

**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

**AUDITED ACCOUNTS FOR THE FINANCIAL YEAR ENDED**

**31 DECEMBER 2015**

**VERITY PARTNERS**  
Chartered Accountants of Singapore

**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

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**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**


**STATEMENT BY THE BOARD OF GOVERNORS**

We, **GERARD LEE HOW CHENG** and **LIONAL TSENG**, on behalf of the Board of Governors, state that in our opinion:

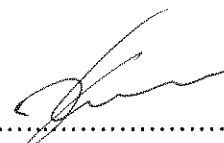
- (a) the financial statements set out on pages 4 to 26 are drawn up to present fairly, in all material respects, the financial position of BOYS' TOWN, SINGAPORE as at 31 December 2015 and the financial performance, changes in funds and cash flows of BOYS' TOWN, SINGAPORE for the financial year ended on that date;
- (b) the use of the donation monies was in accordance with the objectives of BOYS' TOWN, SINGAPORE as required under Regulation 16 of the Charities (Institutions of a Public Character) Regulations;
- (c) BOYS' TOWN, SINGAPORE has complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations; and
- (d) at the date of this statement, there are reasonable grounds to believe that BOYS' TOWN, SINGAPORE will be able to pay its debts as and when they fall due.

The Board of Governors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Governors



.....  
**GERARD LEE HOW CHENG**  
Chairman



.....  
**LIONAL TSENG**  
Audit Committee Chairman

**DATED: 14 APRIL 2016**



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BOYS' TOWN, SINGAPORE  
Unique Entity No. S84CC0095A**

**Report on the Financial Statements**

We have audited the financial statements of BOYS' TOWN, SINGAPORE, which comprise the statement of financial position as at 31 December 2015, and the income and expenditure statement, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 4 to 26.

*Board of Governors' Responsibility for the Financial Statements*

The Board of Governors is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Charities Act (Chapter 37) (the "Act") and Singapore Financial Reporting Standards, and for such internal control as the Board of Governors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

*Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgements, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Governors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
BOYS' TOWN, SINGAPORE  
Unique Entity No. S84CC0095A**

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the entity as at 31 December 2015 and the financial performance, changes in funds and cash flows of the entity for the financial year then ended in accordance with the provisions of the Act and Singapore Financial Reporting Standards.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the entity have been properly kept in accordance with the provisions of the Act.

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

- a. The use of the donation monies was not in accordance with the objectives of the entity as required under Regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- b. The entity has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



**VERITY PARTNERS**  
Public Accountants and  
Chartered Accountants  
Singapore

**DATED: 14 APRIL 2016**

**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2015**

	Note	2015 S\$	2014 S\$ (Restated)
<b>ASSETS</b>			
<b>Non-current asset</b>			
Property and equipment	5	<u>14,710,256</u>	<u>14,490,678</u>
<b>Current assets</b>			
Trade receivables		26,716	9,400
Other receivables and prepayments	6	205,230	264,270
Cash and cash equivalents	7	<u>8,442,352</u>	<u>8,601,645</u>
		<u>8,674,298</u>	<u>8,875,315</u>
<b>TOTAL ASSETS</b>		<u><u>23,384,554</u></u>	<u><u>23,365,993</u></u>
<b>FUNDS AND LIABILITIES</b>			
<b>Funds</b>			
Building Fund	8	3,586,218	3,472,685
Technology Management Fund	9	78,842	-
General Fund		4,918,876	4,863,992
Asset Capitalisation Reserve	10	<u>7,005,427</u>	<u>7,227,087</u>
		<u>15,589,363</u>	<u>15,563,764</u>
<b>Current liabilities</b>			
Other payables and accruals	11	745,191	602,229
Deferred capital grants	12	<u>7,050,000</u>	<u>7,200,000</u>
		<u>7,795,191</u>	<u>7,802,229</u>
<b>TOTAL FUNDS AND LIABILITIES</b>		<u><u>23,384,554</u></u>	<u><u>23,365,993</u></u>

