CHILDREN'S CANCER FOUNDATION

(UEN No: S92SS0103J)
(Registered Under the Charities Act, Cap 37 and Societies Act, Cap 311)

Statement by Board of Management Committee Members and Financial Statements

Year Ended 31 December 2017

RSM Chio Lim LLP

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CHILDREN'S CANCER FOUNDATION

Statement by Board of Management Committee Members and Financial Statements

Contents **Page**

CHILDREN'S CANCER FOUNDATION

Statement By Board of Management Committee Members

In the opinion of the Board of Management Committee Members,

a) the accompanying financial statements of Children's Cancer Foundation ("the Foundation") are drawn up so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 December 2017 and the financial activities, changes in accumulated fund and cash flows of the Foundation for the reporting year ended on that date; and

b) at the date of this statement there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

The Board of Management Committee approved and authorised these financial statements for issue.

On behalf of the Board,

....	....
Ho Cheng Huat	Caroline Lim Joo Peng
Chairperson	Honorary Treasurer

27 APR 2018

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Independent auditor's report to the members of Children's Cancer Foundation

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Children's Cancer Foundation (the "Foundation"), which comprise the statement of financial position as at 31 December 2017, and the statement of financial activities, statement of changes in accumulated fund and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 December 2017 and the results, changes in accumulated fund and cash flows of the Foundation 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 Society 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 information included in the annual report and statement by board of management committee members but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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:

(a) 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.

(b) 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 Foundation's internal control.

(c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

(d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 Foundation to cease to continue as a going concern.

Independent auditor's report to the members of Children's Cancer Foundation

– 3 –

Auditor's responsibilities for the audit of the financial statements (cont'd)

(e) 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the board of management 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

In our opinion:

(a) the accounting and other records required to be kept by the Foundation have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and

(b) the fund-raising appeals held during the reporting year have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeals.

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

(a) the Foundation has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(b) the Foundation has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

27 APR 2018

Partner in charge of audit: Chan Sek Wai
Effective from reporting year ended 31 December 2016

Statement of Financial Activities
Year Ended 31 December 2017

	Unrestricted Funds 2017 $	Unrestricted Funds 2016 $
Incoming resources		
Donations	4,027,700	4,247,764
Gifts in kind	9,136	7,418
Income from fundraising activities	4,935,402	4,386,631
Interest income	335,558	384,101
Grant income	560,701	720,793
Other incoming resources	64,256	114,640
Total incoming resources	9,932,753	9,861,347
Less: resources expended		
Costs of generating voluntary income	224,232	196,552
Fundraising expenses	301,925	208,307
Charitable activities expenses	8,065,266	8,341,357
Governance costs	29,690	33,903
Other operating and administration expenses	247,209	239,900
Total resources expended	8,868,322	9,020,019
Net surplus for the year	1,064,431	841,328

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

CHILDREN'S CANCER FOUNDATION

Statement of Financial Position
As at 31 December 2017

	Notes	2017	2016
ASSETS		$	$
Non-current assets			
Plant and equipment	6	265,187	190,825
Total non-current assets		265,187	190,825
Current assets			
Other receivables	7	330,702	568,909
Other non-financial assets	8	60,704	136,128
Cash and cash equivalents	9	28,090,896	26,943,096
Total current assets		28,482,302	27,648,133
Total assets		28,747,489	27,838,958
FUND AND LIABILITIES			
Fund			
Unrestricted fund			
Accumulated fund	10	27,883,398	26,818,967
Total fund		27,883,398	26,818,967
Non-current liabilities			
Provision, non-current	11	74,365	74,365
Total non-current liabilities		74,365	74,365
Current liabilities			
Other payables	12	789,726	945,626
Total current liabilities		789,726	945,626
Total liabilities		864,091	1,019,991
Total fund and liabilities		28,747,489	27,838,958

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

Statement of Changes in Accumulated Fund
Year Ended 31 December 2017

	2017	2016
	$	$
Current year:		
Balance at beginning of the year	26,818,967	25,977,639
Movements in fund:		
Net surplus for the year	1,064,431	841,328
Balance at end of the year	27,883,398	26,818,967

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

Statement of Cash Flows
Year Ended 31 December 2017

	2017 $	2016 $
Cash flows from operating activities		
Net surplus for the year	1,064,431	841,328
Adjustments for:		
Depreciation of plant and equipment	171,277	275,720
Gain on disposal of plant and equipment	–	(900)
Interest income	(335,558)	(384,401)
Operating surplus before changes in working capital	900,150	731,747
Other receivables	285,529	(92,592)
Other non-financial assets	75,424	(43,092)
Other payables	(155,900)	(259,516)
Net cash flows from operating activities	1,105,203	336,547
Cash flows from investing activities		
Disposal of plant and equipment	1,348	900
Purchase of plant and equipment	(246,987)	(44,338)
Interest received	288,236	291,252
Net cash flows from investing activities	42,597	247,814
Net increase in cash and cash equivalents	1,147,800	584,361
Cash and cash equivalents, statement of cash flows, beginning balance	26,943,096	26,358,735
Cash and cash equivalents, statement of cash flows, ending balance (Note 9)	28,090,896	26,943,096

