

CLARITY SINGAPORE LIMITED

[UEN. 201021634E]

[IPC No. IPC000714]

[A company limited by guarantee and
not having share capital]

[Incorporated in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 SEPTEMBER 2020**

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Fiducia LLP

(UEN. T10LL0955L)

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

Clarity Singapore Limited

[UEN. 201021634E]

[IPC No. IPC000714]

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Audited Financial Statements
Financial Year Ended 30 September 2020

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of **Clarity Singapore Limited** (the "Company") for the financial year ended 30 September 2020.

In the opinion of the directors,

- a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 30 September 2020 and the financial performance, changes in funds and cash flows of the Company for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are as follows:

Staes Paul E
Chen Kim Hin Clement
Dr. Cheok Cheng Soon Christopher
Tan Peng Chin Joseph Haydn
Belinda Young Hsien Lin
Choo Wee Jin Philip
Phua Siok Gek Cynthia
Chan Pee Teck Peter
Lam Kok Wai, Peter (Lin Guowei, Peter)
Yeo Yul Chuan, Benjamin (Yang Yaoquan)

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

Other matters

As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

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Audited Financial Statements
Financial Year Ended 30 September 2020

DIRECTORS' STATEMENT (CONT'D)

Independent Auditor

The independent auditor, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment.

For and on behalf of the Board of directors,

DocuSigned by:

Christopher Cheok Cheng Soon

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Dr. Cheok Cheng Soon Christopher
Director

DocuSigned by:

Lam Kok Wai, Peter

8964BE675377486...

Lam Kok Wai, Peter
Director

Singapore, 22 February 2021.

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Audited Financial Statements

Financial Year Ended 30 September 2020

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Independent auditor's report to the members of:

CLARITY SINGAPORE LIMITED

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Clarity Singapore Limited** (the "Company"), which comprise the statement of financial position as at 30 September 2020, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 30 September 2020, and of the financial performance, changes in the funds and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement, 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 and will 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 on the other information that we obtained prior to the date of this auditor's report, 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.

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Audited Financial Statements

Financial Year Ended 30 September 2020

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(CONT'D)

Independent auditor's report to the members of:

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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies 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, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors. Their responsibilities include overseeing the Company'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 the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Financial Year Ended 30 September 2020

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Independent auditor's report to the members of:

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

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

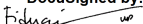
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Companies 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 financial year:

- a) the Company has not used the donation moneys in accordance with the objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

DocuSigned by:


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Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 22 February 2021.

Partner-in-charge: Soo Hon Weng
PAB. No.: 01089

Clarity Singapore Limited

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Audited Financial Statements
Financial Year Ended 30 September 2020**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

		Unrestricted Fund	Restricted Funds	Total Funds
2020	Note	S\$	S\$	S\$
INCOME				
Income from generating funds		439,499	1,196,587	1,636,086
Income from charitable activities		5,000	43,025	48,025
Other income		212,430	4,323	216,753
TOTAL INCOME	4, 5	<u>656,929</u>	<u>1,243,935</u>	<u>1,900,864</u>
LESS: EXPENDITURE				
Cost of charitable activities		133,188	608,292	741,480
Governance and other administrative cost		69,782	442,724	512,506
TOTAL EXPENDITURE	4	<u>202,970</u>	<u>1,051,016</u>	<u>1,253,986</u>
SURPLUS FOR THE FINANCIAL YEAR		<u>453,959</u>	<u>192,919</u>	<u>646,878</u>
		Unrestricted Fund	Restricted Funds	Total Funds
2019	Note	S\$	S\$	S\$
INCOME				
Income from generating funds		390,769	653,922	1,044,691
Income from charitable activities		46,995	32,420	79,415
Other income		25,292	0	25,292
TOTAL INCOME	4, 5	<u>463,056</u>	<u>686,342</u>	<u>1,149,398</u>
LESS: EXPENDITURE				
Cost of charitable activities		75,069	599,864	674,933
Governance and other administrative cost		211,347	215,794	427,141
TOTAL EXPENDITURE	4	<u>286,416</u>	<u>815,658</u>	<u>1,102,074</u>
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		<u>176,640</u>	<u>(129,316)</u>	<u>47,324</u>

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

Clarity Singapore Limited

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Audited Financial Statements
Financial Year Ended 30 September 2020**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2020**

