The financial information set out in pages FS1 to FS20 has been extracted from the financial statements of the Singapore Operations of World Vision International (the Branch) for the financial year ended 30 September 2017 which have been audited by the Company's independent auditors in accordance with Singapore Standards on Auditing. The financial information includes only the statement of financial position as at 30 September 2017, the statement of comprehensive income, statement of changes in head office account and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information of the ***Support Office*** *of the Branch. The financial statements that were audited were those of the Branch.*

World Vision International
(Incorporated in U.S.A.)
Singapore Operations
Registration Number: S81FC3015E

Financial Statements Pursuant to Section 373
of the Singapore Companies Act, Chapter 50
Year ended 30 September 2017

Statement by Agent

I, Chung Yeong Ming, the agent of World Vision International - Singapore Operations ("the Branch"), state that in our opinion:

(a) the financial statements set out on pages FS1 to FS20 are drawn up so as to give a true and fair view of the financial position of the Branch's operations in Singapore as at 30 September 2017 and the results, changes in the head office account and cash flows of the Branch's operations in Singapore for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, the Charities Act, Chapter 37 and other relevant regulations, and Singapore Financial Reporting Standards; and

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

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

....
Chung Yeong Ming
Local Agent

Singapore
8 February 2018

KPMG LLP
16 Raffles Quay #22-00
Hong Leong Building
Singapore 048581

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Independent auditors' report pursuant to Section 373 of the Singapore Companies Act

World Vision International, Singapore Operations
(Incorporated in U.S.A.)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of the Singapore Operations of World Vision International ('the Branch'), pursuant to Section 373 of the Singapore Companies Act, Chapter 50 ('the Act'). These financial statements comprise the statement of financial position as at 30 September 2017, the statement of comprehensive income, statement of changes in head office account and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS20.

The Branch is a segment of World Vision International and is not a separately incorporated legal entity. The accompanying financial statements have been prepared from the records of the Branch and reflect only transactions recorded therein.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Act, the Singapore Charities Act, Chapter 37 and other relevant regulations ('the Charities Act and Regulations') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the assets used in, and liabilities arising out of, the Branch's operations in Singapore as at 30 September 2017 and the results, changes in head office account and cash flows of the Branch's operations 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 '*Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Branch in accordance with the Accounting and Corporate Regulatory Authority *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

The Branch's management is responsible for the other information contained in the annual report. The other information comprises the Statement by Agents.

We have obtained all other information prior to the date of this auditors' report.

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.

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

The Branch's management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, the Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The responsibilities of those charged with governance include overseeing the Branch's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

- Conclude on the appropriateness of the management of the Branch's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Branch to cease to continue as a going concern.

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

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

Report on other legal and regulatory requirements

In our opinion, the accounting and other records examined by us relating to the Branch's operations in Singapore have been properly kept in accordance with the provisions of the Act and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year the Branch has not compiled with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals) Regulations.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
8 February 2018

Statement of financial position **As at 30 September 2017**	**Note**	**2017 Support office $**	**2016 Support office $**
Non-current asset			
Property, plant and equipment	4	290,290	286,195
Current assets			
Receivables	5	107,961	123,247
Cash and cash equivalents	6	4,910,843	4,206,688
		5,018,804	4,329,935
Total assets		5,309,094	4,616,130
Funds and liabilities			
Funds			
Head office account		4,845,200	4,244,052
Total funds		4,845,200	4,244,052
Current liabilities			
Other payables and accruals	7	463,894	372,078
Total liabilities		463,894	372,078
Total funds and liabilities		5,309,094	4,616,130

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

Statement of comprehensive Income **Year ended 30 September 2017**	**Note**	**2017** **Support office** **$**	**2016** **Support office** **$**
Donations received	8	18,503,634	16,580,843
Funds received from World Vision International		–	–
Other income	9	145,740	165,202
Donations remitted to World Vision International for international ministry		(15,223,568)	(13,648,296)
Programs' expenditures	10	(97,336)	(169,646)
		3,328,470	2,928,103
Administrative expenses	11	(2,727,322)	(2,702,278)
Surplus/(deficit) before tax		601,148	225,825
Income tax expense	12	–	–
Net surplus/(deficit) for the year and total comprehensive income for the year		601,148	225,825