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

Notes to the Financial Statements
31 December 2017

1. General

The Children's Cancer Foundation (the "Foundation") is a charitable organisation established in Singapore under the Societies Act, Chapter 311 and Charities Act, Chapter 37. The Foundation is an Institution of a Public Character ("IPC"). The financial statements are presented in Singapore dollars.

The Board of Management Committee approved and authorised these financial statements for issue on the date of the Statement by Board of Management Committee Members.

The principal activities of the Foundation are to offer a spectrum of services to support the mission of improving the quality of life of children with cancer and their families and children impacted by cancer through enhancing their emotional, social and medical well-being. The Foundation adopts an integrated hospital-home-community service model to provide the services, and these include Casework and Counselling, Therapeutic Play, Art, Expressive Arts and Play Therapy, Caregivers Support Services, Schooling Programme, Survivorship Programme, Palliative & Bereavement Care, Hospital Play Services and Sibling Support Services. In addition, the Foundation also supports training and research efforts on childhood cancer and organises educational talks and workshops to promote public awareness of childhood cancer.

The registered office and principal place of operation of the Foundation is located at 8 Sinaran Drive, #03-01 Novena Specialist Centre Singapore 307470. The Foundation is situated in Singapore.

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council. The Foundation is also subject to the provisions of the Societies Act, Chapter 311 and Singapore Charities Act, Chapter 37. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need not be provided if the information resulting from that disclosure is not material. Other comprehensive income comprises items of income and expense (including reclassification adjustments) that are not recognised in the income statement, as required or permitted by FRS. Reclassification adjustments are amounts reclassified to profit or loss in the income statement in the current period that were recognised in other comprehensive income in the current or previous periods.

1. General (cont'd)

Basis of preparation of financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

Revenues including donations, gifts and grants that provide core funding or are of general nature are recognised where there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement. Such income is deferred only when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Foundation has unconditional entitlement. The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the ordinary activities of the Foundation and it is shown net of related tax and subsidies. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer; there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

(i) Donations and sponsorships

Revenue from donations and sponsorships are accounted for when received, except for committed donations and sponsorships that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations and sponsorships. Revenue from fundraising event is recognised when the event has occurred.

(ii) Interest income

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

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Revenue recognition (cont'd)

(iii) Government grant

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income.

Gifts in kind

A gift in kind (if any) is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer services.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income tax

As an approved charity under the Charities Act, Cap. 37, the Foundation is exempted from income tax under Section 13(1)(zm) of the Income Tax Act, Cap 134.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Plant and equipment

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Computer equipment	-	50%
Office equipment	-	33%
Office furniture	-	33%
Renovation	-	33%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in income and expenditure on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in income and expenditure as an integral part of the total lease expense.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year, there were no financial assets classified in this category.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets*:* As at end of the reporting year, there were no financial assets classified in this category.

4. Available-for-sale financial assets*:* As at end of the reporting year, there were no financial assets classified in this category.

Cash and cash equivalents

Cash and cash equivalents include cash and bank balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial liabilities (cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

2. Liabilities at amortised cost: These liabilities are carried at amortised cost using the effective interest method.

Fair value of measurement

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements categorise the inputs used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value of measurement (cont'd)

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Funds

All income and expenditures are reflected in the statement of financial activities. Income and expenditures specifically relating to any of the funds separately set up by the Foundation are allocated subsequently to those funds. Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes if any by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so.

2C. Critical judgements, assumptions and estimation uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

3. Related party relationships and transactions

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

A related party includes the board of management committee, members of other sub-committees and key management of the Foundation. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

All board of management committee, members of other sub-committees and staff members of the Foundation are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships that could potentially result in a conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The members of the board of management committee are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	Related party	
	2017	2016
	$	$
Annual funding to Singapore Cord Blood Bank Limited in which a management committee member is a director	200,000	250,000

3A. Key management compensation:

	2017	2016
	$	$
Salaries and other short-term employee benefits	445,019	416,789

The above amounts are included under employee benefits expense.

Key management personnel comprise the Executive Director and the direct reporting senior officers.

