

ASSOCIATION FOR PERSONS WITH SPECIAL NEEDS
(Registered in Singapore under Societies Act, Cap 311 and the Charities Act, Cap. 37)
(UEN : S75SS0058K)

Statement by the Board and Financial Statements

For the Reporting Year Ended 31 March 2017

ASSOCIATION FOR PERSONS WITH SPECIAL NEEDS
(Registered in Singapore under the Societies Act, Cap 311 and Charities Act, Cap. 37)
(UEN : S75SS0058K)

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ASSOCIATION FOR PERSONS WITH SPECIAL NEEDS
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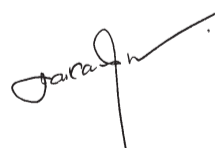
STATEMENT BY THE BOARD

In our opinion:

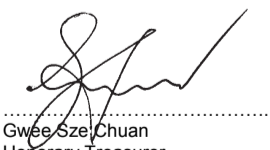
- (a) the accompanying statement of financial activities, statement of changes in accumulated funds, statement of financial position, statement of cash flows and notes thereto are drawn up so as to give a true and fair view of the state of affairs of APSN as at 31 March 2017 and of the results, changes in accumulated funds and cash flows of APSN for the reporting year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that APSN will be able to pay its debts as and when they fall due.

The Board approved and authorised these financial statements for issue.

On behalf of the Board



Victor Tay
President



Gwee Sze Chuan
Honorary Treasurer

Singapore

6 September 2017

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ASSOCIATION FOR PERSONS WITH SPECIAL NEEDS**
(Registered in Singapore under the Charities Act, Cap. 37 and Societies Act, Cap 311)
(UEN : S75SS0058K)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Association For Persons With Special Needs (the "APSN"), which comprise the statement of financial position as at 31 March 2017, and the statement of financial activities, statement of changes in accumulated funds 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 APSN as at 31 March 2017 and the financial activities, changes in funds and cash flows of APSN 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 APSN 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 statement by the board and the annual report 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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Other information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board for the financial statements

The board 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, the Board is responsible for assessing APSN'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 APSN or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing APSN'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 APSN's internal control.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Chan Sek Wai.



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

6 September 2017

Engagement partner - effective from reporting year ended 31 March 2013

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

- 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 APSN'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 APSN to cease to continue as a going concern.
- 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 the directors 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 have provided the board 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.

Reporting on other legal and regulatory requirements

In our opinion:

- (a) the accounting and other records required by APSN have been properly kept in accordance with the provisions of Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) the fund raising appeal held during the reporting year have been carried out in accordance with Regulation 6 the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

ASSOCIATION FOR PERSONS WITH SPECIAL NEEDS
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE REPORTING YEAR ENDED 31 MARCH 2017

	Notes	2017			2016		
		Unrestricted funds \$	Restricted funds \$	Total \$	Unrestricted funds \$	Restricted funds \$	Total \$
INCOMING RESOURCES							
Donations							
– Designated donations	16	892,559	512,355	1,404,914	911,428	893,401	1,804,829
– General donations		–	614	614	–	7,600	7,600
– Donation in kind		186,449	88,065	274,514	176,888	63,157	240,045
Interest income		36,933	151,674	188,607	26,375	94,344	120,719
Miscellaneous income		1,040	8,842	9,882	1,070	17,894	18,964
Programme / school fees		–	500,939	500,939	–	512,242	512,242
Programme sales and services		–	95,647	95,647	–	113,002	113,002
Programme sales and services (Designated)	16	6,475	122,002	128,477	–	76,367	76,367
Rental income from investment properties		72,500	–	72,500	78,000	–	78,000
Total incoming resources		1,195,956	1,480,138	2,676,094	1,193,761	1,778,007	2,971,768
Less: Resources expended							
Contract service expenses							
		–	(374,890)	(374,890)	–	(304,507)	(304,507)
Depreciation							
		(19,671)	(1,213,167)	(1,232,838)	(21,366)	(1,690,249)	(1,711,615)
Education & programme expenses							
		(18,586)	(1,187,929)	(1,206,515)	(6,703)	(1,037,067)	(1,043,770)
HQ cost allocation & management fee							
		2,064,610	(2,064,610)	–	1,948,407	(1,948,407)	–
Land & office rental							
	24	(3,137)	(2,505,930)	(2,509,067)	–	(2,569,215)	(2,569,215)
Maintenance expenses							
		(28,420)	(628,430)	(656,850)	(21,752)	(618,351)	(640,103)
Other operating expenses							
		(79,770)	(699,721)	(779,491)	(101,358)	(807,486)	(908,844)
Staff benefit & related expenses							
	5	(2,167,460)	(20,910,869)	(23,078,329)	(1,861,713)	(19,301,168)	(21,162,881)
Subvention by trusted funds / donations							
	6	333,602	792,277	1,125,879	91,137	1,167,531	1,258,668
Utilisation of donations							
	16	(851,520)	(739,916)	(1,591,436)	(311,579)	(939,737)	(1,251,316)
Utilisation of donation in kind							
		(186,449)	(88,065)	(274,514)	(176,888)	(63,057)	(239,945)
Utilisation of MOE special purpose grants							
	12	–	(1,607,195)	(1,607,195)	–	(1,607,578)	(1,607,578)
Utilisation of MOE funds							
	13	–	(178,295)	(178,295)	–	(325,605)	(325,605)
Utilisation of trust funds							
	14	–	(1,659,198)	(1,659,198)	–	(1,867,989)	(1,867,989)
Total resources expended		(956,801)	(33,065,938)	(34,022,739)	(461,815)	(31,912,885)	(32,374,700)
(Deficit) / surplus before grants		239,155	(31,585,800)	(31,346,645)	731,946	(30,134,878)	(29,402,932)

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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE REPORTING YEAR ENDED 31 MARCH 2017