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

Statement of changes in head office account **Year ended 30 September 2017**	**Support office** **$**
At 1 October 2015	4,018,227
Net (deficit)/surplus for the year and total comprehensive income for the year	225,825
At 30 September 2016	4,244,052
Net surplus for the year and total comprehensive income for the year	601,148
At 30 September 2017	4,845,200

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

Statement of cash flows
Year ended 30 September 2017

	Note	2017 Support office $	2016 Support office $
Cash flows from operating activities			
Surplus/(deficit) before tax		601,148	225,825
Adjustments for:			
Depreciation of property, plant and equipment		95,734	72,635
Loss on disposal of property, plant and equipment		–	702
Interest income		(52,202)	(40,816)
		644,680	258,346
Changes in working capital:			
(Increase)/decrease in receivables		15,286	(29,122)
(Decrease)/increase in payables		6,816	(38,064)
Cash (used in)/generated from operations		666,782	191,160
Interest received		52,202	40,816
Net cash (used in)/from operating activities		718,984	231,976
Cash flows from investing activity			
Acquisition of property, plant and equipment		(14,829)	(24,515)
Net cash used in investing activity		(14,829)	(24,515)
Net (decrease)/increase in cash and cash equivalents		704,155	207,461
Cash and cash equivalents at beginning of the year		4,206,688	3,999,227
Cash and cash equivalents at end of the year	6	4,910,843	4,206,688

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Branch's management on 8 February 2018.

1 Domicile and activities

World Vision International, Singapore Operations (the "Branch") is registered and domiciled in the Republic of Singapore. Its registered office and support office is located at 10 Tannery Lane #06-01/02 BBS Building, Singapore 347773.

The Branch is a segment of World Vision International, a company incorporated in U.S.A. and is not a separately incorporated legal entity. The financial statements have been prepared from the records of the Branch and reflect only transactions recorded locally.

The principal activities of the Branch are as follows:

<u>Support Office</u>

The support office provides administrative support for World Vision projects, promotion and publicity of its work to the public in Singapore, maintaining its relationship with the Christian church and servicing supporters of its work around the world;

The Branch is a registered Charity under the Charity Act, Chapter 37 since 27 September 1986.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRSs).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments.

2.3 Functional and presentation currency

The Branch presents its financial statements in Singapore dollars, which is also its functional currency.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There were no significant assumptions or estimation uncertainties that have a significant risk of resulting in a material adjustment to the financial statements within the next financial year.

3 Significant accounting policies

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Branch.

3.1 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Branch at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.2 Financial instruments

Non-derivative financial assets

The Branch initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Branch becomes a party to the contractual provisions of the instrument.

The Branch derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retain substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in transferred financial assets that is created or retained by the Branch is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Branch has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Branch classifies non-derivative financial assets into the loans and receivables category.

Loans and receivables

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

Loans and receivables comprise receivables and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Branch in the management of its short-term commitments.

Non-derivative financial liabilities

All financial liabilities are recognised initially on the trade date, which is the date that the Branch becomes a party to the contractual provision of the instrument.

The Branch derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Branch has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

Other financial liabilities comprise other payables and accruals.

3.3 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Branch, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of plant and equipment unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

Computer	3 – 12 years
Office equipment	3 – 5 years
Furniture and fittings	10 years
Office improvements	2 – 3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Impairment

Non-derivative financial assets

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

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Branch on terms that the Branch would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers of the Branch or economic conditions that correlate with defaults.

Loans and receivables

The Branch considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

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

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When the Branch considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through profit or loss.

3.5 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term compensated absences

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

3.6 Provisions

Provisions are recognised when the Branch has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

3.7 Revenue recognition

Donations received

Donations are recognised upon receipt.

Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Branch will comply with all the attached conditions.

Government grants are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as part of other income.

Interest income

Interest income is recognised on a time proportion basis, using the effective interest method, unless collectability is in doubt.

3.8 Gifts-in-kind (GIK)

Gifts-in-kind consist primarily of private gift donations from companies for distribution to the communities helped by World Vision. Gifts-in-kind are included in revenue of the Branch at estimated fair value based on values certified by the donor. Gifts-in-kind expense is recorded when the goods are distributed to program beneficiaries.

3.9 Lease payments

When the Branch is the lessor, assets leased out under operating leases are included in property, plant and equipment. Income arising from such operating lease is recognised on a straight line basis over the lease term.

When the Branch is the lessee, operating lease payments are recognised as an expense on a straight line basis over the lease term.