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:

	2017	2016
$100,001 - $200,000	3	3

4. Tax exempt receipts

The Foundation enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the funds of the Foundation. The quantum of the tax deduction for each calendar year may vary as announced in the Singapore Budget. The Institutions of a Public Character status granted to the Foundation for donations is for the period from 5 May 2016 to 4 May 2019 under the Ministry of Health.

	2017 $	2016 $
The Foundation issued tax-exempt receipts for donations collected	6,615,696	5,588,094

5. Employee benefits expense

	2017 $	2016 $
Short term employee benefits expense	3,454,071	3,057,738
Contributions to defined contribution plan	537,111	466,678
Other benefits	104,510	106,170
Total employee benefits expense	4,095,692	3,630,586

The employee benefits expense is charged and included in resources expended as follows:

	2017 $	2016 $
Costs of generating voluntary income	141,935	115,509
Charitable activities expenses	3,734,679	3,347,283
Other operating and administration expenses	219,078	167,794
	4,095,692	3,630,586

6. Plant and equipment

	Computer equipment	Office equipment	Office furniture	Renovation	Total
	$	$	$	$	$
Cost:					
At 1 January 2016	434,129	47,492	40,572	652,375	1,174,568
Additions	39,835	4,503	–	74,365	118,703
Disposals	(99,924)	(1,391)	–	–	(101,315)
At 31 December 2016	374,040	50,604	40,572	726,740	1,191,956
Additions	97,745	1,653	2,889	144,700	246,987
Disposals	(30,170)	(1,754)	(2,684)	–	(34,608)
At 31 December 2017	441,615	50,503	40,777	871,440	1,404,335
Accumulated depreciation:					
At 1 January 2016	259,294	37,265	38,841	491,326	826,726
Depreciation for the year	113,964	8,477	1,409	151,870	275,720
Disposals	(99,924)	(1,391)	–	–	(101,315)
At 31 December 2016	273,334	44,351	40,250	643,196	1,001,131
Depreciation for the year	106,630	3,878	722	60,047	171,277
Disposals	(28,822)	(1,754)	(2,684)	–	(33,260)
At 31 December 2017	351,142	46,475	38,288	703,243	1,139,148
Carrying value:					
At 1 January 2016	174,835	10,227	1,731	161,049	347,842
At 31 December 2016	100,706	6,253	322	83,544	190,825
At 31 December 2017	90,473	4,028	2,489	168,197	265,187

The depreciation expense is charged and included in resources expended as follows:

	2017	2016
	$	$
Costs of generating voluntary income	3,544	2,966
Charitable activities expenses	162,209	223,114
Other operating and administration expenses	5,524	49,640
	171,277	275,720

7. Other receivables

	2017	2016
	$	$
Interest receivables	225,727	178,405
Deposits	35,294	67,496
Other receivables	69,681	323,008
	330,702	568,909

8. Other non-financial assets

	2017 $	2016 $
Finance assistance and donation in kind vouchers	28,467	42,252
Prepayments	32,237	93,876
	60,704	136,128

9. Cash and cash equivalents

	2017 $	2016 $
Not restricted in use	28,090,896	26,943,096
Interest earning balances	24,789,843	23,820,730

The rates of interest for the cash on interest earning balances ranged from 1.15% to 1.74% (2016: 1.02% to 1.74%) per annum and mature within 12 months (2016: 12 months).

10. Reserve policy

	2017 $	2016 $	Increase/ (Decrease) %
Unrestricted fund ("Reserve")	27,883,398	26,818,967	3.97
Ratio of Reserve to Annual Operating Expenditure	3.14:1	2.97:1	

The Foundation shall maintain a reserve that is equivalent to at least 3 years of its operating expenses. This is to ensure continuity in providing the necessary services to its beneficiaries.

With the unanimous approval of the board of management committee, the Foundation is able to draw down from its reserve to meet its operating expenses to ensure ongoing services are not disrupted.

On a yearly basis, the board of management committee reviews the amount of reserve that is required to ensure that the reserve is adequate to fulfil the continuing obligations of the Foundation.

11. Provision, non-current

	2017 $	2016 $
Movements in above provision:		
At beginning of the year	74,365	–
Additions	–	74,365
At end of the year	74,365	74,365

Provision for dismantlement, removal or restoration is the estimated costs of dismantlement, removal or restoration of plant and equipment arising from use of assets, which are capitalised and included in the cost of plant and equipment. The unwinding of discount is not significant.

12. Other payables

	2017 $	2016 $
Outside parties and accrued liabilities	678,398	621,304
Deferred grant (a)	111,328	310,266
Deferred income	–	14,056
	789,726	945,626

(a) The deferred grant relates to the Care and Share Matching Grant from the Ministry of Social and Family Development ("MSF") to fund programmes or activities of the Foundation. The Foundation shall utilise the grant within three years from the end of 31 March 2016. A total of $1,350,000 (2016: $1,153,870) has been disbursed since 2014.