	Notes	2017			2016		
		Unrestricted funds \$	Restricted funds \$	Total \$	Unrestricted funds \$	Restricted funds \$	Total \$
(Deficit)/ Surplus before grants		239,155	(31,585,800)	(31,346,645)	(731,946)	(30,134,878)	(29,402,932)
Amortisation of deferred capital grants							
	17	–	690,242	690,242	–	1,101,829	1,101,829
Grant from MSF							
– HR development funding		63,557	–	63,557	58,846	–	58,846
– Operating grants	4	–	627,547	627,547	–	574,893	574,893
– Land rental / TOL grants		–	159,923	159,923	–	245,920	245,920
Grant from MOE							
– Operating grants	4	–	18,329,790	18,329,790	–	18,368,050	18,368,050
– MOE special purpose grants	12	–	1,568,638	1,568,638	–	1,529,461	1,529,461
– MOE funds	13	–	156,007	156,007	–	322,032	322,032
– Land rental / TOL grants		–	2,332,256	2,332,256	–	2,323,100	2,323,100
– Grant from NCSS	4	–	7,679,552	7,679,552	–	7,693,662	7,693,662
– Trust fund income	14	–	2,091,816	2,091,816	–	2,543,744	2,543,744
Surplus for the year after grants		302,712	2,049,971	2,352,683	790,792	4,567,813	5,358,605
Add / (Less): Transfer from / (to)							
– Designated donations	16	(47,514)	105,559	58,045	(599,849)	(30,031)	(629,880)
– MOE special purpose grants	12	–	38,557	38,557	–	78,117	78,117
– MOE funds	13	–	22,288	22,288	–	3,573	3,573
– Trust funds	14	–	(432,618)	(432,618)	–	(675,755)	(675,755)
Net surplus transferred to accumulated funds		255,198	1,783,757	2,038,955	190,943	3,943,717	4,134,660

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

ASSOCIATION FOR PERSONS WITH SPECIAL NEEDS
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STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE REPORTING YEAR ENDED 31 MARCH 2017

	2017 \$	2016 \$
Balance at beginning of the year	25,190,626	21,055,966
Net surplus for the year	2,038,955	4,134,660
Balance at end of year	<u>27,229,581</u>	<u>25,190,626</u>

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

ASSOCIATION FOR PERSONS WITH SPECIAL NEEDS
(Registered in Singapore under the Charities Act, Cap. 37 and Societies Act, Cap 311)
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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	2017 \$	2016 \$
Non-current assets			
Property, plant and equipment	7	1,394,897	1,159,493
Investment properties	8	2,080,709	2,117,367
Total non-current assets		<u>3,475,606</u>	<u>3,276,860</u>
Current assets			
Inventories		47,602	40,724
Other receivables	9	1,195,613	776,305
Other assets	10	571,938	622,822
Cash and cash equivalents	11	35,791,883	33,233,802
Total current assets		<u>37,607,036</u>	<u>34,673,653</u>
Total assets		<u>41,082,642</u>	<u>37,950,513</u>
Represented by:			
Restricted funds			
Restricted accumulated funds for schools & centres			
Chaoyang School		5,697,698	4,533,175
Delta Senior School		11,454,062	11,386,357
Katong School		3,697,677	3,205,568
Tanglin School		4,434,186	4,343,222
Centre for Adults		681,198	746,814
APSN Student Care Centre		79,206	45,134
Total restricted accumulated funds for schools & centres		<u>26,044,027</u>	<u>24,260,270</u>
Other restricted funds			
MOE special purpose grants	12	552,071	590,628
MOE funds	13	137,116	159,404
Trust funds	14	2,235,391	1,802,773
Association building fund	15	204,931	204,931
Refurbishment fund	18	80,027	80,027
School building fund	19	3,953	3,953
Designated donation funds for schools & centres	16	1,355,641	1,461,200
Total other restricted funds		<u>4,569,130</u>	<u>4,302,916</u>
Total restricted funds		<u>30,613,157</u>	<u>28,563,186</u>
Unrestricted funds			
Accumulated funds		1,185,554	930,356
Designated donation	16	2,654,779	2,607,265
Total unrestricted funds		<u>3,840,333</u>	<u>3,537,621</u>
Total funds		<u>34,453,490</u>	<u>32,100,807</u>

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

ASSOCIATION FOR PERSONS WITH SPECIAL NEEDS
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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017

	Notes	2017 \$	2016 \$
Non-current liabilities			
Deferred capital grants	17	2,867,031	2,643,476
Provision, non-current	20	–	41,588
Total non-current liabilities		<u>2,867,031</u>	<u>2,685,064</u>
Current liabilities			
Other payables and accruals	21	3,762,121	3,164,642
Total current liabilities		<u>3,762,121</u>	<u>3,164,642</u>
Total liabilities		<u>6,629,152</u>	<u>5,849,706</u>
Total funds and liabilities		<u>41,082,642</u>	<u>37,950,513</u>

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

ASSOCIATION FOR PERSONS WITH SPECIAL NEEDS
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STATEMENT OF CASH FLOWS
FOR THE REPORTING YEAR ENDED 31 MARCH 2017

	2017 \$	2016 \$
Cash flows from operating activities		
Net surplus for the year	2,038,955	4,134,660
Adjustments for:		
Depreciation of plant and equipment	1,196,326	1,674,957
Depreciation of investment properties	36,658	36,658
Amortisation of deferred capital grants	(690,242)	(1,101,829)
Interest income	(188,607)	(120,719)
Losses on disposal of plant and equipment	12,270	8,875
Surplus before changes in working capital	2,405,360	4,632,602
Inventories	(6,878)	13,587
Other receivables	(318,141)	(322,992)
Other assets	50,884	104,462
Other payables and accruals	604,579	440,652
Provision for reinstatement	(41,588)	(58,270)
Net cash flows from operating activities	<u>2,694,216</u>	<u>4,810,041</u>
Cash flows from investing activities		
Purchase of plant and equipment	(1,444,198)	(1,344,481)
Disposal of plant and equipment	198	71,494
Interest income	87,440	160,367
Net cash flows used in investing activities	<u>(1,356,560)</u>	<u>(1,112,620)</u>
Cash flows from financing activities		
Other payables and accruals	(7,100)	(8,096)
Gross receipts in deferred capital grants	913,797	706,580
Net payment in MOE special purpose grants and MOE funds	(60,845)	(81,690)
Cash restricted in use	(2,514,784)	(4,465,813)
Net receipts in trust funds	432,618	675,755
Net receipts in designated donation fund	(58,045)	629,880
Net cash flows from financing activities	<u>(1,294,359)</u>	<u>(2,543,384)</u>
Net increase in cash and cash equivalents	43,297	1,544,037
Cash and cash equivalents, statement of cash flows, beginning balance	4,677,654	3,589,515
Cash and cash equivalents, statement of cash flows, ending balance (Note 11)	<u>4,720,951</u>	<u>4,743,552</u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING YEAR ENDED 31 MARCH 2017

1. Association information

The Association for Persons with Special Needs ("APSN") is registered in Singapore on 12 December 1975 under the Societies Act, Cap 311. APSN is also a charity registered under the Charities Act, Cap 37 and is an approved Institution of Public Character ("IPC") under the Singapore Income Tax Act, Cap 134. The financial statements are presented in Singapore dollar.