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

**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Note	2015 S\$	2014 S\$ (Restated)
<b>INCOME</b>			
Amortisation of deferred capital grants	12	150,000	150,000
Boarding fees		98,127	125,495
Boys' scholarships		5,000	7,500
Donations		2,238,675	2,937,409
Grant from Caritas Singapore Community Council		650,000	650,000
Grant from Catholic Welfare Services		183,108	150,000
Grant from Ministry of Social and Family Development		846,428	780,583
Grant from National Council of Social Service		495,110	312,066
Grant from Workforce Development Agency		-	2,430
Grant-others		112,699	70,127
Interest income		4,972	4,881
Miscellaneous income		162,859	119,652
Rental income		2,500	2,639
		<u>4,949,478</u>	<u>5,312,782</u>
<b>EXPENDITURE</b>			
Adventure centre expenses		18,037	-
Depreciation	5	178,614	187,510
Food and provisions		190,320	186,600
Fund-raising expenses		161,646	110,943
General expenses		12,792	8,905
Information technology expenses		13,468	11,031
Insurance		34,167	28,988
Property and equipment written off		28	105,505
Professional fees		25,145	10,324
Programme expenses		243,084	291,096
Rental of premises		120,000	120,000
Repairs and maintenance		163,586	162,882
Scholarship and books		3,801	16,357
Security services		145,958	140,628
Staff CPF contributions and skills development levy	13	363,554	291,196
Staff salaries and bonuses	13	2,864,599	2,336,719
Staff training		55,022	43,803
Staff welfare		19,873	15,353
Supplies and materials		14,843	14,867
Telephone		12,892	11,869
Upkeep of motor vehicles		20,316	21,220
Water and electricity		170,757	162,885
Youth reach programme		62,092	60,961
		<u>4,894,594</u>	<u>4,339,642</u>
<b>Surplus for the year</b>		<u>54,884</u>	<u>973,140</u>

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

**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

**INCOME AND EXPENDITURE STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Note	2015 S\$	2014 S\$ (Restated)
Surplus for the year		<u>54,884</u>	<u>973,140</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>ITEMS THAT WILL NOT BE RECLASSIFIED</b>			
<b>SUBSEQUENTLY TO PROFIT OR LOSS</b>			
Net movement of Building Fund	8	130,264	(41,593)
Net movement of Technology Management Fund	9	132,920	-
Net movement of Asset Capitalisation Reserve	10	<u>(292,469)</u>	<u>(284,950)</u>
		<u>(29,285)</u>	<u>(326,543)</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>25,599</u>	<u>646,597</u>

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



**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Note	Technology			Asset	
		Building	Management	General	Capitalisation	Total
		Fund	Fund	Fund	Reserve	
		S\$	S\$	S\$	S\$	
Balance at 1 January 2015 (Restated)	19	3,472,685	-	4,863,992	7,227,087	
Transfer of funds	8,9,10	(16,731)	(54,078)	-	70,809	-
Total comprehensive income		130,264	132,920	54,884	(292,469)	25,599
Balance at 31 December 2015		<u>3,586,218</u>	<u>78,842</u>	<u>4,918,876</u>	<u>7,005,427</u>	<u>15,589,363</u>

	Note	Technology			Asset	
		Building	Management	General	Capitalisation	Total
		Fund	Fund	Fund	Reserve	
		S\$	S\$	S\$	S\$	
Balance at 1 January 2014 (Restated)	19	4,048,871	-	3,890,852	6,977,444	
Transfer of funds	8,9	(534,593)	-	-	534,593	-
Total comprehensive income		(41,593)	-	973,140	(284,950)	646,597
Balance at 31 December 2014 (Restated)		<u>3,472,685</u>	<u>-</u>	<u>4,863,992</u>	<u>7,227,087</u>	<u>15,563,764</u>

