Financial Statements

Association For Persons with Special Needs

(Registered under the Charities Act, Chapter 37 and Societies Act, Chapter 311)

For the year ended 31 March 2018

Association information

Association registration number	UEN : S75SS0058K
Registered office	900 New Upper Changi Road Singapore 467354
President	Tan Cheen Chong
Honorary Treasurer	Royce Seah
Bankers	DBS Bank Ltd
Independent auditor	Foo Kon Tan LLP Public Accountants and Chartered Accountants 24 Raffles Place, #07-03 Clifford Centre Singapore 048621

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Statement by the Board

for the financial year ended 31 March 2018

In the opinion of the Board, the accompanying statement of financial position, statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows, together with the notes thereon, are properly drawn up in accordance with the Societies Act Cap. 311, Charities Act Cap. 37 and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of Association For Persons with Special Needs ("APSN") as at 31 March 2018, the results, changes in funds and cash flows of APSN for the financial year ended on that date; and 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.

On behalf of the Board

TanCheenChong

TAN CHEEN CHONG
President

Royce Seah

ROYCE SEAH
Honorary Treasurer

Dated: 27 August 2018

Independent auditor's report to the members of Association For Persons with Special Needs

Report on the financial statements

Opinion

We have audited the accompanying financial statements of Association For Persons with Special Needs ("APSN") which comprise the statement of financial position as at 31 March 2018, the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements of APSN are properly drawn up in accordance with the provisions of the Charities Act, Cap. 37 (the Charities Act), the Societies Act, Cap. 311 (the Societies Act), and Singapore Financial Reporting Standards so as to present fairly, in all material respects, the state of affairs of APSN as at 31 March 2018, and the results, 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 all information included in 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.

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

Independent auditor's report to the members of Association For Persons with Special Needs (Cont'd)

Responsibility of the Board for the Financial Statements

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Charities Act, the Societies Act and Singapore Financial Reporting Standards, 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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of APSN's internal control.

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

- 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.

Independent auditor’s report to the members of Association For Persons with Special Needs (Cont’d)

Auditor’s Responsibilities for the Audit of the Financial Statements (Cont’d)

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within APSN to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the APSN’s audit. We remain solely responsible for our audit opinion.

We communicate with the management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion:

(a) the accounting and other records required by the regulations enacted under the Societies Act to be kept by APSN have been properly kept in accordance with those regulations; and

(b) the fund-raising appeals held during the year ended 31 March 2018 have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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

(a) the use of the donation monies was not in accordance with the objectives of APSN 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 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Other Matter

The financial statements for the year ended 31 March 2017 were audited by another firm of auditors whose report dated 6 September 2017 expressed an unmodified opinion on those financial statements.

FOO KON TAN LLP

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 27 August 2018

Statement of financial position
as at 31 March 2018

	Note	**31 March 2018 $**	31 March 2017 $ (Restated)	1 April 2016 $ (Restated)
Assets				
Non-current				
Plant and equipment	3	**1,619,010**	1,394,897	1,159,493
Investment properties	4	**1,819,545**	2,080,709	2,117,367
		3,438,555	3,475,606	3,276,860
Current				
Inventories		**53,136**	47,602	40,724
Other receivables	5	**3,526,534**	1,956,876	1,676,845
Cash and bank balances	6	**35,355,571**	35,791,883	33,233,802
		38,935,241	37,796,361	34,951,371
Total assets		**42,373,796**	41,271,967	38,228,231
Represented by:				
Funds				
Restricted funds				
Restricted accumulated funds for schools & centres				
Katong School		**3,882,809**	3,697,677	3,205,568
Tanglin School		**4,355,675**	4,434,186	4,343,222
APSN Student Care Centre		**95,461**	79,206	45,134
Centre for Adults		**772,276**	428,504	746,814
Delta Senior School		**11,673,885**	11,454,062	11,386,357
Chaoyang School		**6,130,960**	5,697,698	4,533,175
Total restricted accumulated funds for schools & centres		**26,911,066**	25,791,333	24,260,270
Other restricted funds				
Association building fund	8	**204,931**	204,931	204,931
Refurbishment fund	9	**80,027**	80,027	80,027
School building fund	10	**3,953**	3,953	3,953
Designated donation funds for schools and centres	11	**1,337,165**	1,355,641	1,461,200
Total other restricted funds		**1,626,076**	**1,644,552**	1,750,111
Total restricted funds		**28,537,142**	27,435,885	26,010,381
Unrestricted funds				
Accumulated funds		**1,120,252**	1,185,554	930,356
Designated donation funds	11	**2,722,420**	2,654,779	2,607,265
Total unrestricted funds		**3,842,672**	3,840,333	3,537,621
Total funds		**32,379,814**	31,276,218	29,548,002
Liabilities				
Non-current				
Deferred capital grants	12	**3,128,082**	2,867,031	2,643,476
Deferred grants and trust funds	13	**2,722,736**	2,625,200	1,962,177
MOE special purpose grants	7	**431,010**	552,071	590,628
Provision for renovation		**-**	-	41,588
		6,281,828	6,044,302	5,237,869
Current				
Other payables and accruals	14	**3,712,154**	3,951,447	3,442,360
		3,712,154	3,951,447	3,442,360
Total liabilities		**9,993,982**	9,995,749	8,680,229
Total funds and liabilities		**42,373,796**	41,271,967	38,228,231

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of comprehensive income
for the financial year ended 31 March 2018