The principal activities of the APSN are to provide education and training to persons with mild intellectual disability so that they have the necessary skills, attitude and personality to lead normal independent lives in adulthood.

APSN is situated in Singapore and has its head office at 900 New Upper Changi Road Singapore 467354.

The financial statements combine the state of affairs and the results of the APSN and the following:

Chaoyang School ("CYS")
Katong School ("KS")
Tanglin School ("TS")
Delta Senior School ("DSS")
Centre for Adults ("CFA")
APSN Student Care Centre ("APSN SCC")

Chaoyang School, Katong School, Tanglin School and Delta Senior School are registered under Ministry of Education ("MOE") and APSN Student Care Centre is registered under Ministry of Social and Family Development ("MSF"). Centre for Adults is operated as a division of APSN.

The financial statements of APSN for the reporting year ended 31 March 2017 are authorised for issuance by the Board on the date of the statement by the Board.

The Constitution of APSN restricts the use of fund monies to the furtherance of the objective of APSN, and prohibits the payment of dividends.

Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRS"), as well as all related Interpretation to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council. APSN is also subject to the provisions of the Charities Act, Cap. 37. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS require 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 made if the information is immaterial.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE REPORTING YEAR ENDED 31 MARCH 2017

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the Board 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 income and expenditure during the reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, the Board has made judgements in the process of applying APSN's accounting policies. The areas requiring the Board 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****Income recognition**

Income 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 only deferred when: the donor specifies that the grant or donations must only be used in future accounting periods; or the donor has imposed conditions which must be met before APSN has unconditional entitlement.

(a) Grants

Grants to cover a particular expenditure or programme are accounted for as incoming resources upon receipt of notification of the grant award, which normally coincides with the year when the related expenses, for which the grant is intended to cover, are incurred. Grants received for the purchase of depreciable assets and refurbishment for APSN are taken to the deferred capital grants account. The deferred grants are recognised in the statement of financial activities over the years necessary to match the depreciation of assets to which the grants relate. 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 and government subvention receipts in recognition of specific expenses are recognised as income to match them with the related costs that they are intended to compensate.

Under the conditions of grant received, over or under funding from National Council of Social Services ("NCSS"), Tote Board, Ministry of Social and Family Development ("MSF") and Ministry of Education ("MOE") are refundable to or reimbursable from these entities.

(b) Donations and corporate sponsorship

Income from donations and corporate sponsorship are accounted for when received, except for committed donations and corporate sponsorship that are recorded when the commitments are signed.

(c) Rendering of services

Rendering of services including school fees that are of short duration is recognised when the services are completed.

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FOR THE REPORTING YEAR ENDED 31 MARCH 2017

2. Significant accounting policies and other explanatory information (cont'd)**2A. Significant accounting policies (cont'd)****Income recognition (cont'd)****(d) Fund raising**

Revenue from special event is recognised when the event takes place.

(e) Other income

Interest income is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset. The income from sale of education materials and uniforms is recognised when significant risks and rewards are transferred to the buyer, the amount of income and cost incurred or to be incurred in respect of the transaction can be measured reliably.

(f) Rental income

Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight-line basis over the lease term.

Gifts in kind

A gift in kind 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.

Employee benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. APSN's legal or constructive obligation is limited to the amount that it is obliged to contribute to an independently administered fund which is the Central Provident Fund in Singapore (a government managed 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 APSN is contractually obliged or where there is constructive obligation based on past practice.

Income tax

As a charity, the APSN is exempt from tax on income and gains falling within section 13U(1) of the Income Tax Act to the extent that these are applied to its charitable objects.

Foreign currency transactions and functional currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which APSN operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. The presentation is in the functional currency.

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2. Significant accounting policies and other explanatory information (cont'd)**2A. Significant accounting policies (cont'd)****Property, plant and equipment**

Property, 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 property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in the statement of financial activities. The residual value and the useful life of an asset is reviewed at least at each end of 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.

Items costing \$1,000 or less are expensed off in the year of acquisition to the statement of financial activities.

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

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring it at the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 20 on provision.

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives:

Leasehold improvement	–	3 years / lease term, whichever is shorter
Furniture, fittings & equipment	–	5 years
Computers	–	1 year
Software	–	1 year
Motor vehicles	–	5 years

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.

Fully depreciated assets are maintained at a nominal value of \$1 until they are no longer in use when they are written off.

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

2A. Significant accounting policies (cont'd)

Investment property

Investment property is property (land or a building or part of a building or both) owned or held under a finance lease to earn rentals or for capital appreciation or both, rather than for use in the production or supply of goods or services or for administrative purposes or sale in the ordinary course of business. It includes an investment property in the course of construction. After initial recognition at cost including transaction costs the cost model is used to measure the investment property using the treatment for property, plant and equipment, that is, at cost less any accumulated depreciation and any accumulated impairment losses. An investment property that meets the criteria to be classified as held for sale is carried at the lower of carrying amount and fair value. For disclosure purposes, the fair values are measured periodically on a systematic basis at least once yearly by management or by external independent valuers having an appropriate recognised professional qualification and recent experience in the location and category of the property being valued.

The annual rates of depreciation are as follows:

Freehold building (exclude land) – 50 years

Reserves management

The reserve of APSN is mainly the accumulated funds. APSN Board's objective is to maintain an optimal balance in the accumulated funds to support the continuity of the activities of APSN and for future developments of APSN schools and Centre for Adults. The Board monitors the level of the funds for working capital flexibility.

There were no changes in the Board's approach to reserve management during the year. APSN is not subject to externally imposed capital reserve requirements.

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 profit or loss 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 statement of financial activities as an integral part of the total lease expense.

Rental income from operating leases is recognised in profit or loss 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. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

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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 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 the statement of financial activities to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in the statement of financial activities. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. When the fair value less costs to sell 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 determined, 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 positions when, and only when, APSN 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 is 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.

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

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

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

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

Cash and cash equivalents

Cash and cash equivalents include bank and cash 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 (if any) that form an integral part of cash management.

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

2A. Significant accounting policies (cont'd)

Financial liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, APSN 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 expired. 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 is expensed immediately. The transactions are recorded at the trade date.