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

**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	Note	2015 S\$	2014 S\$ (Restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus for the year		54,884	973,140
Adjustments for:			
Amortisation of deferred capital grants	12	(150,000)	(150,000)
Depreciation	5	178,614	187,510
Property and equipment written off		28	105,505
Interest on fixed deposits		(7,484)	(7,709)
Surplus before working capital changes		76,042	1,108,446
Changes in working capital:			
Trade and other receivables		41,724	256,703
Other payables and accruals		85,937	(289,860)
Cash Flow From Operating Activities		203,703	1,075,289
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property and equipment	5	(633,664)	(448,383)
Net Receipts of donations/(Payment) for capital expenditure	8, 9	263,184	(41,593)
Interest income		3,542	3,844
Cash Flow Used In Investing Activities		(366,938)	(486,132)
Net Increase/(Decrease) In Cash And Cash Equivalents		(163,235)	589,157
<b>CASH AND CASH EQUIVALENTS</b>			
Opening balance		7,939,768	7,350,611
Closing balance	7	7,776,533	7,939,768

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

**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

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

1. GENERAL

The financial statements were authorised for issue by the Board of Governors on 14 April 2016.

The entity is registered and domiciled in the Republic of Singapore. The entity is also registered as a charity under Singapore Charities Act, Chapter 37 and an approved Institution of Public Character in accordance with Section 37(a) of the Income Tax Act.

The registered office, which was also the principal place of operation, is located at 624, Upper Bukit Timah Road, Singapore 678212.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for assets. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 fair value measurements are those from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Transfers between levels of the fair value hierarchy are recognised by the entity at the end of the reporting period during which the change occurred.

**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

The preparation of financial statements in conformity with FRS requires the Board of Governors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision only affects that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The new or revised FRS that are applicable in the current financial year are not relevant to the entity for adoption in the financial year ended 31 December 2015.

The entity has not applied any new or revised FRS or Interpretations of FRS (INT FRS) that have been issued as of the end of the reporting period but are not yet effective. The initial application of these standards and interpretations are not expected to have any material impact on the entity's financial statements. The entity has not considered the impact of any FRS or INT FRS issued after the end of the reporting period.

2.2 Functional and presentation currency

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates (functional currency). The financial statements are presented in Singapore Dollars (S\$), which is the entity's functional currency.

2.3 Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is calculated on a straight-line basis so as to write-off the cost of the assets over their estimated useful lives, as follows:

Multi-purpose building and main building	50 years
Motor vehicles	10 years
Furniture, fittings, equipment and machinery	5 to 10 years
Computers and software	3 to 5 years

**BOYS' TOWN, SINGAPORE**  
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**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Property and equipment (continued)

Fully depreciated assets are retained in the financial statements until they are no longer in use.

Assets under construction are not depreciated as these assets are not yet available for use.

The residual values and useful lives of property and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

Subsequent expenditure relating to property and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the entity and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

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

2.4 Financial assets

Financial assets within the scope of FRS 39 are classified as loans and receivables. Loans and receivables include "trade and other receivables" and "cash and cash equivalents".

Financial assets are recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus directly attributable transactions costs. The entity determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at the end of the reporting period.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in the income and expenditure statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

**BOYS' TOWN, SINGAPORE**  
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**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.4 Financial assets (continued)**

The entity assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. Impairment losses are recognised in the income and expenditure statement.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in equity is recognised in the income and expenditure statement.

**2.5 Receivables**

Trade and other receivables are measured at initial recognition at fair value and subsequently at amortised cost using the effective interest rate method less an allowance for any uncollectible amounts.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that the receivables are impaired. An allowance for impairment is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

The carrying amounts of current receivables are assumed to approximate their fair values at the end of the reporting period.

**2.6 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, cash at banks and unpledged fixed deposits.

**2.7 Financial liabilities**

The entity classifies its financial liabilities in the following categories: (a) financial liabilities at fair value through profit or loss; and (b) financial liabilities at amortised cost.