	Note	2018 Unrestricted funds $	2018 Restricted funds $	2018 Total $	2017 Unrestricted funds $ (Restated)	2017 Restricted funds $ (Restated)	2017 Total $ (Restated)
INCOMING RESOURCES							
Donations							
- Designated donations	11	**792,611**	**277,814**	**1,070,425**	892,559	212,355	1,104,914
- General donations		**-**	**4,526**	**4,526**	-	614	614
- Donation in kind		**148,469**	**68,455**	**216,924**	186,449	88,065	274,514
Interest income		**42,472**	**220,669**	**263,141**	36,932	151,674	188,606
Miscellaneous income		**340**	**6,041**	**6,381**	1,040	8,842	9,882
Programme/school fees		**-**	**512,087**	**512,087**	-	500,939	500,939
Programme sales and services		**-**	**401,370**	**401,370**	-	95,648	95,648
Programme sales and services (Designated)		**-**	**-**	**-**	6,475	122,002	128,477
Rental income from investment properties	4	**72,000**	**-**	**72,000**	72,500	-	72,500
Total incoming resources		**1,055,892**	**1,490,961**	**2,546,853**	1,195,956	1,180,140	2,376,096
Less: RESOURCES EXPENDED							
Depreciation of plant and equipment and investment properties		**(86,740)**	**(1,089,364)**	**(1,176,104)**	(195,460)	(1,037,379)	(1,232,839)
Education and programme expenses		**(14,853)**	**(1,458,326)**	**(1,473,179)**	(18,586)	(1,148,297)	(1,166,883)
Impairment loss on investment properties	4	**(224,506)**	**-**	**(224,506)**	-	-	-
HQ cost allocation & management fees		**1,881,789**	**(1,881,789)**	**-**	1,856,762	(1,856,762)	-
Land and office rental		**(3,847)**	**(2,535,926)**	**(2,539,773)**	(3,137)	(2,505,930)	(2,509,067)
Maintenance expenses		**(44,494)**	**(802,259)**	**(846,753)**	(23,460)	(628,430)	(651,890)
Manpower and related expenses		**(2,108,518)**	**(23,244,576)**	**(25,353,094)**	(2,167,460)	(21,493,606)	(23,661,066)
Other operating expenses		**(79,232)**	**(822,407)**	**(901,639)**	(84,730)	(699,724)	(784,454)
Utilisation of designated donations		**(105,683)**	**(296,289)**	**(401,972)**	(217,918)	(392,748)	(610,666)
Utilisation of donation in kind		**(148,469)**	**(68,456)**	**(216,925)**	(186,449)	(88,065)	(274,514)
Utilisation of MOE funds		**-**	**(194,097)**	**(194,097)**	-	(178,294)	(178,294)
Utilisation of trust funds		**(193,221)**	**(361,105)**	**(554,326)**	(155,605)	(493,209)	(648,814)
Total resources expended		**(1,127,774)**	**(32,754,594)**	**(33,882,368)**	(1,196,043)	(30,522,444)	(31,718,487)
Deficit before grants		**(71,882)**	**(30,813,632)**	**(31,335,514)**	(300,088)	(29,042,305)	(29,342,393)
Amortisation of deferred capital grants	12	**57,811**	**620,343**	**678,154**	175,789	514,453	690,242
Grant from MSF							
- HR development funding		**49,172**	**-**	**49,172**	63,557	-	63,557
- Operating grants		**-**	**826,485**	**826,485**	-	627,547	627,547
- Land rental/TOL grants		**-**	**171,010**	**171,010**	-	159,923	159,923
Grant from MOE							
- Operating grants		**-**	**18,619,076**	**18,619,076**	-	18,329,790	18,329,790
- MOE funds		**-**	**194,097**	**194,097**	-	178,294	178,294
- Land rental/TOL grants		**-**	**2,352,348**	**2,352,348**	-	2,332,256	2,332,256
Grant from NCSS		**-**	**7,996,137**	**7,996,137**	-	7,679,552	7,679,552
Trust fund income		**193,221**	**1,135,393**	**1,328,614**	155,605	645,994	801,599
Surplus for the year after grants		**228,322**	**651,257**	**879,579**	394,863	1,125,504	1,520,367

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of changes in accumulated funds
for the financial year ended 31 March 2018

	Restricted								Unrestricted		
	Accumulated Funds $	MOE Special Purpose Grant $	MOE Fund $	Trust Fund $	Association Building Fund $	Refurbishment Fund $	School Building Fund $	Designated Donation Funds $	Accumulated Funds $	Designated Donation Funds $	Total $
At 1 April 2016, as previously reported	24,260,270	590,628	159,404	1,802,773	204,931	80,027	3,953	1,461,200	930,356	2,607,265	32,100,807
Effects of prior year adjustments (Note 22)	-	(590,628)	(159,404)	(1,802,773)	-	-	-	-	-	-	(2,552,805)
At 1 April 2016, as restated	24,260,270	-	-	-	204,931	80,027	3,953	1,461,200	930,356	2,607,265	29,548,002
Surplus for the year	1,125,504	-	-	-	-	-	-	-	394,863	-	1,520,367
Transfer (to)/ from unrestricted funds	-	-	-	-	-	-	-	-	(681,116)	681,116	-
Transfer of donation receipt from HQ to CFA	300,000	-	-	-	-	-	-	-	-	(300,000)	-
Transfer (from)/ to restricted funds	105,559	-	-	-	-	-	-	(105,559)	-	-	-
Utilisation of funds for fund-raising expenditure	-	-	-	-	-	-	-	-	333,602	(333,602)	-
Insource shared services	-	-	-	-	-	-	-	-	207,849	-	207,849
At 31 March 2017	25,791,333	-	-	-	204,931	80,027	3,953	1,355,641	1,185,554	2,654,779	31,276,218
At 1 April 2017, as previously reported	**26,044,027**	**552,071**	**137,116**	**2,235,391**	**204,931**	**80,027**	**3,953**	**1,355,641**	**1,185,554**	**2,654,779**	**34,453,490**
Effects of prior year adjustments (Note 22)	**(252,694)**	**(552,071)**	**(137,116)**	**(2,235,391)**	**-**	**-**	**-**	**-**	**-**	**-**	**(3,177,272)**
At 1 April 2017, as restated	**25,791,333**	**-**	**-**	**-**	**204,931**	**80,027**	**3,953**	**1,355,641**	**1,185,554**	**2,654,779**	**31,276,218**
Surplus for the year	**651,257**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**228,322**	**-**	**879,579**
Transfer (to)/ from unrestricted funds	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(686,929)**	**686,929**	**-**
Transfer of donation receipt from HQ to CFA	**450,000**	**-**	**-**	-	**-**	**-**	**-**	**-**	**-**	**(450,000)**	**-**
Transfer (from)/ to restricted funds	**18,476**	**-**	**-**	**-**	**-**	**-**	**-**	**(18,476)**	**-**	**-**	**-**
Utilisation of funds for fund-raising expenditure	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**169,288**	**(169,288)**	**-**
Insource shared services	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**224,017**	**-**	**224,017**
At 31 March 2018	**26,911,066**	**-**	**-**	**-**	**204,931**	**80,027**	**3,953**	**1,337,165**	**1,120,252**	**2,722,420**	**32,379,814**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Statement of cash flows
for the financial year ended 31 March 2018

	Note	**Year ended 31 March 2018 $**	Year ended 31 March 2017 $ (Restated)
Cash Flows from Operating Activities			
Surplus for the year		**879,579**	1,520,367
Adjustments for:			
Amortisation of deferred capital grants	12	**(678,154)**	(690,242)
Depreciation of plant and equipment	3	**1,139,446**	1,196,326
Depreciation of investment properties	4	**36,658**	36,658
Impairment loss of investment properties	4	**224,506**	-
Interest income		**(263,141)**	(188,606)
Loss on disposal of plant and equipment		**9,906**	12,270
Operating surplus before working capital changes		**1,348,800**	1,886,773
Changes in inventories		**(5,534)**	(6,878)
Changes in other receivables		**(1,578,454)**	(178,865)
Changes in other payables and accruals		**(239,293)**	467,500
Net cash (used in)/ generated from operating activities		**(474,481)**	2,168,530
Cash Flows from Investing Activities			
Acquisition of plant and equipment	3	**(1,390,519)**	(1,444,198)
Proceed from disposal of plant and equipment		**17,055**	198
Interest received		**271,937**	87,439
Net cash used in investing activities		**(1,101,527)**	(1,356,561)
Cash Flows from Financing Activities			
Receipts in deferred capital grants		**939,204**	913,797
Receipts in MOE special purpose grant		**102,956**	169,292
Receipts in grants and trust funds		**97,536**	663,023
Cash restricted in use		**158,027**	(2,580,682)
Net cash generated from/(used in) investing activities		**1,297,723**	(834,570)
Net decrease in cash and cash equivalents		**(278,285)**	(22,601)
Cash and cash equivalents at beginning of the year		**4,720,951**	4,743,552
Cash and cash equivalents at end of the year	6	**4,442,666**	4,720,951

Note:

(A) APSN does not have any cash flow arising from financing activities except for grants and trust funds received from MOE and other grantors. Therefore, the Amendments to FRS 7 Statement of Cash Flows effective on beginning or after 1 January 2017 is not applicable.

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

Notes to the financial statements
for the financial year ended 31 March 2018

1 General information

The Association For Persons with Special Needs ("APSN" of the "Association") 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 Association had been approved as an Institution of a Public Character under the Charities Act (Cap. 37) for five years with effect from 1 December 2015.