3.10 Finance income

Finance income comprises interest income on funds invested that are recognised in profit or loss. Interest income is recognised as it accrues, using the effective interest method.

Foreign currency gains and losses are reported on a net basis as either other income or administrative expenses depending on whether foreign currency movements are in a net gain or net loss position.

3.11 New standards and interpretations not adopted

A number of new standards and amendments to standards are effective for annual periods beginning after 1 October 2016 and earlier application is permitted; however, the Branch has not early adopted the new or amended standards in preparing these financial statements.

The following standards are expected to have an impact on the Branch's financial statements in the period of initial application.

New standards Summary of the requirements	**Potential impact on the financial statements**
FRS 109 Financial Instruments	
FRS 109 replaces most of the existing guidance in FRS 39 *Financial Instruments*: Recognition and Measurement. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets, and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from FRS 39. FRS 109 is effective for annual periods beginning on or after 1 October 2018, with early adoption permitted. Retrospective application is generally required, except for hedge accounting. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions. Restatement of comparative information is not mandatory. If comparative information is not restated, the cumulative effect is recorded in opening equity as at 1 October 2018.	During 2017, the Branch completed its initial assessment of the impact on the Branch's financial statements. Overall, the Branch does not expect a significant impact on its opening equity. The Branch's initial assessment of the three elements of FRS 109 is as described below. **Classification and measurement -** The Branch does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under FRS 109. Loans and receivables that are currently accounted for at amortised cost will continue to be accounted for using amortised cost model under FRS 109. **Impairment -** The Branch plans to apply the simplified approach. On adoption of FRS 109, the Branch does not expect a significant increase in the impairment loss allowance. **Transition -** The Branch plans to adopt the standard when it becomes effective for the financial year ending 2019 without restating comparative information; and is gathering data to quantify the potential impact arising from the adoption.

New standards Summary of the requirements	**Potential impact on the financial statements**
FRS 116 ***Leases***	
FRS 116 eliminates the lessee's classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. Applying the new model, a lessee is required to recognise right-of-use (ROU) assets and lease liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. FRS 116 is effective for annual periods beginning on or after 1 October 2019, with early adoption permitted if FRS 115 is also applied.	The Branch has performed a preliminary high-level assessment of the new standard on its existing operating lease arrangements as a lessee. Based on the preliminary assessment, the Branch expects these operating leases to be recognised as ROU assets with corresponding lease liabilities under the new standard. The operating lease commitments on an undiscounted basis amount to approximately 38% and 5% of SAPO and Support Office's total assets respectively; and 25% and 58% of SAPO and Support Office's total liabilities respectively. Assuming no additional new operating leases in future years until the effective date, the Branch expects the amount of ROU asset and lease liability to be lower due to discounting and as the lease terms run down. The Branch plans to adopt the standard when it becomes effective for the financial year ending 2020. The Branch will perform a detailed analysis of the standard, including the transition options and practical expedients for the financial year ending 2019.

4 Property, plant and equipment

	Computer $	Office equipment $	Furniture and fittings $	Office improvements $	Total $
<u>**Support office**</u>					
Cost					
At 1 October 2015	670,585	35,164	60,439	77,432	843,620
Additions	24,515	–	–	–	24,515
Disposals	(313)	(844)	(506)	–	(1,663)
At 30 September 2016	694,787	34,320	59,933	77,432	866,472
Additions	14,829	–	–	85,000	99,829
Disposals	(9,223)	–	(169)	–	(9,392)
At 30 September 2017	700,393	34,320	59,764	162,432	956,909
Accumulated depreciation					
At 1 October 2015	382,252	25,219	23,700	77,432	508,603
Charge for the year	62,312	4,594	5,729	–	72,635
Disposals	(313)	(422)	(226)	–	(961)
At 30 September 2016	444,251	29,391	29,203	77,432	580,277
Charge for the year	57,225	2,818	5,691	30,000	95,734
Disposals	(9,223)	–	(169)	–	(9,392)
At 30 September 2017	492,253	32,209	34,725	107,432	666,619
Carrying amounts					
At 1 October 2015	288,333	9,945	36,739	–	335,017
At 30 September 2016	250,536	4,929	30,730	–	286,195
At 30 September 2017	208,140	2,111	25,039	55,000	290,290

5 Receivables

	2017 Support office $	2016 Support office $
Deposits	43,242	38,357
Staff loans and advances	–	–
Other receivables	34,030	41,496
Loans and receivables	77,272	79,853
Prepayments	30,689	43,394
	107,961	123,247

Deposits, staff loans and advances and other receivables are unsecured, interest-free and are repayable on demand.