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. As at end of the reporting year, there were no financial liabilities classified in this category.
2. Other financial liabilities: All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method.

Fair value 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.

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

Fair value measurement (cont'd)

The fair value measurements and related disclosures categorise the inputs to valuation techniques 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.

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.

Inventories

Inventories comprising educational materials and uniforms are measured at the lower of cost (first in first out method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made for where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

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 Executive 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 the Board 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.

Monies received where APSN is not the owner and beneficiary is accounted for as trust fund. The receipts and payments in respect of trust funds are taken directly to the statement of financial activities and the net assets relating to these funds are shown as separate line in the statement of financial position.

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3. Related party relationships and transactions (cont'd)

3B. Key management compensation:

	2017 \$	2016 \$
Salaries and other short-term employees benefits	3,274,217	3,208,946
Number of key management in compensation bands:		
	2017	2016
\$100,000 and \$200,000	21	14
\$100,000 and below	9	15

Key management personnel are the Chief Executive officer, principals, CFA centre director and heads of department having authority and responsibility for planning, directing and controlling the activities of APSN directly or indirectly. The above amounts for key management compensation are for the Chief Executive Officer, principals, vice-principals, CFA centre director and heads of department of APSN and respective schools.

4. Operating grants received

	2017 \$	2016 \$
National Council of Social Service ("NCSS")		
- Operating grant (NCSS Community Funding for S.E.T.)	6,704,774	6,534,070
- Operating grant (Community Chest Funding)	433,288	510,146
- HQ cost allocation	605,347	586,429
Provision for (over)/under funding	(13,627)	23,243
Prior year (over)/under funding	(50,230)	39,774
	<u>7,679,552</u>	<u>7,693,662</u>
Ministry of Education ("MOE")		
- Operating grants	18,127,721	18,011,554
- Provision for Administrative Manager	368,988	356,496
- Provision for over funding from MOE	(130,076)	-
- Prior year over funding from MOE	(36,843)	-
	<u>18,329,790</u>	<u>18,368,050</u>
Ministry of Social and Family Development ("MSF")		
- Operating grants	627,547	574,893
	<u>627,547</u>	<u>574,893</u>

Funding from MOE, NCSS and MSF is on a "per capita" basis based on the number of students / clients enrolled during the year.

Funding for schools is from MOE and NCSS, for CFA is from NCSS and MSF, and for APSN Student Care Centre ("APSN SCC") is from MSF.

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2. Significant accounting policies and other explanatory information (cont'd)
2B. 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 any member of the group 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 members of APSN's Board and Management Committee of the respective committees. Key management personnel are the Chief Executive Officer, principals, vice-principals, CFA centre director and heads of department of APSN and respective schools.

It is not the normal practice for the trustees/office bearers, or people connected with them, to receive remuneration, or other benefits, from APSN for which they are responsible, or from institutions connected with APSN.

3A. Expenses incurred by Board and Committee Members

There are transactions and arrangements for members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements.

	2017 \$	2016 \$
Courses attended by Board and Committee Members for the purpose of APSN	1,800	4,653
Transport reimbursement to Board Members	1,702	891

Except for the courses attended and transport reimbursement of expenses as disclosed, all members of the Board are volunteers and receive no monetary remuneration for their contributions.

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5. Staff benefit & related expenses

	2017 \$	2016 \$
Salaries, bonuses and gratuity	20,326,014	19,321,856
CPF and SDF	3,110,580	2,851,942
Staff recruitment expenses	4,131	4,924
Provision for unused leave	(6,471)	41,261
Staff training and development expenses	65,866	50,640
Staff transport expenses	37,836	30,112
Staff welfare expenses	365,799	372,312
	<u>23,903,755</u>	<u>22,673,047</u>
Government grant income from job credit scheme	(508,952)	(1,115,651)
MOE Secondment Fund	(200,073)	(241,463)
MOE Contract Teaching Fund	(116,401)	(153,052)
	<u>(825,426)</u>	<u>(1,510,166)</u>
Total	<u>23,078,329</u>	<u>21,162,881</u>

6. Utilisation of funds

	2017 \$	2016 \$
Utilisation of funds for CFA operating expenditures		
- Community silver trust fund	-	(496,794)
- Designated donations from HQ to CFA	(300,000)	-
	<u>(300,000)</u>	<u>(496,794)</u>
Utilisation of funds for CFA job training expenditures		
- Children's Charities Association fund	(152,785)	(163,383)
- Community silver trust fund	(252,693)	(216,372)
- Pilot programme fund	-	(165,285)
- Work training fund	(39,631)	(46,795)
- NCSS / MSF operating grants	-	22,598
	<u>(445,109)</u>	<u>(569,237)</u>
Utilisation of funds for Fund-Raising Department expenditures		
- Designated donations	(333,602)	(91,137)
Utilisation of funds for SCC operating expenditures		
- Designated donations	(47,168)	(101,500)
Total utilisation of funds	<u>(1,125,879)</u>	<u>(1,258,668)</u>

These are funds utilised for CFA operating and job training activities, Fund-Raising Department and SCC operation during the financial year.

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7. Property, plant and equipment

	Leasehold improvements \$	Furniture, fittings and equipment \$	Computers \$	Software \$	Motor vehicles \$	Total \$
Cost						
At 1 April 2015	13,886,486	3,188,440	1,555,384	–	186,724	18,817,034
Additions	211,992	386,917	509,076	236,496	–	1,344,481
Disposals	(3,157,904)	(289,493)	(249,427)	(18,304)	(99,620)	(3,814,748)
Reclassifications	–	–	(344,045)	344,045	–	–
At 31 March 2016	10,940,574	3,285,864	1,470,988	562,237	87,104	16,346,767
Additions	487,844	541,347	268,005	147,000	2	1,444,198
Disposals	(12,520)	(166,103)	(304,770)	–	(39,607)	(523,000)
Reclassifications	–	–	(2,989)	2,989	–	–
At 31 March 2017	11,415,898	3,661,108	1,431,234	712,226	47,499	17,267,965
Accumulated depreciation						
At 1 April 2015	13,425,744	2,089,636	1,554,096	–	177,220	17,246,696
Charge for the year	526,423	452,423	508,451	236,431	9,499	1,733,227
Disposals	(3,157,372)	(268,138)	(249,231)	(18,290)	(99,618)	(3,792,649)
Reclassifications	–	–	(343,805)	343,805	–	–
At 31 March 2016	10,794,795	2,273,921	1,469,511	561,946	87,101	15,187,274
Charge for the year	264,044	517,605	267,838	146,839	–	1,196,326
Disposals	(12,519)	(153,870)	(304,538)	–	(39,605)	(510,532)
Reclassifications	–	–	(2,986)	2,986	–	–
At 31 March 2017	11,046,320	2,637,656	1,429,825	711,771	47,496	15,873,068
Carrying value						
At 1 April 2015	460,742	1,098,804	1,288	–	9,504	1,570,338
At 31 March 2016	145,779	1,011,943	1,477	291	3	1,159,493
At 31 March 2017	369,578	1,023,452	1,409	455	3	1,394,897

Fully depreciated property, plant and equipment still in use had an initial cost of \$14,200,736 (2016: \$13,758,094).