Financial liabilities are classified as financial liabilities at fair value through profit or loss if they are incurred for the purpose of short-term repurchasing (held for trading) or designated by management on initial recognition (designated under the fair value option). The entity does not have any financial liabilities classified at fair value through profit or loss at the end of the reporting period.

**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.7 Financial liabilities (continued)**

Financial liabilities are recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities other than derivatives, directly attributable transactions costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest rate method, except for derivatives, which are measured at fair value.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in the income and expenditure statement when the liabilities are derecognised. Net gains or losses on derivatives include exchange differences.

**2.8 Related parties**

Related parties are entities with common directors as that of the entity. Parties are also considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or other entities.

**2.9 Payables**

Trade and other payables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest rate method.

The carrying amounts of current payables are assumed to approximate their fair values at the end of the reporting period.

**2.10 Provisions**

Provisions are recognised when the entity has a present obligation (legal or constructive) as result of a past event, it is probable that the entity will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

**BOYS' TOWN, SINGAPORE**  
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**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.10 Provisions (continued)**

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**2.11 Asset Capitalisation Reserve**

Specific donations given for the construction and furnishing of the building are capitalised as non-current assets, and the corresponding credits are reflected in the Asset Capitalisation Reserve once the building is available for use. The depreciation on the related asset is accounted for in Asset Capitalisation Reserve account.

**2.12 Income recognition**

Donations are recognised in the income and expenditure statement as and when received.

Boarding fees are recognised when due and received.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in the income and expenditure statement in the period in which they become receivable.

Rental income from operating leases is recognised on a straight-line basis over the lease term.

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

**2.13 Impairment of non-financial assets**

Property and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. Higher of the cash-generating unit's fair value less cost to sell and value in use) of the asset is estimated to determine the amount of the impairment loss.



**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Impairment of non-financial assets (continued)

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit to which the asset belongs to. If the recoverable amount of the asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. The impairment loss is recognised in the income and expenditure statement unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a reduction in revaluation reserve.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the income and expenditure statement, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

2.14 Employee benefits

As required by law, the entity makes contributions to the Central Provident Fund (CPF). CPF contributions are recognised as compensation expenses in the same period as employment that gives rise to the contributions.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

These expenses are charged to the income and expenditure statement as and when they arise and are disclosed as part of staff costs.

2.15 Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

Payments made under operating leases are taken to the income and expenditure statement on a straight-line basis over the period of the lease.

**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.16 Government grants**

Government grants are recognised when there is reasonable assurance that the entity will comply with conditions related to them and that the grants will be received.

Grants related to income are recognised in income and expenditure statement over the periods necessary to match them with the related costs that they are intended to compensate. The timing of such recognition in income and expenditure statement will depend on the fulfillment of any conditions or obligations attached to the grant.

Grants related to assets are either offset against the carrying amount of the relevant asset or presented as deferred income (liability) in the statement of financial position. The income and expenditure statement will be affected by a reduced depreciation charge or by recognising deferred income in income and expenditure statement systematically over the useful life of the related asset.

**2.17 Foreign currencies**

Transactions in foreign currencies are measured and recorded in Singapore Dollars using the exchange rate in effect at the date of the transaction. At the end of each reporting period, recorded monetary balances that are denominated in a foreign currency are translated to reflect the rate at the end of the reporting period. All exchange adjustments are taken to the income and expenditure statement.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

**2.18 Taxation**

The entity has been registered as a charity under the Charities Act and is exempted from income tax under Section 13U of the Income Tax Act, Chapter 134.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**3.1 Critical judgements in applying the entity's accounting policies**

The Board of Governors is of the opinion that any instances of application of judgements are not expected to have a significant effect on the amounts recognised in the financial statements.