6 Cash and cash equivalents

	2017 Support office $	2016 Support office $
Fixed deposits	4,138,945	3,501,912
Cash and bank balances	771,898	704,776
	4,910,843	4,206,688

Fixed deposits with financial institutions mature at varying periods within 3 months (2016: three months) from the financial year-end. Interest rates range from 0.25% to 1.30% (2016: 0.25% to 0.80%) per annum.

7 Other payables and accruals

	2017 Support office $	2016 Support office $
Non-trade payables	54,770	32,134
Accruals	409,124	339,944
	463,894	372,078

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

8 Donations received

The breakdown of the donations received are as follows:

	Support office 2017 $	Support office 2016 $
Area Development Program income	3,092,115	2,367,249
Child sponsorship	12,525,060	12,964,779
Community development	486,778	454,288
General childcare	1,384,590	359,798
Ministry - Christian commitment	59,195	41,362
One life fund	48,920	56,718
Relief and rehabilitation	795,452	262,798
Sponsorship to events	37,394	49,096
Microfinance	23,587	650
Youth Ministry	50,543	20,260
Cash donations received	18,503,634	16,576,998
Gifts-in-kind (donated goods value)	–	3,845
	18,503,634	16,580,843

9 Other income

	2017 Support office $	2016 Support office $
Hosting charges received	–	–
Interest income	52,202	40,816
Service fees received	–	–
Economic Development Board (EDB) Grant	–	–
Exchange gain	13,808	–
National Youth Council Grant	25,000	38,669
Temporary Employment Credit	12,951	11,356
Special Employment Credit	3,051	4,710
Wage Credit Scheme	38,728	60,301
Others	–	9,350
	145,740	165,202

10 Programs' expenditures

	2017 Support office $	2016 Support office $
Local ministry programs' expenditures	97,336	169,646

11 Administrative expenses

Included in administrative expenses are the following items:

	2017 Support office $	2016 Support office $
Depreciation on property, plant and equipment	95,734	72,635
Employee benefits expense:		
- wages and salaries	1,378,679	1,412,489
- employer's contributions to central provident fund	197,813	198,706
- foreign pension funds	–	–
- staff benefits (including housing rental expense)	(3,590)	(996)
Operating lease expense	156,097	156,735

12 Income tax expense

The Branch is an approved charity organisation under the Charity Act, Chapter 37 and exempted from income tax under Section 13(1) (zm) of the Income Tax Act, Cap. 134.

13 Operating lease commitments

As at the balance sheet date, the Branch has the following commitments arising from non-cancellable operating leases where the Branch is the lessee:

	2017 Support office $	2016 Support office $
Operating lease payments due:		
- within 1 year	148,965	153,721
- after 1 year but not later than 5 years	119,061	37,865
	268,026	191,586

14 Significant related party transactions

Significant transactions with related parties, not otherwise disclosed in the financial statements, are as follows:

	Support office	
	2017	**2016**
	$	**$**
With a business unit of World Vision International		
- IT services	95,059	91,621

Key management personnel compensation

The key management personnel compensation are as follows:

	2017 Support office $	**2016 Support office $**
Short-term employee benefits	173,168	175,289

The annual remuneration of the three highest paid staff employed by Support Office classified in bands of $100,000, are as follows:

	2017 Support office	**2016 Support office**
Number of staff with annual remuneration		
- exceeding $200,000 but not more than $300,000	–	–
- exceeding $100,000 but not more than $200,000	3	3

15 Financial risk management

Overview

The Branch has exposure to the following risks from its operations and use of financial instruments:

- credit risk
- liquidity risk
- market risk

This note presents information about the Branch's exposure to each of the above risks and the Branch's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

Risk management is integral to the whole business of the Branch. The Branch has a system of controls in place to create an acceptable balance between the cost of risks occurring and the cost of managing the risks. The management continually monitors the Branch's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Branch's activities.

Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of debtors or other counterparties to settle their financial and contractual obligations to the Branch as and when they fall due.