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8. Investment properties

	2017 \$	2016 \$
At cost		
At beginning and end of the year	2,190,683	2,190,683
Accumulated depreciation		
At beginning of the year	73,316	36,658
Charge for the year	36,658	36,658
At end of the year	109,974	73,316
Carrying value		
At beginning of the year	2,117,367	2,154,025
At end of the year	2,080,709	2,117,367
Fair value for disclosure purposes only:		
Fair value at end of the year	1,991,911	2,129,018
Rental income from investment properties	72,500	78,000
Direct operating expenses (including repair and maintenance) arising from investment properties that generated rental income during the year	16,962	17,376

The depreciation is charged to total resources expended.

There are no restrictions on the realisability of investment property or the remittance of income and proceeds of disposal.

The investment properties are leased out under operating leases. Also see Note 26 on operating lease income commitments. The management has not entered into contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

The fair value of the investment property was measured at end of reporting year based on direct comparison with recent transactions of comparable properties within the vicinity and elsewhere to reflect the actual market state and circumstances as of the end of the reporting year. The fair value was based on a projection of latest average transaction prices by taking into consideration of the property index published by the Urban Development Authority ("URA"), where the price information was collected from the Singapore property market by the government bodies.

The investment properties are held in trust by the Board of Trustees.

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8. Investment properties (cont'd)

For fair value measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and the significant other observable inputs used in the fair value measurement are as follows:

Assets:	18 Howard Road #06-03 and #06-04 Novelty BizCentre Singapore 369585
Fair value and fair value hierarchy – Level:	\$1,991,911 (2016: \$2,129,018) Level 3 (2016: Level 3)
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent offer to sell prices for similar properties.
Significant observable inputs and range (weighted average):	Price per square meters. 2017: \$9,861 (2016: \$10,540)
Relationship of unobservable inputs to fair value:	NA.
Sensitivity on management's estimates – 10% variation from estimate	Impact – lower by \$199,191 / higher by \$199,191 (2016: lower by \$212,902 / higher by \$212,902)

9. Other receivables

	2017 \$	2016 \$
Amount due (to) from grantors, net		
Due (to) from NCSS	(39,497)	7,787
Due (to) from MOE	(50,187)	285,879
Due from AIC	895,331	–
Due to MSF	(2,868)	(11,844)
Due from Tote Board	4,546	153,009
	807,325	434,831
Sundry receivables	269,472	323,825
Interest receivable	118,816	17,649
	388,288	341,474
Total	1,195,613	776,305

The amount due (from) to grantors comprises of adjustments and provision for over/ (under) funding in the reporting years.

10. Other assets

	2017 \$	2016 \$
Prepayments	4,850	28,474
Deposits to secure services	567,088	594,348
	571,938	622,822

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11. Cash and cash equivalents

	2017 \$	2016 \$
Not restricted in use	4,720,951	4,743,552
Restricted in use	31,070,932	28,490,250
Cash at end of year	<u>35,791,883</u>	<u>33,233,802</u>

The fixed deposits mature between 2 months and 12 months (2016: 1 month and 3 months) from the financial year end and earn interest rates ranging from 1.05% to 1.82% (2016: 0.53% and 1.64%) per annum.

11A. Cash and cash equivalents in the statement of cash flows:

	2017 \$	2016 \$
Amount as shown above	35,791,883	33,233,802
Restricted in use	<u>(31,070,932)</u>	<u>(28,490,250)</u>
Cash and cash equivalents for statement of cash flows purposes at end of the reporting year	<u>4,720,951</u>	<u>4,743,552</u>

Cash that are restricted in use consists of monies received by Schools and CFA Centre is restricted in use.

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12. MOE Special Purpose Grants

	2017					2016					
	Balance at 1.4.2016	Funds received	Expenditure	Balance at 31.3.2017	Transfer to / from IE	Balance at 1.4.2015	Funds received	Expenditure	Transfer to Trust Fund (Note 14)	Balance at 31.3.2016	Transfer to / from IE
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
a) Annual grant for discretionary financial assistance	19,741	94,019	(104,175)	9,585	10,156	12,506	103,893	(96,658)	-	19,741	(7,235)
b) Additional training vote	18,294	40,506	(29,363)	29,437	(11,143)	52,000	1,773	(35,479)	-	18,294	33,706
c) Contract teaching resources	-	116,401	(116,401)	-	-	-	153,052	(153,052)	-	-	-
d) Curriculum enhancement fund	185,847	119,978	(132,606)	173,219	12,628	233,672	115,503	(161,133)	(2,195)	185,847	45,630
e) Examination fee subsidy	-	14,702	(14,702)	-	-	-	4,516	(4,516)	-	-	-
f) High needs grant	56,442	199,067	(211,114)	44,395	12,047	38,976	272,947	(255,481)	-	56,442	(17,466)
g) ICT development grant	-	377,049	(296,268)	80,781	(80,781)	-	248,551	(248,551)	-	-	-
h) MOE secondment fund	-	200,073	(200,073)	-	-	-	241,463	(241,463)	-	-	-
i) Parents support group grant	1,453	8,548	(7,270)	2,731	(1,278)	519	9,578	(8,644)	-	1,453	(934)
j) Staff training fund	199,705	158,895	(241,347)	117,253	82,452	196,996	178,543	(175,834)	-	199,705	(2,709)
k) School meals programme	-	68,567	(68,567)	-	-	-	24,815	(24,815)	-	-	-
l) SPED financial assistance scheme	-	135,150	(135,150)	-	-	-	142,067	(142,067)	-	-	-
m) SPED innovation award	10,410	5,000	(2,027)	13,383	(2,973)	13,766	-	(3,356)	-	10,410	3,356
n) SPED outstanding teacher award	2,625	5,000	(163)	7,462	(4,837)	2,625	-	-	-	2,625	-
o) Public transport subsidy	10,387	25,683	(24,903)	11,167	(780)	-	32,760	(22,373)	-	10,387	(10,387)
p) Vocational preparation grant	85,724	-	(23,066)	62,658	23,066	119,880	-	(34,156)	-	85,724	34,156
	<u>590,628</u>	<u>1,568,638</u>	<u>(1,607,195)</u>	<u>552,071</u>	<u>38,557</u>	<u>670,940</u>	<u>1,529,461</u>	<u>(1,607,578)</u>	<u>(2,195)</u>	<u>590,628</u>	<u>78,117</u>