APSN is incorporated and domiciled in Singapore with its registered office at 900 New Upper Changi Road, Singapore 467354.

The principal activities of 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.

The financial statements combine the state of affairs and the results of 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 the Ministry of Education ("MOE"). APSN Student Care Centre is registered under the Ministry of Social and Family Development ("MSF"). Centre for Adults is operated as a division of APSN.

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

The financial statements of APSN for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the Board on the date of Statement by the Board.

2(a) Basis of preparation

The financial statements are prepared in accordance with the Singapore Financial Reporting Standards ("FRS"), including related Interpretations to FRS promulgated by the Accounting Standards Council. The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars ("SGD") which is APSN's functional currency. All financial information is presented in Singapore Dollars, unless otherwise stated.

The accounting policies used by APSN have been applied consistently to all periods presented in the financial statements.

2(a) Basis of preparation (Cont'd)

Significant accounting estimates and judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

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 and in any future periods affected.

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

Significant judgements in applying accounting policies

Investment properties

Significant judgement by management is applied when deciding whether the recognition requirements for developments costs have been met. Judgements are based on the information available at the end of each reporting period. Management is of the view that the investment properties are held for earning rentals. The carrying amounts of APSN's investment properties at the reporting date were $1,819,545 (2017 - $2,080,709).

Critical accounting estimates and assumptions used in applying accounting policies

Depreciation of plant and equipment and investment properties

Plant and equipment and investment properties are depreciated on a straight-line basis over their estimated useful lives. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of APSN's plant and equipment and investment properties at the reporting date are disclosed in Note 3 and 4. If depreciation on plant and equipment and investment properties increases/decreases by 10% from management estimate, APSN's surplus for the year will decrease/increase by approximately $117,610 (2017 - $123,283).

Impairment of non-financial assets

Plant and equipment and investment properties are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires APSN to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors. The carrying amounts of plant and equipment and investment properties at the reporting date are set out in Notes 3 and 4.

A decrease of 5% (2017 - 5%) in the value-in-use of APSN's non-financial assets would have decreased APSN's profit by $171,928 (2017 - $173,780).

Impairment of loans and receivables

Impairment of loans and receivables (comprising other receivables) are computed based on an assessment of the recoverability of such assets. Allowances are applied to these assets where events or changes in circumstances indicate that the balances may not be collectible.

2(a) Basis of preparation (Cont'd)

Critical accounting estimates and assumptions used in applying accounting policies (Cont'd)

Impairment of loans and receivables (Cont'd)
In determining whether a financial asset is impaired, management has used estimates based on historical loss experience for assets with similar credit risk characteristics, default of payments, indications of financial difficulties of the specific customer, and general economic conditions. The carrying amounts of loans and receivables at the reporting date are set out in Note 5. If the present value of estimated future cash flows decrease by 10% from management's estimates, APSN's allowance for impairment will increase by $349,858 (2017 - increase by $195,203).

2(b) Interpretations and amendments to published standards effective in 2017/2018

On 1 April 2017, APSN adopted FRSs and INT FRS that are relevant for application from that date.

Reference	Description
FRS 1	Amendments to FRS 1: Disclosure Initiative
Amendments to FRS 7	Statement of Cash Flows

FRS 1 Presentation of Financial Statements
The amendments to FRS 1 Presentation of Financial Statements clarify that materiality applies to the whole of financial statements and that the inclusion of immaterial information can inhibit the usefulness of financial disclosures. Furthermore, the amendments clarify that companies should use professional judgement in determining where and in what order information is presented in the financial disclosures. FRS 1 is effective for annual periods beginning on or after 1 January 2017. As this is a disclosure standard, it does not have any impact on the financial position or performance of APSN when implemented in the current year.

Amendments to FRS 7 Statement of Cash Flows
The Amendments to FRS 7 Statement of Cash Flows requires the entity to reconcile cash flows arising from financing activities as reported in the statement of cash flows – excluding contributed funds – to the corresponding liabilities in the opening and closing statements of financial position and to disclose on any restrictions over the decisions of an entity to use cash and cash equivalent balances. These amendments are effective on beginning or after 1 January 2017. As this is a disclosure standard, it will have no impact to the financial position or performance of APSN when implemented in the current year.

2(c) FRS not yet effective

The following are the new or amended FRS and INT FRS issued in 2018:

Reference	Description	Effective date (Annual periods beginning on or after)
FRS 115	Revenue from Contracts with Customers	1 January 2018
Clarifications to FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 116	Leases	1 January 2019

2(c) FRS not yet effective (Cont'd)

FRS 115 Revenue from Contracts with Customers
FRS 115 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer.

The standard replaces FRS 11 Construction Contracts, FRS 18 Revenue, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for Construction of Real Estate, INT FRS 118 Transfer of Assets from Customers and INT FRS 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

The standard is effective on 1 January 2018.

Clarifications to FRS 115 Revenue Contracts with Customers
The amendments clarify how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract;
- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided); and
- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, FRS 115, i.e. on 1 January 2018.

APSN does not expect significant changes to the basis of revenue recognition since the revenues are recognised when the services are rendered. There is unlikely to be any significant financing component arising from the rendering of services since APSN is engaged in a cash service business.

FRS 109 Financial Instruments
FRS 109 Financial Instruments replaces FRS 39 and it is a package of improvements introduced by FRS 109 which include a logical model for:

- Classification and measurement;
- A single, forward – looking "expected loss" impairment model and
- A substantially reformed approach to hedge accounting

FRS 109 is effective for annual periods beginning on or after 1 January 2018.

Loans and receivables currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109.

APSN does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model or a significant increase in the impairment loss allowance.

APSN plans to adopt the standard when it becomes effective in 2018 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.

2(c) FRS not yet effective (Cont'd)

FRS 116 Leases
FRS 116 Leases replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 Leases that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. FRS 116 Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the company has adopted FRS 115.

APSN has operating leases relating to office premises and school premises.

APSN expects these operating leases to be recognised as right-of-use assets with corresponding lease liabilities under the new standard. This would increase the gearing ratio of APSN.

2(d) Summary of significant accounting policies

Plant and equipment
Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

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

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to plant and equipment that have 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 APSN and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

For acquisitions and disposals during the financial year, depreciation is provided from the year of acquisition and to the month before disposal respectively. Fully depreciated plant and equipment are retained in the books of accounts until they are no longer in use.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the statement of comprehensive income.

The residual values, depreciation methods and useful lives of plant and equipment are reviewed and adjusted as appropriate at the reporting date.

2(d) Summary of significant accounting policies (Cont'd)

Investment properties
Investment properties include those portions of buildings that are held for long-term rental yields and/or capital appreciation and land under operating leases that are held for long-term capital appreciation or for a currently indeterminate use, and where an insignificant portion is held for APSN's own occupation. Investment properties comprise completed investment properties and properties under construction or development for future use as investment properties.

Investment properties are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated using the straight-line method to allocate the depreciable amounts over the estimated useful lives of 50 years. The residual values, useful lives and depreciation method of investment properties are reviewed, and adjusted if appropriate, at the end of each reporting period. The effects of any revision are included in the profit or loss when the changes arise.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as additions and the carrying amounts of the replaced components are written off to the statement of comprehensive income. The cost of maintenance, repairs and minor improvement is charged to the statement of comprehensive income when incurred.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. On disposal or retirement of an investment property, the difference between any disposal proceeds and the carrying amount is recognised in the statement of comprehensive income.