**BOYS' TOWN, SINGAPORE**  
**Unique Entity No. S84CC0095A**

**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

**3.2 Useful lives of property and equipment**

The entity determines the estimated useful lives and related depreciation expense for the property and equipment. The entity estimates useful lives of the property and equipment by reference to expected usage of the property and equipment, expected repair and maintenance, and technical or commercial obsolescence arising from changes or improvements in the market. The useful lives and related depreciation expense could change significantly as a result of the changes in these factors.

**3.3 Allowance for impairment of trade and other receivables**

The policy for allowance for impairment of trade and other receivables of the entity is based on the evaluation of collectibility of receivables, ageing analysis of accounts and on Board of Governors' estimate. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness and the past collection history of each debtor. If the financial conditions of the debtors were to deteriorate and result in an impairment of their ability to make payments, an allowance may be required.

**4. PRINCIPAL ACTIVITIES**

Boys' Town, Singapore provides residential, outreach, school and community based programs to help youth-at-risk between the ages 10 to 21 become socially integrated, responsible and contributory members of society.

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**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

5. PROPERTY AND EQUIPMENT

	At 01.01.2015	Additions	Disposals	At 31.12.2015
Cost	S\$	S\$	S\$	S\$
Main building	14,343,206	15,651	-	14,358,857
Motor vehicles	258,093	-	-	258,093
Furniture, fittings, equipment and machinery	939,895	1,599	(16,532)	924,962
Computer and software	140,593	56,814	(33,742)	163,665
Construction in progress	7,802	616,624	-	624,426
	<u>15,689,589</u>	<u>690,688</u>	<u>(50,274)</u>	<u>16,330,003</u>
Accumulated depreciation				
Main building	562,403	287,096	-	849,499
Motor vehicles	177,545	12,675	-	190,220
Furniture, fittings, equipment and machinery	335,271	155,902	(16,525)	474,648
Computer and software	123,692	15,409	(33,721)	105,380
Construction in progress	-	-	-	-
	<u>1,198,911</u>	<u>471,082</u>	<u>(50,246)</u>	<u>1,619,747</u>
Carrying amount				
Main building				13,509,358
Motor vehicles				67,873
Furniture, fittings, equipment and machinery				450,314
Computer and software				58,285
Construction in progress				624,426
				<u>14,710,256</u>

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5. PROPERTY AND EQUIPMENT (CONTINUED)

Cost	At	Additions	Disposals	At
	01.01.2014			31.12.2014
	S\$	S\$	S\$	S\$
Multi-purpose building	198,172	-	(198,172)	-
Main building	13,864,491	478,715	-	14,343,206
Motor vehicles	231,044	27,049	-	258,093
Furniture, fittings, equipment and machinery	1,026,974	57,355	(144,434)	939,895
Computer and software	132,597	7,996	-	140,593
Construction in progress	-	7,802	-	7,802
	<u>15,453,278</u>	<u>578,917</u>	<u>(342,606)</u>	<u>15,689,589</u>
Accumulated depreciation				
Multi-purpose building	89,717	3,963	(93,680)	-
Main building	278,246	284,157	-	562,403
Motor vehicles	167,349	10,196	-	177,545
Furniture, fittings, equipment and machinery	324,988	153,704	(143,421)	335,271
Computer and software	103,252	20,440	-	123,692
Construction in progress	-	-	-	-
	<u>963,552</u>	<u>472,460</u>	<u>(237,101)</u>	<u>1,198,911</u>
Carrying amount				
Multi-purpose building				-
Main building				13,780,803
Motor vehicles				80,548
Furniture, fittings, equipment and machinery				604,624
Computer and software				16,901
Construction in progress				7,802
				<u>14,490,678</u>

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5. PROPERTY AND EQUIPMENT (CONTINUED)

During the financial year, the entity capitalised property and equipment totalling S\$690,688 (2014: S\$578,917), of which S\$633,664 (2014: S\$448,383) was acquired by cash. The balance of S\$57,024 (2014: S\$130,534) was held in retention monies payable (Note 11).

