELLOW RIBBON FUND**

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### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2016*

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#### **23. 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 member 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.

#### **24. 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

#### **25. 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.

As at the statement of financial position date, the Fund's reserves consist of:

- (a) Unrestricted fund, namely the General fund; and
- (b) Restricted/designated fund, which comprise the Emergency fund, Yellow Ribbon Prestige Children fund, YRF-ISCOS Fairy Godparent Programme fund and YRF- Star Bursary fund.

Restricted/designated fund, are only used for the specific purposes for which the funds were set up.

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 reserve requirements.

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

#### **26. Authorisation of financial statements**

These financial statements of the Fund for the year ended 31 December 2016 were authorised for issue in accordance with a resolution of Executive Committee on

**17 MAY 2017**