Transfers are made to investment property when, and only when, there is a change in use, evidenced by ending of owner-occupation or commencement of an operating lease to another party. Transfers are made from investment property when and only when, there is a change in use, evidenced by the commencement of owner-occupation or commencement of development with a view to sell.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined on a first-in, first-out basis, and includes all costs in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. Allowance is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value. The amount of any write-down of inventories to net realisable value is recognised as an expense in the period the write-down occurs.

Financial assets
Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

All financial assets are recognised on their trade date, the date on which APSN commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting period whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)
Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, APSN currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in the statement of comprehensive income when received, regardless of how the related carrying amount of financial assets is measured.

APSN does not hold any financial assets at fair value through profit or loss, held-to-maturity investments or available-for-sale financial assets.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when APSN provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets.

They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. If there is objective evidence that the asset has been impaired, the financial asset is measured at the present value of the estimated future cash flows discounted at the original effective interest rate. Impairment losses are reversed in subsequent periods when an increase in the asset's recoverable amount can be related objectively to an event occurring after the impairment was recognised, subject to a restriction that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised. The impairment or write back is recognised in the profit or loss.

Loans and receivables comprise other receivables and deposits, excluding prepayments.

Cash and cash equivalents
Cash and cash equivalents comprise bank and cash balances and 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.

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 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 expenses.

Fund managed on behalf
Fund managed on behalf of others relate to fund set up account for contributions received from external sources for specific purposes.

The fund managed on behalf of Ministry of Education – Special Purpose Grant is disclosed as a separate item at the statement of financial position with relevant disclosure in Note 7 of the financial statement. In addition, any income and expenditure relating to these funds is accounted for directly in the funds.

2(d) Summary of significant accounting policies (Cont'd)

Financial liabilities
Financial liabilities are recognised when APSN becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are derecognised if ASPN's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, APSN currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

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

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process.

APSN's financial liabilities include trade payable and other payables, excluding deferred income.

Leases
<u>Where APSN is the Lessee - Operating leases</u>
Rentals on operating leases are charged to profit or loss on a straight-line basis over the lease term. Lease incentives, if any, are recognised as an integral part of the net consideration agreed for the use of the leased asset. Penalty payments on early termination, if any, are recognised in the profit or loss when incurred.

Contingent rents are mainly determined as a percentage of revenue in excess of a specified amount during the month. They are charged to the profit or loss when incurred.

<u>Where APSN is the Lessor - Operating leases</u>
Assets leased out under operating leases are included in investment properties and are stated at cost. Rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Senior management are considered key management personnel.

Employee benefits
<u>Pension obligations</u>
APSN contributes to the Central Provident Fund, a defined contribution plan regulated and managed by the Government of Singapore, which applies to the majority of the employees. Contributions to defined contribution plans are charged to the statement of comprehensive income in the period to which the contributions relate.

<u>Employee leave entitlements</u>
Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Related parties
A related party is defined as follows:

(a) A person or a close member of that person's family is related to APSN if that person:

- (i) has control or joint control over APSN;
- (ii) has significant influence over APSN; or
- (iii) is a member of the key management personnel of APSN.

2(d) Summary of significant accounting policies (Cont'd)

Related parties (Cont'd)

(b) An entity is related to APSN if any of the following conditions applies:

- (i) the entity and APSN are members of the same group;
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
- (iii) both entities are joint ventures of the same third party;
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (v) the entity is a post-employment benefit plan for the benefit of employees of either APSN or an entity related to APSN. If APSN is itself such a plan, the sponsoring employers are also related to APSN;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity; or
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Impairment of non-financial assets

The carrying amounts of APSN's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the entity at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognised for cash-generating units, to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases.
- 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 if no impairment loss had been recognised.

2(d) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets (Cont'd)

- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the profit or loss, a reversal of that impairment loss is recognised as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognised in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of the reporting period.

A reversal of an impairment loss is recognised as income in statement of comprehensive income.

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.

Incoming resources

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) <u>Grants</u>

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 capital grants are recognised in the profit or loss 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. Operating 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) <u>Donations and corporate sponsorship</u>

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) <u>Rendering of services</u>

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

(d) <u>Fund raising</u>

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

2(d) Summary of significant accounting policies (Cont'd)

Incoming resources (Cont'd)

(e) Other income

Other 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 net of any lease incentive, 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 profit or loss 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.

Income taxes

As a charity, APSN is exempted from income tax under the provisions of the Income Tax Act Cap. 134, section 13U(1) and no provision for income tax is required to be made in the financial statements.

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in APSN are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements of APSN are presented in Singapore dollars, which is also the functional currency of APSN.

Conversion of foreign currencies

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting date are recognised in profit or loss.

Non-monetary items 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 translated using the exchange rates at the date of the translations.

Grants

Grants from organisations for the purchase of plant and equipment are taken to the deferred capital grants account. Deferred capital grants are recognised in the statement of comprehensive income on a systematic basis over the periods necessary to match the depreciation of plant and equipment which they are intended to compensate. On disposal of the plant and equipment, the balance of the related grants is recognised in the statement of comprehensive income to match the net book value of the plant and equipment disposed of.

Grants in respect of the current year's operating expenses are recognised as income in the same year. Grants which are received but not utilised are included in the grants received in advance account. Grants are accounted for on an accrual basis.

3 Plant and equipment

	Leasehold improvements $	Furniture, fittings and equipment $	Computers $	Software $	Motor vehicles $	Total $
Cost						
At 1 April 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**
Additions	**593,592**	**564,599**	**172,530**	**7,309**	**52,489**	**1,390,519**
Disposals	**(3,964,457)**	**(415,328)**	**(56,052)**	**(22,428)**	**(1)**	**(4,458,266)**
Reclassifications	**(85,466)**	**85,466**	**795**	**(795)**	**-**	**-**
At 31 March 2018	**7,959,567**	**3,895,845**	**1,548,507**	**696,312**	**99,987**	**14,200,218**
Accumulated depreciation						
At 1 April 2016	10,794,795	2,273,921	1,469,511	561,946	87,101	15,187,274
Depreciation 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**
Depreciation for the year	**376,733**	**581,904**	**163,018**	**7,292**	**10,498**	**1,139,445**
Disposals	**(3,964,434)**	**(388,460)**	**(56,002)**	**(22,409)**	**-**	**(4,431,305)**
Reclassifications	**(68,993)**	**68,993**	**794**	**(794)**	**-**	**-**
At 31 March 2018	**7,389,626**	**2,900,093**	**1,537,635**	**695,860**	**57,994**	**12,581,208**
Net book value						
At 31 March 2018	**569,941**	**995,752**	**10,872**	**452**	**41,993**	**1,619,010**
At 31 March 2017	369,578	1,023,452	1,409	455	3	1,394,897

APSN's carrying amount of plant and equipment amounting to $1,071,090 (2017 - $786,323) was acquired through government grants. Refer to Note 12 for more details.