	2017 $	2016 $
Balance at beginning of the year	310,266	485,841
Grants received / receivable during the year	196,130	30,647
Utilised during the year	(395,068)	(206,222)
Balance at end of the year	111,328	310,266

13. Financial instruments: information on financial risks

13A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	2017	2016
	$	$
Financial assets:		
Cash and cash equivalents	28,090,896	26,943,096
Loans and receivables	330,702	568,909
At end of the year	28,421,598	27,512,005
Financial liabilities:		
Other payables measured at amortised cost	678,398	621,304
At end of the year	678,398	621,304

Further quantitative disclosures are included throughout these financial statements.

13B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Foundation's operating, investing and financing activities. There are exposure to the financial risks on the financial instruments such as credit risk and liquidity risk. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

The Foundation is not exposed to significant interest rate and currency risks. There have been no changes to exposure to risk; objectives, policies and processes for managing the risk and the methods used to measure the risk.

13C. Fair Values of Financial Instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

13. Financial instruments: information on financial risks (cont'd)

13D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed on the financial condition of the debtors and a loss from impairment is recognised in profit or loss.

Note 9 discloses the maturity of the cash and cash equivalents balances.

Other receivables are normally with no fixed terms and therefore there is no maturity.

13E. Liquidity risk – financial liabilities maturity analysis

There are no liabilities contracted to fall due after twelve months at the end of the reporting year. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle payables is about 60 days (2016: 60 days). The payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The Foundation monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Foundation's operations and to mitigate the effects of fluctuations in cash flows.

13F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed interest rates. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

	2017 $	2016 $
Financial assets with interest:		
Fixed rates	24,789,843	23,820,730

The interest rates are disclosed in Note 9.

Sensitivity analysis: The effect on surplus is not significant.

14. Commitments

a) Another three non-profit organisations share its community space with the Foundation and the latter has agreed to bear certain maintenance incurred for the community space. The maintenance charged in the statement of financial activities for the reporting year was $209,696 (2016: $212,568). Future committed payments related to the maintenance of the community space as of 31 December 2017 are as follows:

	2017 $	2016 $
Within one year	174,435	173,190
After 1 year but within 3 years	218,044	389,676
	392,479	562,866

b) The Foundation has committed a 3-year funding to NUH for Bone Marrow Transplant Coordinator, on terms agreed by both parties for the period from June 2015 to May 2018, capped at the amounts listed below:

	Period	Approved funding amount $	Actual disbursed amount $
Year 1	June 2015 to May 2016	95,000	90,736
Year 2	June 2016 to May 2017	100,000	97,568
Year 3	June 2017 to May 2018	105,000	42,442 (till 31 December 2017)

c) The Foundation has committed to contribute $1,200,000 to Viva Foundation for Children with Cancer for supporting the setting up of the CCF Psychosocial Initiative for Brain and Solid Tumours in support of VIVA-KKH Paediatric Brain and Solid Tumour Programme on terms agreed by both parties. A total of $800,000 has been disbursed from 2016 to 2017. The Foundation intends to disburse the remaining $400,000 in 2018.

d) The Foundation has committed funding of $450,000 to SingHealth Duke-NUS Paediatrics Academic Clinical Programme for the purpose of establishing the CCF Paediatric Oncology Survivorship Programme on terms agreed by both parties. Funding of $71,000 and $75,000 have been disbursed in 2016 and 2017 respectively. The Foundation intends to disburse the remaining $304,000 in 3 yearly tranches ending in 2020.

e) The Foundation has committed funding of $206,298 to NUS Yong Loo Lin School of Medicine to advance paediatric oncology research and education at NUS on terms agreed by both parties. Funding of $58,573 and $72,022 have been disbursed in 2016 and 2017 respectively. The Foundation intends to disburse $75,703 in 2018.

f) The Foundation has committed funding of $1,738,000 to KK Women's and Children's Hospital for the purpose of establishing the CCF Psychosocial and Supportive Care Programme for Paediatric Oncology on terms agreed by both parties. Funding of $580,000 and $579,000 have been disbursed in 2016 and 2017 respectively. The Foundation intends to disburse the remaining $579,000 in 2018.

14. Commitments (cont'd)

g) The Foundation has committed a funding of $200,000 per annum for the financial years 2017 and 2018 to the Singapore Cord Blood Bank Limited, on terms agreed by both parties.

15. Changes and adoption of financial reporting standards

For the current reporting year new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. None of these were applicable to the reporting entity.

16. New or amended standards in issue but not yet effective

For the future reporting years new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Foundation for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 109	Financial Instruments	1 Jan 2018
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116	Leases	1 Jan 2019