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12. MOE Special Purpose Grants (cont'd)

Fund received presented in the Statement of Financial Activities as follows:

	2017 \$	2016 \$
Grant from MOE		
- MOE special purpose	1,568,638	1,529,461
Add transfer from MOE		
- MOE special purpose	<u>38,557</u>	<u>78,117</u>
	<u>1,607,195</u>	<u>1,607,578</u>

12A. Annual grant for discretionary financial assistance
To provide financial assistance to Singapore students.

12B. Additional training vote
To enhance professional development opportunities for MOE registered SPED teachers.

12C. Contract teaching resources
To engage contract teachers covering duties of staff undergoing for courses.

12D. Curriculum enhancement fund
To enhance the quality of curriculum and co-curriculum.

12E. Examination fee subsidy
To subsidise Singapore Citizen / Permanent Resident school candidates for Workplace and Numeracy Series (WPLN) assessment fees.

12F. High needs grant
To support students with exceptionally high needs due to challenging behaviour.

12G. ICT development grant
To hire IT professional and purchase of IT equipment / services to enhance students' learning needs.

12H. MOE secondment fund
To assist SPED schools on MOE seconded education officers salary compensation package.

12I. Parent support group grant
To enhance its partnership efforts with parents.

12J. Staff training fund
To enable SPED school permanent staff to receive training and professional development.

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12. MOE Special Purpose Grants (cont'd)

12K. School meals programme
To provide meals for SPED FAS students during the school terms.

12L. SPED Financial Assistance Scheme (SPED FAS)
To provide financial assistance to needy students in SPED schools.

12M. SPED innovation award
To recognise the contribution from SPED schools and teachers.

12N. SPED outstanding teacher award
To enhance teachers' professional development.

12O. Public transport subsidy
To subsidise SPED FAS students.

12P. Vocational preparation grant
To implement vocational preparation for students.

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13. MOE funds

	2017					2016				
	Balance at 1.4.2016 \$	Funds received \$	Expenditure \$	Balance at 31.3.2017 \$	Transfer to / from IE \$	Balance at 1.4.2015 \$	Funds received \$	Expenditure \$	Balance at 31.3.2016 \$	Transfer to / from IE \$
a) Edusave grant	52,204	66,507	(65,365)	53,346	(1,142)	39,811	65,380	(52,987)	52,204	(12,393)
b) Opportunity fund	107,200	-	(23,430)	83,770	23,430	99,650	111,004	(103,454)	107,200	(7,550)
c) School based student award	-	89,500	(89,500)	-	-	-	86,800	(86,800)	-	-
d) SG50 collaboration fund	-	-	-	-	-	23,516	58,848	(82,364)	-	23,516
	<u>159,404</u>	<u>156,007</u>	<u>(178,295)</u>	<u>137,116</u>	<u>22,288</u>	<u>162,977</u>	<u>322,032</u>	<u>(325,605)</u>	<u>159,404</u>	<u>3,573</u>

13A. Edusave grant
To provide enrichment programmes, purchase of resource materials and equipment for students.

13B. Opportunity fund
To provide Singapore citizen needy students to enrich their learning.

13C. School based student award
To recognise and encourage students' achievements and progress.

13D. SG50 collaboration fund
To celebrate Singapore 50 years anniversary.

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14. Trust funds

	2017					2016					
	Balance at	Funds	Expenditure	Balance at	Transfer	Balance at	Funds	Expenditure	Transfer	Balance at	Transfer
	1.4.2016	received		31.3.2017	to/from	1.4.2015	received		from MOE	31.3.2016	to/from
	\$	\$	\$	\$	\$	\$	\$	\$	(Note 13)	\$	\$
a) Artist-in-School scheme	-	-	-	-	-	2,142	1,281	(3,423)	-	-	2,142
b) Care & share matching grant	359,866	583,087	(545,235)	397,718	(37,852)	44,173	819,194	(503,501)	-	359,866	(315,693)
c) Children's Charities Association fund	11,215	152,785	(152,785)	11,215	-	11,215	163,383	(163,383)	-	11,215	-
d) Community silver trust fund	1,418,251	895,331	(499,191)	1,814,391	(396,140)	1,057,993	1,267,719	(907,461)	-	1,418,251	(360,258)
e) Charities capability fund (VCF)	-	1,673	-	1,673	(1,673)	320	8,880	(9,200)	-	-	320
f) Staff training OFA grant	1,384	-	-	1,384	-	1,384	-	-	-	1,384	-
g) School pocket money	5,101	14,278	(18,190)	1,189	3,912	1,598	24,718	(21,215)	-	5,101	(3,503)
h) SG Enable – transport assistance scheme	2,466	285,424	(284,559)	3,331	(865)	2,515	248,755	(248,804)	-	2,466	49
i) Tote Board arts grant	-	6,435	(6,435)	-	-	-	9,814	(9,814)	-	-	-
j) Trailblazer-Chan Chiew Ping special schools fund	4,490	-	-	4,490	-	3,483	-	1,007	-	4,490	(1,007)
k) Student curriculum development fund	-	-	-	-	-	-	-	(2,195)	2,195	-	2,195
l) MSF capital funding	-	152,803	(152,803)	-	-	-	-	-	-	-	-
	1,802,773	2,091,816	(1,659,198)	2,235,391	(432,618)	1,124,823	2,543,744	(1,867,989)	2,195	1,802,773	(675,755)

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14. Trust funds (cont'd)

14A. Artist-in-school scheme

The fund from National Art Council is to support collaboration between individual schools and local artists/arts educators in developing arts education programmes.

14B. Care & share matching grant

The grant, managed by the Ministry of Social and Family Development, aims to enhance social services to beneficiaries.

14C. Children's Charities Association fund

The Children's Charities Association (CCA) Fund is for educational programmes, job training, welfare and enrichment programmes for students up to 21 years old.