4 Investment properties

	2018 **$**	2017 $
At cost		
At beginning and at end of year	**2,190,683**	2,190,683
Accumulated depreciation		
At beginning of year	**109,974**	73,316
Depreciation for the year	**36,658**	36,658
At end of year	**146,632**	109,974
Impairment loss		
Impairment loss for the year	**224,506**	-
Carrying value		
At end of year	**1,819,545**	2,080,709
Fair value for disclosure purposes only:		
Fair value at end of year	**1,819,545**	1,991,911
Rental income from investment properties	**72,000**	72,500

4 Investment properties (Cont'd)

	2018 $	2017 $
Direct operating expenses (including repair and maintenance) arising from investment properties that generated rental income during the year	**16,673**	16,962

APSN's carrying amount of investment properties amounting to $1,819,545 (2017 - $2,080,709) was acquired through public donations. Refer to Note 12 for more details.

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 to non-related parties under operating leases. Also see Note 18.2 to the financial statements 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 the reporting period 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 period. 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.

For fair value measurements categorised with 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:	$1,819,545 (2017 - $1,991,911) Level 3 (2017 - Level 3)
Valuation technique for recurring fair value measurements:	Comparison with market evidence of recent offer to sell prices for similar properties
Sensitivity on management's estimates – 10% variation from estimate	Impact - lower by $181,955 /higher by $181,955 (2017 - lower by $199,191/higher by $199,191)

Impairment of investment properties

APSN owns two factory units at #06-03 and #06-04 at Novelty Bizcentre, 18 Howard Road, Singapore, 369585. In the financial year ended 31 March 2018, there is a decline in the market price of similar properties. As a result, APSN performed an impairment testing on the investment properties in accordance with FRS 36 Impairment of Assets. The recoverable amount of the investment properties have been estimated to be lower than the carrying amount of the asset and an impairment loss of $224,506 (2017 - $Nil) has been recognised in the statement of comprehensive income.

APSN determined the recoverable amount of the assets based on the fair value less cost to sell using adjusted market value approach. The fair value was determined based on recent transactions prices of similar premises during the year.

5 Other receivables

	2018 $	2017 $ (Restated)	2016 $ (Restated)
Sundry receivables	**941,991**	392,162	369,194
Impairment loss on receivables	**(3,681)**	(3,876)	-
	938,310	388,286	369,194
Amounts due from grantors	**1,965,173**	996,651	684,827
Deposits	**595,098**	567,089	594,349
Loans and receivable	**3,498,581**	1,952,026	1,648,370
Prepayments	**27,953**	4,850	28,475
	3,526,534	1,956,876	1,676,845

	2018 $	2017 $ (Restated)	2016 $ (Restated)
Impairment loss:			
At 1 April	**3,876**	-	-
Impairment loss for the year	**3,601**	3,876	-
Written-off	**(3,636)**	-	-
Reversal	**(160)**	-	-
At 31 March	**3,681**	3,876	-

The amount due from grantors comprises of adjustments and provision for under-funding in the reporting years.

An impairment loss of $3,601 (2017 - $3,876) has been made for overdue fees receivable from individual students of the Student Care Centre. Fee receivable that are uncollectible and has been outstanding for more than 180 days old are written off after internal assessment performed by the Centre Head.

6 Cash and bank balances

	2018 $	2017 $
Not restricted in use	**4,442,666**	4,720,951
Restricted in use	**30,912,905**	31,070,932
Cash and bank balances at end of year	**35,355,571**	35,791,883

The fixed deposits of $20,021,053 (2017 - $19,749,119) are included in the restricted in use cash. The fixed deposits mature between 2 months and 12 months (2017 – 2 months and 12 months) from the financial year end and earn interest rates ranging from 1.03% to 1.54% (2017 – 1.05% to 1.82%) per annum.

The MOE special purpose grant $431,010 (2017 - $552,071) is included in the restricted in use cash. The details of MOE special purpose grant is set out in Note 7.

For the purpose of the statement of cash flows, the year-end cash and cash equivalents comprise of the following:

	2018 $	2017 $
Cash and bank balances	**35,355,571**	35,791,883
Restricted in use	**(30,912,905)**	(31,070,932)
Cash and cash equivalents	**4,442,666**	4,720,951

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

7 MOE special purpose grants

	2018				2017 (Restated)			
	At 1.4.2017	Funds received	Expenditure	At 31.3.2018	At 1.4.2016	Funds received	Expenditure	At 31.3.2017
	$	$	$	$	$	$	$	$
a) Annual grant for discretionary financial assistance	**9,585**	**91,655**	**(88,552)**	**12,688**	19,741	94,019	(104,175)	9,585
b) Additional training vote	**29,437**	**28,563**	**(36,339)**	**21,661**	18,294	40,506	(29,363)	29,437
c) Contract teaching resources	**-**	**141,151**	**(141,151)**	**-**	-	116,401	(116,401)	-
d) Curriculum enhancement fund	**173,219**	**117,606**	**(129,064)**	**161,761**	185,847	119,978	(132,606)	173,219
e) WPLN fee subsidy	**-**	**12,926**	**(12,926)**	**-**	-	14,702	(14,702)	-
f) High needs grant	**44,395**	**373,231**	**(300,292)**	**117,334**	56,442	199,067	(211,114)	44,395
g) ICT development grant	**80,781**	**286,747**	**(329,006)**	**38,522**	-	377,049	(296,268)	80,781
h) MOE secondment fund	**-**	**265,215**	**(265,215)**	**-**	-	200,073	(200,073)	-
i) Parent support group grant	**2,731**	**7,269**	**(7,886)**	**2,114**	1,453	8,548	(7,270)	2,731
j) Staff training fund	**117,253**	**225,947**	**(334,993)**	**8,207**	199,705	158,895	(241,347)	117,253
k) School meals programme	**-**	**78,190**	**(78,190)**	**-**	-	68,567	(68,567)	-
l) SPED financial assistance scheme	**-**	**122,056**	**(122,056)**	**-**	-	135,150	(135,150)	-
m) SPED innovation award	**14,852**	**-**	**(3,349)**	**5,885**	11,879	5,000	(2,027)	14,852
n) SPED outstanding teacher award	**5,993**	**-**	**(10,993)**	**618**	1,156	5,000	(163)	5,993
o) Public transport subsidy	**11,167**	**15,933**	**(22,505)**	**4,595**	10,387	25,683	(24,903)	11,167
p) Vocational preparation grant	**62,658**	**-**	**(5,033)**	**57,625**	85,724	-	(23,066)	62,658
	552,071	**1,766,489**	**(1,887,550)**	**431,010**	590,628	1,568,638	(1,607,195)	552,071

7 MOE special purpose grants (Cont'd)

7a) Annual grant for discretionary financial assistance

To provide financial assistance to Singapore students.

7b) Additional training vote

To enhance professional development opportunities for MOE registered SPED teachers.

7c) Contract teaching resources

To engage contract teachers covering duties of staff undergoing courses.

7d) Curriculum enhancement fund

To enhance the quality of curriculum and co-curriculum.

7e) Examination fee subsidy

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

7f) High needs grant

To support students with exceptionally high needs due to challenging behaviour.

7g) ICT development grant

To hire IT professional and purchase of IT equipment/services to enhance students' learning needs.

7h) MOE secondment fund

To assist SPED schools on MOE seconded education officer salary compensation package.

7i) Parent support group grant

To enhance its partnership efforts with parents.

7j) Staff training fund

To enable SPED school permanent staff to receive training and professional development.

7k) School meals programme

To provide meals for SPED FAS students during the school terms.

7l) SPED financial assistance scheme (SPED FAS)

To provide financial assistance to needy students in SPED schools.

7m) SPED innovation award

To recognise the contribution from SPED schools and teachers.

7 MOE special purpose grants (Cont'd)

7n) SPED outstanding teacher award

To enhance teachers' professional development.