The Branch's exposure to credit risk arises primarily from other receivables. For other financial assets (including cash and cash equivalents), the Branch minimises credit risk by dealing with high credit rating counterparties.

The management has credit policies in place to minimise exposure to credit risk.

At the reporting, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

There are no financial assets that are past due or impaired as at the reporting date.

Liquidity risk

Liquidity risk is the risk that the Branch will encounter difficulty in meeting financial obligations due to shortage of funds.

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

All financial liabilities of the Branch are repayable on demand or mature within one year, as disclosed in note 7 to the financial statements.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Branch's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

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

The Branch does not have any interest-bearing financial liabilities. Its only exposure to changes in interest rates relates to interest-earning bank deposits. The Branch monitors movements in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

The interest rates and terms of maturity of financial assets of the Branch are disclosed in note 6 to the financial statements.

Foreign exchange risk

The Branch is primarily exposed to fluctuations in United States Dollars (USD) exchange rates arising from cash flows from anticipated transactions. The Branch reviews periodically monetary assets and liabilities held in currencies other than its functional currency to ensure that net exposure is kept at an acceptable level.

The significant foreign currency amounts held by the Branch are as follows:

	2017 Support office $	**2016 Support office $**
Held in USD		
Receivables	–	–
Cash and cash equivalents	44,243	935,253
Other payables	–	–
	44,243	935,253

Sensitivity analysis

A 10% strengthening of the Singapore Dollar against the following currency at the balance sheet date would increase/(decrease) the net surplus and head office account balance by the amounts shown below. This analysis assumes that all other variables, in particular, interest rates, remain constant.

	2017 Support office $	**2016 Support office $**
United States dollars	(4,424)	(93,525)

A 10% weakening of the Singapore Dollar against the above currency would have had the equal but opposite effects on the above currency to the amounts shown above, on the basis that all other variables remain constant.

Classification and determination of fair values of financial instruments

	2017 Support office $	**2016 Support office $**
Loans and receivables:		
- Receivables	77,272	79,853
- Cash and cash equivalents	4,910,843	4,206,688
	4,988,115	4,286,541
Financial liabilities at amortised cost:		
- Other payables and accruals	463,894	372,078

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

No fair value hierarchy information is disclosed for financial assets and liabilities whose carrying amounts are measured on amortised cost basis which approximate their fair value due to their short-term nature and where the effect of discounting is immaterial.

16 Subsequent events

On 24 November 2017, the Branch has obtain approval to set aside funds of S$1,000,000 from the head office account to cover the cost of renovation and any other costs for the right of abode to the shared space at Woods Square developed by Far East Organisation under the Community Sports Facilities Scheme administered by the Urban Development Authority. Any excess funds not utilised to meet the above commitment will be returned to the head office account.

THE FOLLOWING STATEMENTS DO NOT FORM PART OF THE AUDITED STATUTORY FINANCIAL STATEMENTS OF THE BRANCH

Detailed statement of comprehensive income **Year ended 30 September 2017**	**2017 Support office $**	**2016 Support office $**
Audit fee	27,606	28,195
Bank charges	173,494	177,492
Central provident fund contributions	197,813	198,706
Conferences and meetings	–	–
Consultancy	–	–
Depreciation on property, plant and equipment	95,734	72,635
Education/training	29,665	17,110
Exchange loss	–	16,457
Foreign pension funds	–	–
Hospitality and refreshments	8,124	7,104
Hosting	–	–
Internet	12,263	14,796
IT hardware	2,457	3,181
IT services	119,940	105,957
IT software	39,163	29,888
Legal and professional fees	10,397	6,751
Mail handling cost	26,080	18,090
Medical expenses and insurance	21,044	21,373
Ministry supplies	–	–
Postages	59,105	81,844
Printing	100,107	99,141
Loss on disposal of property, plant and equipment	–	702
Operating lease expenses	156,097	156,735
Publicity/advertising	148,544	124,609
Recruitment expenses	1,281	3,206
Repatriation allowance	–	–
Salaries	1,378,679	1,412,489
Staff benefits	(3,590)	(996)
Staff relations	442	852
Stationery	2,195	2,467
Telephone and telex	4,299	5,122
Temporary help	33,719	4,770
Transport	4,108	5,320
Travelling expenses	25,093	31,647
Upkeep of office	24,407	25,626
Upkeep of office equipment	4,995	5,864
Utilities	24,061	25,145
	2,727,322	2,702,278