14D. Community silver trust fund

This Fund from the Agency for Integrated Care (AIC) is to provide additional resources to enhance capabilities and provide value-added services.

14E. Charities capability fund (VCF)

The fund, administered by NCSS, is to strengthen the capabilities of VWOs in Singapore.

14F. Staff training OFA grant

The fund is given by NCSS to build staff competencies.

14G. School pocket money fund

The grant received from NCSS for the welfare of needy students.

14H. SG Enable - transport assistance scheme

This fund from SG Enable aims to reduce the high transport costs for persons with disabilities accessing VWO services.

14I. Tote Board arts grant

The grant aims to develop arts education in SPED schools.

14J. Trailblazer – Chan Chiew Ping special schools fund

Trailblazer-Chan Chiew Ping Special Schools Fund was set up by Trailblazer Foundation, and administered by NCSS, to provide financial assistance to students affected by the economic downturn.

14K. Student curriculum development fund

The fund from Singapore Sport aims to inspire the Singapore spirit and transform Singapore through sport.

14L. MSF capital funding

This fund from MSF is to undertake the relocation cost of APSN Centre for Adults, and purchases of furniture and equipment for its new premises.

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15. Association building fund

	2017	2016
	\$	\$
Balance at beginning and end of the year	204,931	204,931

This fund is for the purchase and/or renovation of APSN's premises for its own use and/or as investment to generate rental income and for headquarter relocation expenses.

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16. Designated donations

	2017					2016				
	Balance at 1.4.2016	Funds Received	Expenditure	Balance at 31.3.2017	Transfer to/from I&E	Balance at 1.4.2015	Funds Received	Expenditure	Balance at 31.3.2016	Transfer to/from I&E
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Restricted funds										
Designated donations	1,453,235	634,357	(733,516)	1,354,076	99,159	1,419,986	969,768	(936,519)	1,453,235	(33,249)
Percussion fund	7,965	–	(6,400)	1,565	6,400	11,183	–	(3,218)	7,965	3,218
	<u>1,461,200</u>	<u>634,357</u>	<u>(739,916)</u>	<u>1,355,641</u>	<u>105,559</u>	<u>1,431,169</u>	<u>969,768</u>	<u>(939,737)</u>	<u>1,461,200</u>	<u>(30,031)</u>
Unrestricted funds										
Designated donations	2,000,039	899,034	(551,520)	2,347,553	(347,514)	1,400,190	911,428	(311,579)	2,000,039	(599,849)
General purpose fund	13,478	–	–	13,478	–	13,478	–	–	13,478	–
Education fund	593,748	–	(300,000)	293,748	300,000	593,748	–	–	593,748	–
	<u>2,607,265</u>	<u>899,034</u>	<u>(851,520)</u>	<u>2,654,779</u>	<u>(47,514)</u>	<u>2,007,416</u>	<u>911,428</u>	<u>(311,579)</u>	<u>2,607,265</u>	<u>(599,849)</u>
Total	<u>4,068,465</u>	<u>1,533,391</u>	<u>(1,591,436)</u>	<u>4,010,420</u>	<u>58,045</u>	<u>3,438,585</u>	<u>1,881,196</u>	<u>(1,251,316)</u>	<u>4,068,465</u>	<u>(629,880)</u>

Funds received presented in the Statement of Financial Activities as follows:

	2017			2016		
	Restricted funds	Unrestricted funds	Total	Restricted funds	Unrestricted funds	Total
	\$	\$	\$	\$	\$	\$
Incoming Resources						
Donations - designated donations	512,355	892,559	1,404,914	893,401	911,428	1,804,829
Programme sales and services (designated)	122,002	6,475	128,477	76,367	–	76,367
	<u>634,357</u>	<u>899,034</u>	<u>1,533,391</u>	<u>969,768</u>	<u>911,428</u>	<u>1,881,196</u>

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17. Deferred capital grants

	2017	2016
	\$	\$
At cost		
Balance at beginning of the year	3,371,659	6,198,835
Refurbishment of property, purchase of plant and equipment:		
– Grant from MOE, NCSS, MSF, Tote Board, AIC	885,837	676,678
– Public donations	27,960	29,902
Amount written off	(386,882)	(3,533,756)
Balance at end of the year	<u>3,898,574</u>	<u>3,371,659</u>
Accumulated amortisation		
Balance at beginning of the year	728,183	3,160,110
Amortisation for the year	690,242	1,101,829
Amount written off	(386,882)	(3,533,756)
Balance at end of the year	<u>1,031,543</u>	<u>728,183</u>
Carrying value		
Balance at beginning of the year	2,643,476	3,038,725
Balance at end of the year	<u>2,867,031</u>	<u>2,643,476</u>

This represents grants and donations utilised for the refurbishment of properties and purchase of plant and equipment.

The amounts written off are for deferred capital grants which have been fully amortised.

18. Refurbishment fund

	2017	2016
	\$	\$
Balance at beginning and end of the year	<u>80,027</u>	<u>80,027</u>

This fund was set up for the refurbishment of Delta Senior School's premises.

19. School building fund

	2017	2016
	\$	\$
Balance at beginning and end of the year	<u>3,953</u>	<u>3,953</u>

This fund is for the refurbishment of Chaoyang School.

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20. Provision

	2017	2016
	\$	\$
Provision for reinstatement of premises		
Balance at beginning of the year	41,588	99,858
Write back	–	(58,270)
Expenditure incurred	(41,588)	–
Balance at end of the year	<u>–</u>	<u>41,588</u>
Presented as:		
Provision, current	–	–
Provision, non-current	–	41,588
	<u>–</u>	<u>41,588</u>

The provision is based on the present value of costs to be incurred to remove plant and equipment from leased property. The estimate is based on historical data and the unexpired term is more than 1 year and less than 1 year respectively. The unwinding of discount is not significant.

21. Other payables and accruals

	2017	2016
	\$	\$
Asian Federation on Intellectual Disabilities (AFID) conference fund	9,793	16,893
Accrued operating expenses	2,948,926	2,784,151
School fees received in advance	63,285	81,700
Sundry creditors	740,117	281,898
	<u>3,752,328</u>	<u>3,147,749</u>
Total	<u>3,762,121</u>	<u>3,164,642</u>

21A. Asian Federation on Intellectual Disabilities (AFID) conference fund

	2017	2016
	\$	\$
Balance at beginning of the year	16,893	24,989
Less: Expenditure incurred	(7,100)	(8,096)
Balance at end of the year	<u>9,793</u>	<u>16,893</u>

This fund was set up from APSN's share of the surplus money from the 19th AFID conference organised jointly by APSN and MINDS in November 2009. The Board approved the fund to be used for APSN sending Board members and volunteers to conferences, study trips and educational activities locally or overseas.