7o) Public transport subsidy

To subsidise SPED FAS students.

7p) Vocational preparation grant

To implement vocational preparation for students.

8 Association building fund

	2018	2017
	$	$
Balance at beginning and at end of 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.

9 Refurbishment fund

	2018	2017
	$	$
Balance at beginning and at end of year	**80,027**	80,027

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

10 School building fund

	2018	2017
	$	$
Balance at beginning and at end of year	**3,953**	3,953

This fund is for the refurbishment of Chaoyang School.

11 Designated donations

	2018				2017			
	At 1.4.2017	Funds received	Expenditure	At 31.3.2018	At 1.4.2016	Funds received	Expenditure	At 31.3.2017
	$	$	$	$	$	$	$	$
Restricted funds								
Designated donations	**1,354,076**	**727,814**	**(746,290)**	**1,335,600**	1,453,235	634,357	(733,516)	1,354,076
Percussion fund	**1,565**	**-**	**-**	**1,565**	7,965	-	(6,400)	1,565
	1,355,641	**727,814**	**(746,290)**	**1,337,165**	1,461,200	634,357	(739,916)	1,355,641

11 Designated donations (Cont'd)

	2018				2017			
	At 1.4.2017 $	Funds received $	Expenditure $	At 31.3.2018 $	At 1.4.2016 $	Funds received $	Expenditure $	At 31.3.2017 $
Unrestricted funds								
Designated donations	**2,641,301**	**792,611**	**(724,970)**	**2,708,942**	2,593,787	899,034	(851,520)	2,641,301
General purpose fund	**13,478**	**-**	**-**	**13,478**	13,478	-	-	13,478
	2,654,779	**792,611**	**(724,970)**	**2,722,420**	2,607,265	899,034	(851,520)	2,654,779
Total	**4,010,420**	**1,520,425**	**(1,471,260)**	**4,059,585**	4,068,465	1,533,391	(1,591,436)	4,010,420

Funds received presented in the statement of financial position as follows:

	2018			2017		
	Unrestricted funds $	Restricted funds $	Total $	Unrestricted funds $	Restricted funds $	Total $
Incoming Resources						
Donations - designated donations	**792,611**	**277,814**	**1,070,425**	892,559	212,355	1,104,914
Programme sales and services (designated)	**-**	**-**	**-**	6,475	122,002	128,477
Transfer of surplus from accumulated funds	**-**	**450,000**	**450,000**	-	300,000	300,000
	792,611	**727,814**	**1,520,425**	899,034	634,357	1,533,391

Restricted donations consist of donations received by APSN schools and centres and are restricted for the schools and centres' use only. Unrestricted donations consist of donations received by APSN headquarter and can be used for APSN's general operating purposes.

12 Deferred capital grants

	2018 $	2017 $
Cost		
At 1 April	**4,155,428**	3,630,125
Refurbishment of property, purchase of plant and equipment:		
- Grant from MOE, NCSS, MSF, Tote Board, AIC	**810,298**	770,899
- Public donations	**128,907**	142,898
	939,205	913,797
Amount written off	**(689,366)**	(388,494)
At 31 March	**4,405,267**	4,155,428
Accumulated amortisation		
At 1 April	**1,288,397**	986,649
Amortisation for the year	**678,154**	690,242
Amount written off	**(689,366)**	(388,494)
At 31 March	**1,277,185**	1,288,397
Carrying value		
At 31 March	**3,128,082**	2,867,031

	2018 $	2017 $
Secured by:		
Carrying value of asset		
Plant and equipment	**1,071,090**	786,322
Investment properties	**1,819,545**	2,080,709
Total	**2,890,635**	2,867,031

12 Deferred capital grants (Cont'd)

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

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

13 Deferred grants and trust funds

	2018 $	2017 $ (Restated)
MOE funds	**110,470**	137,116
Trust funds	**2,612,266**	2,488,084
	2,722,736	2,625,200

13.2 MOE funds

		2018				2017			
		At 1.4.2017 $	Funds received $	Expenditure $	At 31.3.2018 $	At 1.4.2016 $	Funds received $	Expenditure $	At 31.3.2017 $
a)	Edusave grant	**53,346**	**61,040**	**(63,280)**	**51,106**	52,204	66,507	(65,365)	53,346
b)	ICT tier 2 funding	**-**	**-**	**(14,300)**	**(14,300)**	-	-	-	-
c)	LKY exemplary student award	**-**	**3,000**	**(3,000)**	**-**	-	-	-	-
d)	MOE F&E grant	**-**	**62,670**	**(62,471)**	**199**	-	-	-	-
e)	Opportunity fund	**83,770**	**10,243**	**(20,548)**	**73,465**	107,200	-	(23,430)	83,770
f)	School based student award	**-**	**94,250**	**(94,250)**	**-**	-	89,500	(89,500)	-
		137,116	**231,203**	**(257,849)**	**110,470**	159,404	156,007	(178,295)	137,116

13.2a) Edusave grant

To provide enrichment programmes, purchase of resource materials and equipment for students.

13.2b) ICT tier 2 funding

To encourage sustainable ICT innovative projects that will fuel continuous improvement and bring about meaningful student outcomes.

13.2c) LKY exemplary student award

To honour and affirm students in SPED schools who have risen above their inherent disabilities.

13.2d) MOE F&E grant

To provide assistance in acquiring furniture and equipment for school use.

13.2e) Opportunity fund

To provide Singapore citizen needy students to enrich their learning.

13.2f) School based student award

To recognise and encourage students' achievements and progress.

13.3 Trust funds

		2018				2017			
		At 1.4.2017 $	Funds received $	Expenditure $	At 31.3.2018 $	At 1.4.2016 $	Funds received $	Expenditure $	At 31.3.2017 $
a)	Care & share matching grant	**397,718**	**374,463**	**(580,654)**	**191,527**	359,866	583,087	(545,235)	397,718
b)	Children's Charities Association fund	**11,215**	**120,225**	**(120,225)**	**11,215**	11,215	152,785	(152,785)	11,215
c)	Community silver trust fund	**1,814,391**	**1,239,634**	**(662,253)**	**2,391,772**	1,418,251	1,148,024	(499,191)	2,067,084
d)	Charities capability fund (VCF)	**1,673**	**16,264**	**(13,482)**	**4,455**	-	1,673	-	1,673
e)	IHG foundation fund	**-**	**67,835**	**(67,807)**	**28**	-	-	-	-
f)	MSF capital funding	**-**	**196,946**	**(196,946)**	**-**	-	152,803	(152,803)	-
g)	Staff training OFA grant	**1,384**	**-**	**-**	**1,384**	1,384	-	-	1,384
h)	School pocket money	**1,189**	**21,840**	**(14,270)**	**8,759**	5,101	14,278	(18,190)	1,189
i)	SG Enable - transport assistance scheme	**3,331**	**287,055**	**(291,750)**	**(1,364)**	2,466	285,424	(284,559)	3,331
j)	Tote Board Arts grant	**-**	**5,293**	**(5,293)**	**-**	-	6,435	(6,435)	-
k)	Trailblazer-Chan Chiew Ping special schools fund	**4,490**	**-**	**-**	**4,490**	4,490	-	-	4,490
		2,235,391	**2,329,555**	**(1,952,680)**	**2,612,266**	1,802,773	2,344,509	(1,659,198)	2,488,084

13.3a) Care & share matching grant

The grant, managed by NCSS, aims to enhance social services to beneficiaries.

13.3b) 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.