Depreciation charges for the financial year were accounted as follows:

	2015 S\$	2014 S\$
Income and expenditure statement	178,614	187,510
Asset Capitalisation Reserve (Note 10)	292,469	284,950
	<u>471,083</u>	<u>472,460</u>

6. OTHER RECEIVABLES AND PREPAYMENTS

	2015 S\$	2014 S\$
Deposits	20,550	20,550
Prepayments	7,530	40,684
Other debtors	177,150	203,036
	<u>205,230</u>	<u>264,270</u>

7. CASH AND CASH EQUIVALENTS

For the purpose of the cash flow statement, the cash and cash equivalents comprised of:

	2015 S\$	2014 S\$
Cash and bank balances	6,869,739	7,033,881
Fixed deposits	1,572,613	1,567,764
	8,442,352	8,601,645
Less : Fixed deposits(*)	(665,819)	(661,877)
	<u>7,776,533</u>	<u>7,939,768</u>

The effective interest rates of the fixed deposits ranged from 0.10% to 0.70% (2014: 0.10% to 0.70%) per annum at the end of the reporting period with maturity periods ranging from 1 to 5 months (2014: 1 to 5 months) from the end of the reporting period.

\* Fixed deposits with maturity periods of more than 3 months from the end of the reporting period.

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8. BUILDING FUND

	2015 S\$	2014 S\$ (Restated)
Opening balance	3,472,685	4,048,871
Designated donations received for the construction of building	202,512	4,328
Utilisation	(72,248)	(45,921)
	130,264	(41,593)
Less: Transferred to Asset Capitalisation Reserve (Note 10)		
- Cost	16,731	534,593
	16,731	534,593
Closing balance	3,586,218	3,472,685

The purpose of the building fund is for the payment of costs relating to the construction, furnishing and maintenance of the new buildings.

9. TECHNOLOGY MANAGEMENT FUND

	2015 S\$	2014 S\$
Opening balance	-	-
Designated donations received for the enhancement of management system	148,000	-
Utilisation	(15,080)	-
	132,920	-
Less: Transferred to Asset Capitalisation Reserve (Note 10)		
- Cost	54,078	-
	54,078	-
Closing balance	78,842	-

The purpose of the fund is for the payments of costs related to the Case and Donor Management System.

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**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

10. ASSET CAPITALISATION RESERVE

	2015 S\$	2014 S\$ (Restated)
Opening balance	7,775,785	7,241,192
Transferred from Building Fund (Note 8)	16,731	534,593
Transferred from Technology Mangement Fund (Note 9)	54,078	-
Closing balance	7,846,594	7,775,785
Less:		
Accumulated depreciation		
Opening balance	548,698	263,748
Charges for the year (Note 5)	292,469	284,950
Closing balance	841,167	548,698
	7,005,427	7,227,087

11. OTHER PAYABLES AND ACCRUALS

	2015 S\$	2014 S\$
Accruals	640,028	414,501
Retention monies payable	57,024	130,534
Sundry payables	48,139	57,194
	745,191	602,229

12. DEFERRED CAPITAL GRANTS

	2015 S\$	2014 S\$
Grants received		
Opening balance	7,500,000	7,500,000
Closing balance	7,500,000	7,500,000
Less: Amortisation		
Opening balance	300,000	150,000
Grants amortised in the current year	150,000	150,000
Closing balance	450,000	300,000
	7,050,000	7,200,000



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**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

13. STAFF COSTS

	2015 S\$	2014 S\$
<u>General Fund</u>		
Staff costs (including key management personnel's remuneration - Note 14)	2,864,599	2,336,719
Staff CPF contributions and skills development levy	363,554	291,196
Other staff costs	74,895	59,156
	3,303,048	2,687,071
 <u>Building Fund</u>		
Staff costs	16,204	-
Staff CPF contributions and skills development levy	1,300	-
	17,504	-

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

	2015 S\$	2014 S\$
Food and provisions expenses charged by a related party	24,000	24,000
Rental expenses charged by a related party	120,000	120,000

Key management personnel's compensation are as follows:

	2015 S\$	2014 S\$
Salaries and bonuses	388,908	361,734
CPF contributions	40,278	36,645
	429,186	398,379
Number of key management personnel	3	3

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**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

14. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

The following information relates to the remuneration of the entity's key management personnel for the financial year ended 31 December 2015 (2014: 31 December 2014).