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22. Income tax and tax-exempt receipts**22A. Income tax**

APSN is exempted from tax on income and gain falling within section 13U(1) of the Singapore Income Tax Act to the extent that these are applied to its charitable objects.

22B. Tax-deduction receipts

APSN is an approved Institution of a Public Character whereby public donors are granted 2.5 times (2016: 1 April 2015 to 31 December 2015 - 3; 1 January 2016 to 31 March 2016 - 2.5) tax deductions for donations made to APSN. The current IPC status is granted by the Ministry of Social and Family Development ("MSF") for the period from 1 December 2015 to 28 February 2018.

	2017 \$	2016 \$
Tax-deduction receipts issued for donations received/collected during the reporting year	461,269	802,513

23. Items in the statement of financial activities

In addition to the charges and credits disclosed elsewhere in the notes to the financial statements, the statement of financial activities includes the following items:

	2017 \$	2016 \$
Audit fees to independent auditor (inclusive of GST)	49,220	47,080
Other attestation fees to independent auditor (inclusive of GST)	5,935	14,979

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24. Financial instruments: Information on financial risks**24A. Classification of financial assets and liabilities**

The following table categorises the carrying amount of financial assets and financial liabilities recorded at the end of the reporting year by FRS 39 categories:

	2017 \$	2016 \$
Financial assets:		
Cash and cash equivalents	35,791,883	33,233,802
Other receivables	1,195,613	776,305
At end of the year	36,987,496	34,010,107
Financial liabilities:		
Measured at amortised costs:		
Other payables and accruals, excluding school fees received in advance	3,689,043	3,066,049
At end of the year	3,689,043	3,066,049

Further quantitative disclosures are included throughout these financial statements.

24B. Financial risk management

The main purpose of the financial instruments is to raise and manage finance for APSN's operations. The main risks arising from APSN's financial instruments are credit risk, interest risk and liquidity risk. The financial instruments comprise cash and bank balances, interest bearing fixed deposits, receivables and payables. The board has certain strategies 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 by the Finance & Investment Sub-Committee. All financial risk management are carried out following good market practice.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

24C. 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 both 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.

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24. Financial instruments: Information on financial risks (cont'd)**24D. 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. The exposure to credit risk is disseminated to the relevant persons concerned and compliance is monitored by the School Management Committee.

As disclosed in Note 11 cash and cash equivalents balances represent short-term deposits with a less than 90-day maturity.

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

24E. Liquidity risk – Financial liabilities maturity analysis

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. All financial liabilities of APSN are due within one year.

The average credit period taken to settle trade payables is about 30 days (2016: 30 days). The other payables are with short-term durations.

APSN has sufficient cash balances to support cash commitments from their existing liabilities. Accordingly, APSN utilised minimum banking facilities.

24F. Interest rate risk

The interest rate risk exposure is mainly from changes in interest rates on interest bearing fixed deposits. The interest rate risk on financial assets and financial liabilities is not significant.

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25. Operating lease commitments – as lessee

At the end of the reporting year, the totals of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	2017 \$	2016 \$
(a) Rental of equipment		
Within one year	32,329	42,395
After one year but not more than 5 years	55,385	56,802
	87,714	99,197
Rental expense for equipment	34,340	52,015
(b) Land rental		
Within one year	2,303,732	2,601,940
After one year but not more than 5 years	2,760,312	2,854,664
	5,064,044	5,456,604
Rental expense for land	2,509,067	2,569,215

The land rental is payable to the Singapore Land Authority (SLA) / Ministry of Social and Family Development (MSF) for the land / premises occupied by APSN schools and Centre for Adults. The average lease term is 3 years. The rental is fully funded and paid by MOE directly to SLA for the schools and 90% funded and reimbursed by MSF for CFA.

26. Expenditure commitments

At the end of the reporting year, the total of future expenditure commitments under contractual service agreement is as follows:

	2017 \$	2016 \$
Not later than one year	380,298	276,642
After one year but not more than 5 years	262,615	5,457
	642,913	282,099
Service expenses	374,889	304,507

The committed payments are for security services for a period of 2 years effective from 1 January 2015 to 31 December 2016 and subsequently renewed for another 2 years from 1 January 2017 to 31 December 2018.

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27. Operating lease income commitments – as lessor

At the end of the reporting year the total of future minimum lease receivables committed under non-cancellable operating leases are as follows:

	2017 \$	2016 \$
Within one year	72,000	72,750
After one year but not more than 5 years	9,000	81,000
	<u>81,000</u>	<u>153,750</u>
Rental income for the year	<u>72,500</u>	<u>78,000</u>

Operating lease income commitments are for the investment properties. The lease rental income terms are negotiated for an average term of 2 years.

28. Capital commitments

Amounts committed at the end of the reporting year for future expenditure but not recognised in the financial statements are as follows:

	2017 \$	2016 \$
Commitments to purchase plant and equipment	<u>202,974</u>	<u>101,874</u>

29. 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 will be applicable to the reporting entity.

30. New amended standards in issue but not yet effective

The following new or revised Financial Reporting Standards in Singapore ("FRS") and the related Interpretations to FRS ("INT FRS") issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. 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 7	Amendments to FRS 7: Disclosure Initiative	1 January 2017
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116	Leases	1 January 2019

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30. New amended standards in issue but not yet effective (cont'd)

FRS 116 Leases effective for annual periods beginning on or after 1 January 2019 replaces FRS 17 and its interpretations. Almost all leases will be brought onto lessees' statements of financial position under a single model (except leases of less than 12 months and leases of low value assets). Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained. The management anticipates that FRS 116 will be adopted in the financial statements when it becomes mandatory and that the application of the new standard will have a significant effect on amounts reported in respect of the leases. However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

31. Reclassification of comparative figures

Disclosure Initiative (Amendments to FRS1) effective from 1 January 2016 requires that an entity shall not reduce the understandability of its financial statements by obscuring material information with immaterial information. The certain regrouping were made to the balances in the financial statements for reporting year 2016. These reclassifications have no significant impact to the financial performance or the financial position of APSN. Therefore the opening balance of the earliest comparative period is not presented in the statement of financial position.