13.3c) 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.

13.3d) Charities capability fund (VCF)

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

13.3 Trust funds (Cont'd)

13.3e) IHG foundation fund

The fund is to provide support for a comprehensive range of programmes and services for adults with mild intellectual disability, age 17 and above.

13.3f) MSF capital funding

This fund from MSF is to undertake the cost of APSN Student Care Centre's renovation and relocation in 2018 and APSN Centre for Adults in 2017.

13.3g) Staff training OFA grant

The fund is given by NCSS to build staff competencies.

13.3h) School pocket money fund

The grant received from the Straits Times School Pocket Money Fund for the welfare of needy students.

13.3i) SG Enable-transport assistance scheme

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

13.3j) Tote Board arts grant

The grant aims to develop art education in SPED schools.

13.3k) 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.

14 Other payables and accruals

	2018 **$**	2017 $ (Restated)	2016 $ (Restated)
Amounts due to grantors	**221,126**	189,325	277,716
Asian Federation on Intellectual Disabilities (AFID) conference fund	**9,793**	9,793	16,893
Accrued operating expenses	**2,978,457**	2,936,925	2,523,102
School fees received in advance	**52,604**	63,285	81,620
Other creditors	**450,174**	752,119	543,029
	3,712,154	3,951,447	3,442,360

The amount due to grantors comprises of adjustments and provision for over-funding in the reporting years.

14.1 Asian Federation on Intellectual Disabilities (AFID) conference fund

	2018 **$**	2017 $
At 1 April	**9,793**	16,893
Expenditure incurred	**-**	(7,100)
At 31 March	**9,793**	9,793

14.1 Asian Federation on Intellectual Disabilities (AFID) conference fund (Cont'd)

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.

15 Taxation and tax-exempt receipts

15.1 Taxation

	2018 $	2017 $
Surplus	**879,579**	1,520,367
Tax at statutory rate of 17%	**149,528**	258,462
Tax exemption under Charities Act	**(149,528)**	(258,462)
	-	-

APSN is an approved charity under the Charities Act, Chapter 37 and an Institution of Public Character under the Income Tax Act, Chapter 134. Therefore, no tax provision has been made in the financial statements as APSN is exempt from income tax.

15.2 Tax-deductible receipts

APSN is an approved Institution of Public Character whereby public donors are granted 2.5 times (2017 – 2.5 times) 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 March 2018 to 28 February 2021.

	2018 $	2017 $
Tax-deductible receipts issued for donations received/collected during the reporting year	**530,037**	461,269

16 Manpower and related expenses

	2018 $	2017 $
Salaries, bonuses and gratuity		
- MOE seconded teaching staff	**613,921**	533,577
- Other teaching staff, professional, support	**20,943,968**	19,856,965
CPF and SDF		
- MOE seconded teaching staff	**25,294**	25,052
- Other teaching staff, professional, support	**3,278,482**	3,085,525
Provision for unused leave	**40,804**	(6,472)
Other staff costs	**489,271**	436,763
Outsourced services for MOE approved positions	**664,315**	582,739
Manpower cost under NCSS Sunray Scheme	**258,225**	-
	26,314,280	24,514,149
- Government grant income from job credit scheme	**(554,820)**	(536,609)
- MOE secondment fund	**(265,215)**	(200,073)
- MOE contract teaching fund	**(141,151)**	(116,401)
	(961,186)	(853,083)
Total	**25,353,094**	**23,661,066**

17 Significant related party transactions

Other than the related party information disclosed elsewhere in the financial statements, the following are significant transactions entered into by APSN with related parties:

17.1 Key management compensation

	2018 $	2017 $
Salaries and other short–term employees benefits	**2,326,836**	3,274,217

Number of key management paid in compensation bands:

	2018	2017
$100,000 to $200,000	**15**	21
$100,000 and below	**1**	9

From reviewing the definition of key management personnel in 2018, it was decided that such key executives will be senior management at the highest level of the organisation, with authority and responsibility for planning, directing and controlling the activities of APSN. The above amounts for key management compensation are for the senior management.

17.2 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.

	2018 $	2017 $
Course attended by Board and Committee Members for the purpose of APSN	**636**	1,800
Transport reimbursement to Board Members	**-**	1,702

18 Commitments

18.1 Capital commitments

Amounts committed at the end of the reporting period for future expenditure but not recognised in profit or loss are as follows:

	2018 $	2017 $
Commitments to purchase plant and equipment	**162,556**	202,974

18.2 Operating lease commitments (non-cancellable)

Where APSN is the lessee
At the end of the reporting period, APSN was committed to making the following rental payments in respect of non-cancellable operating leases with an original term of more than one year:

		2018 $	2017 $
(a)	Rental of equipment		
	Not later than one year	**27,724**	32,329
	Later than one year and not later than five years	**88,733**	55,385
		116,457	87,714

18.2 Operating lease commitments (non-cancellable) (Cont'd)

Where APSN is the lessee (Cont'd)

		2018 $	2017 $
(b)	Land rental		
	Not later than one year	**2,543,566**	2,303,732
	Later than one year and not later than five years	**2,105,082**	2,760,312
		4,648,648	5,064,044

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 CFA. 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.

Where APSN is the lessor

	2018 $	2017 $
Not later than one year	**9,000**	72,000
Later than one year and not later than five years	**-**	9,000
	9,000	81,000

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

19 Financial risk management objectives and policies

The Board has documented financial risk management policies. These policies set out APSN's risk management philosophy. APSN is exposed to financial risks arising from its operations. The key financial risks included credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk. There has been no change to APSN's exposure to these financial risks or the manner in which it manages and measures the risk.

APSN does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

	2018 $	2017 $
Financial assets at amortised cost		
Other receivables (excluding prepayments)	**3,498,581**	1,952,026
Cash and cash equivalents	**35,355,571**	35,791,883
	38,854,151	37,743,909
Financial liabilities at amortised cost		
Other payables and accruals (excluding school fees received in advance and deferred income)	**3,659,550**	3,888,162

Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to APSN.

APSN's exposure to credit risk arises primarily from other receivables.

19 Financial risk management objectives and policies (Cont'd)

Credit risk (Cont'd)
APSN establishes an allowance for impairment that represents its estimate of incurred losses in respect of other receivables. The allowance account in respect of other receivables is used to record impairment losses unless APSN is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

At the reporting date, the other receivables are neither past due nor impaired except for detailed disclosure in Note 5. They are based on the creditworthiness of the counterparties, credit quality and past collection history of the receivables. APSN believe that the unimpaired amounts that are past due are still collectible in full, based on historical payment behaviour and extensive analyses of customer credit risk, including underlying customers' credit ratings, when available.

As APSN does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

APSN's major classes of financial assets are other receivables and cash balances. Cash and fixed deposits are placed with financial institutions which are regulated and have good credit ratings.

Interest rate risk
Interest rate risk is the risk that the fair value or future cash flows of APSN's financial instruments will fluctuate because of changes in market interest rates.

APSN's exposure to interest rate risk arises primarily from changes in interest rates on interest bearing fixed deposits. The interest rate risk on financial assets and financial liabilities is not significant.

Foreign currency risk
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

APSN is not exposed to foreign currency risk as all its financial assets and liabilities are denominated in Singapore dollars.

Market price risk
Market price risk is the risk that the value of a financial instrument will fluctuate due to changes in market prices.

APSN does not hold any quoted or marketable financial instrument and is not exposed to any movement in market prices.