	2015	2014
Band		
S\$100,000 to below S\$200,000	<u>3</u>	<u>3</u>

The remuneration of key management personnel is determined by the Board of Governors having regard to the performance of the individual and market trend.

15. CAPITAL COMMITMENTS

	2015	2014
	S\$	S\$
Contracts for construction of building	<u>3,436,712</u>	<u>-</u>

16. TAX-EXEMPT RECEIPTS

During the financial year, the entity issued tax-exempt receipts for donations collected totalling S\$1,824,505 (2014: S\$2,664,838).

17. RESERVES POLICY

Boys' Town has a reserves policy of not more than 5 years of its Annual Operating Expenditure to meet its operational needs.

18. FINANCIAL INSTRUMENTS

Categories of financial instruments

The financial instruments as at the end of the reporting period were:

	2015	2014
	S\$	S\$
Financial assets, loans and receivables	<u>8,666,768</u>	<u>8,834,631</u>
Financial liabilities, at amortised cost	<u>745,191</u>	<u>602,229</u>

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**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

18. FINANCIAL INSTRUMENTS (CONTINUED)

Financial risk management

The main risks arising from the entity's financial instruments are liquidity risk, interest rate risk and credit risk. The entity does not use derivatives and other instruments in its management activities. The entity does not hold or issue derivative financial instruments for trading purposes. The Board of Governors agrees to the policy for managing the risks and they are summarised below:

18.1 Liquidity risk

Liquidity risk is the risk the entity is unable to meet its cash flow obligations as and when they fall due.

The entity manages liquidity risk by maintaining sufficient cash to meet normal operating commitments.

18.2 Interest rate risk

Interest rate risk is the risk to earnings and value of financial instruments caused by fluctuations in interest rates.

The entity's exposure to changes in interest rates relates primarily to its holding of fixed deposits. The entity's policy is to obtain favourable interest rates that are available.

The entity is not exposed to any significant interest rate risk. The sensitivity analysis for changes in interest rate risk is not disclosed as the effect on income and expenditure statement is considered not significant.

18.3 Credit risk

Credit risk is the potential loss arising from any failure by the customers or debtors to fulfill their obligations as and when these obligations fall due.

The carrying amount of bank balances and other receivables represent the entity's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The entity has no significant concentration of credit risk and places its surplus funds with financial institutions which are regulated.

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**NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2015**

19. COMPARATIVES

Certain comparatives in the financial statements have been restated from the previous year due to reclassification. The reclassifications are as follow:

	As previously reported S\$	Effects of reclassification S\$	As restated S\$
<u>Balance sheet</u>			
<u>Funds</u>			
Building Fund	4,007,278	(534,593)	3,472,685
General Fund	4,913,956	(49,964)	4,863,992
Asset Capitalisation Reserve	<u>6,642,530</u>	<u>584,557</u>	<u>7,227,087</u>
 <u>Statement of income and expenditure</u>			
Surplus for the year	973,015	125	973,140
Net movment in Asset Capitalisation Reserve	<u>284,825</u>	<u>125</u>	<u>284,950</u>
 <u>Statement of changes in funds - 1 January 2014</u>			
General Fund	3,940,941	(50,089)	3,890,852
Asset Capitalisation Reserve	<u>6,927,355</u>	<u>50,089</u>	<u>6,977,444</u>