Liquidity risk
Liquidity or funding risk is the risk that APSN will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

APSN maintains sufficient level of cash and cash equivalents to finance APSN's operations and mitigate the effects of fluctuation in cash flows.

19 Financial risk management objectives and policies (Cont'd)

Liquidity risk (Cont'd)
The table below analyses the maturity profile of APSN's financial liabilities based on contractual undiscounted cash flows.

		---------Contractual undiscounted cash flow---------			
	Carrying amount $	Total $	Less than 1 year $	Between 2 and 5 years $	Over 5 years $
31 March 2018					
Other payables and accruals (excluding school fees received in advance and deferred income)	**3,659,550**	**3,659,550**	**3,659,550**	**-**	**-**
31 March 2017					
Other payables and accruals (excluding school fees received in advance and deferred income)	3,888,160	3,888,160	3,888,160	-	-

20 Fair values of financial instruments

Definition of fair value
FRSs define fair value as 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.

The notional amounts of financial assets and liabilities with a maturity of less than one year (including other receivables, cash and cash equivalents, and other payables) approximate their fair values because of the short period to maturity.

21 Funds management policy

The objectives of the management when managing funds are:

(a) liquidity for operations;
(b) protection of capital;
(c) diversification of risk; and
(d) maximization of yield.

The management actively and regularly review and manage its funds structure to ensure optimal capital structure, taking into consideration the future requirements, prevailing and projected yield, projected operating cash flows and projected capital expenditures.

The management monitors funds using the annual-operating-expenditure-to-total-funds ratio.

	2018 $	2017 $
Annual operating expenditure (A)	**33,882,369**	31,718,489
Total funds (B)	**32,379,814**	31,276,218
Annual-operating-expenditure-to-total-funds ratio (times) (A)/(B)	**1.05**	1.01

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

22 Prior year adjustments

During the financial year ended 2017, APSN noted the following:

a) Grant income were recognised when received and not when there is reasonable assurance that the entity will comply with the grant and designated donation in accordance with FRS 20 Accounting for Government Grants and Disclosure of Government Assistance. Deferred grant income was understated by $2,625,200 (2016 - $1,962,177). Reclassification has been made retrospectively and it is reclassified as deferred grants and trust funds income in accordance with FRS 20 Accounting for Government Grants and Disclosure of Government Assistance.

b) Receipt from MOE Special Purpose Grants relate to custodian monies received and held in trust for MOE. In financial year 2017, grant income of $1,568,638 (2016 - $1,529,461) and expense of $1,607,195 (2016 - $1,607,578) was recognised in the statement of comprehensive income. MOE special purpose fund of $552,071 (2016 - $590,628) was classified under equity instead of liability. Reclassification has been made retrospectively in accordance to MOE guideline and FRS 20 Accounting for Government Grants and Disclosure of Government Assistance.

c) Subvention by trust funds/ donations of $1,125,879 (2016 - $1,258,668) was previously recorded as an income to offset against donations and trust funds expenses, resulting in double-accounting for income and expenses. The restatement has been accounted for retrospectively.

d) Amount due to grantors of $189,325 (2016 - $277,718) was previously offset against amount due from grantors instead of being classified as a liability. The restatement has been accounted for retrospectively.

e) Staff costs relating to insource service expenses of $207,849 (2016 - $210,248) was previously classified under HQ cost allocation and management fee expense. In accordance with requirement by MOE, the cost to be classified under staff costs instead. The reclassification has been made retrospectively and reclassified as manpower and related expenses.

f) Contract services expenses of $374,890 (2016 - $304,507) was reclassified to manpower and related expenses in accordance with MOE reporting requirement.

g) Transfer of donation receipt from HQ to CFA of $300,000 (2016 - NIL) was not eliminated during the consolidation process. The restatement has been made retrospectively.

22 Prior year adjustments (Cont'd)

The effects of the above adjustments for financial year ended 31 March 2017 are disclosed below:

	Adjustments	As reported	2017 Adjustment	As restated
		$	$	$
Statement of financial position as at 31 March 2017				
Asset				
Other receivables	(d)	1,195,613	761,263	1,956,876
Other assets	(d)	571,938	(571,938)	-
Funds				
MOE special purpose grants	(b)	552,071	(552,071)	-
MOE funds	(a)	137,116	(137,116)	-
Trust Funds	(a)	2,235,391	(2,235,391)	-
Accumulated funds - Restricted	(c)	26,044,027	(252,694)	25,791,333
Liabilities				
MOE special purpose grants	(b)	-	552,071	552,071
Deferred grants and trust funds	(a)	-	2,625,200	2,625,200
Other payables	(d)	3,762,121	(189,326)	3,951,447
Statement of financial activities				
Designated donations	(g)	1,404,914	(300,000)	1,104,914
MOE funds income	(a)	156,007	22,287	178,294
MOE Special purpose grants income	(b)	1,568,638	(1,568,638)	-
Trust funds income	(a)	2,091,816	(1,290,217)	801,599
Utilisation of MOE special purpose grants	(b)	(1,607,195)	1,607,195	-
Utilisation of trust funds	(a),(c)	(1,659,198)	1,010,384	(648,814)
Utilisation of designated donations	(c),(g)	(1,591,436)	980,770	(610,666)
Subvention of trust funds / donations	(c)	1,125,879	(1,125,879)	-
Manpower and related expenses	(e),(f)	(23,078,329)	(582,737)	(23,661,066)
Contract service expenses	(f)	(374,890)	374,890	-
Education & programme expenses	(c)	(1,206,515)	39,632	(1,166,883)

22 Prior year adjustments (Cont'd)

The effects of the above adjustments for financial year ended 31 March 2016 are disclosed below:

	Adjustments	As reported	2016 Adjustment	As restated
		$	$	$
Statement of financial position as at 1 April 2016				
Asset				
Other receivables	(d)	776,305	900,540	1,676,845
Other assets	(d)	622,822	(622,822)	-
Funds				
MOE special purpose grants	(b)	590,628	(590,628)	-
MOE funds	(a)	159,404	(159,404)	-
Trust Funds	(a)	1,802,773	(1,802,773)	-
Liabilities				
MOE special purpose grants	(b)	-	590,628	590,628
Deferred grants and trust funds	(a)	-	1,962,177	1,962,177
Other payables	(d)	3,164,642	277,718	3,442,360
Statement of financial activities				
Designated donations	(g)	1,804,829	(22,601)	1,782,228
Contract service expense	(f)	(304,507)	304,507	-
MOE funds income	(a)	322,032	3,573	325,605
MOE Special purpose grants income	(b)	1,529,461	1,529,461	-
Trust Funds income	(a)	2,543,744	(1,078,547)	1,465,197
Utilisation of MOE special purpose grants	(b)	(1,607,578)	1,607,578	-
Utilisation of trust funds	(a),(c)	(1,867,989)	1,065,163	(802,826)
Utilisation of designated donations	(a)	(1,251,316)	357,922	(893,394)
Subvention of trust funds / donations	(c)	1,258,668	(1,258,668)	-
Manpower and related expenses	(e),(f)	(21,162,881)	(304,507)	(21,467,388)
Education & programme expenses	(c),(g)	(1,043,770)	46,795	(996,975)

23 Comparative information

The comparative financial statements of APSN for the financial year ended 31 March 2017 were audited by another firm of Chartered Accountants whom expressed an unmodified opinion on those financial statements.

Comparatives in the financial statements have been reclassified due to prior years' adjustments as described in Note 22.