	Note	2020 S\$	2019 S\$
ASSETS			
Current assets			
Cash and bank balances	8	2,570,666	1,912,459
Trade and other receivables	9	185,862	177,396
		<u>2,756,528</u>	<u>2,089,855</u>
Non-current assets			
Property, plant and equipment	10	31,142	15,957
		<u>31,142</u>	<u>15,957</u>
Total assets		<u>2,787,670</u>	<u>2,105,812</u>
LIABILITIES			
Current liabilities			
Other payables	12	67,318	59,850
Lease liabilities	13	16,059	0
		<u>83,377</u>	<u>59,850</u>
Non-current liabilities			
Lease liabilities	13	12,820	0
		<u>12,820</u>	<u>0</u>
Total liabilities		<u>96,197</u>	<u>59,850</u>
NET ASSETS		<u>2,691,473</u>	<u>2,045,962</u>
FUNDS			
Unrestricted fund			
General fund	14	2,503,888	2,052,110
Restricted funds			
Better and Happier Youth	15	26,538	33,116
Care and Share Matching Grant	15	0	(134,437)
Comit@North	15	110,004	93,000
Community Chest Charity Support Fund	15	50,000	0
NCSS Comchest Covid-19	15	1,554	0
Pledge It Forward Campaign	15	449	2,173
#StrongerTogether Staff Appreciation Fund	15	(960)	0
		<u>187,585</u>	<u>(6,148)</u>
		<u>2,691,473</u>	<u>2,045,962</u>

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

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Audited Financial Statements
Financial Year Ended 30 September 2020**STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

	Balance as at 01 October 2019, as previously reported S\$	Effect of adopting FRS 116 Leases (Note 2.1) S\$	Balance as at 1 October 2019, after adopting FRS 116 S\$	Net surplus/ (deficit) S\$	Transfer S\$	Balance at end of year S\$
2020						
Unrestricted fund						
General fund	2,052,110	(1,335)	2,050,775	453,959	(846)	2,503,888
Restricted funds						
Better and Happier Youth Care and Share Matching Grant	33,116	0	33,116	(6,578)	0	26,538
Comit@North	(134,437)	0	(134,437)	133,591	846	0
Community Chest Charity Support Fund	93,000	(32)	92,968	17,036	0	110,004
NCSS Comchest Covid-19 Pledge It Forward Campaign	0	0	0	50,000	0	50,000
#StrongerTogether Staff Appreciation Fund	0	0	0	1,554	0	1,554
	2,173	0	2,173	(1,724)	0	449
	0	0	0	(960)	0	(960)
	(6,148)	(32)	(6,180)	192,919	846	187,585
	2,045,962	(1,367)	2,044,595	646,878	0	2,691,473

	Balance at beginning of year S\$	Net surplus / (deficit) S\$	Balance at end of year S\$
2019			
Unrestricted fund			
General fund	1,875,470	176,640	2,052,110
Restricted funds			
Care and share matching grant	50,056	(184,493)	(134,437)
Comit@North	49,559	43,441	93,000
Pledge It Forward Campaign	4,448	(2,275)	2,173
Better and Happier Youth	19,105	14,011	33,116
	123,168	(129,316)	(6,148)
	1,998,638	47,324	2,045,962

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

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Audited Financial Statements
Financial Year Ended 30 September 2020**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020**

	Note	2020 S\$	2019 S\$
Cash flows from operating activities			
Surplus for the financial year		646,878	47,324
Adjustments for:			
- Depreciation	10	46,582	23,312
- Interest income		(9,270)	(8,958)
- Interest expenses		1,904	0
Operating cash flow before working capital changes		<u>686,094</u>	<u>61,678</u>
Changes in working capital			
- Trade and other receivables		(9,780)	154,195
- Other payables		7,468	2,939
Net cash generated by operating activities		<u>683,782</u>	<u>218,812</u>
Cash flows from investing activities			
Interest received		10,584	8,958
Placement of fixed deposits with maturity over 3 months		(102,403)	(550,000)
Proceeds from withdrawal of fixed deposits		0	550,000
Purchases of property, plant and equipment	10	<u>(18,005)</u>	<u>(16,007)</u>
Net cash used in investing activities		<u>(109,824)</u>	<u>(7,049)</u>
Cash flows from financing activities			
Interest paid on lease liabilities	13	(1,904)	0
Payment of principal portion of lease liabilities	13	<u>(16,250)</u>	<u>0</u>
Net cash used in financing activities		<u>(18,154)</u>	<u>0</u>
Net increase in cash and cash equivalents		555,804	211,763
Cash and cash equivalents at beginning of financial year		<u>1,362,459</u>	<u>1,150,696</u>
Cash and cash equivalents at end of financial year	8	<u><u>1,918,263</u></u>	<u><u>1,362,459</u></u>
Cash and cash equivalents comprise:			
Cash on hand		770	650
Cash at bank		817,493	361,809
Fixed deposits		<u>1,752,403</u>	<u>1,550,000</u>
		2,570,666	1,912,459
Less: fixed deposits with maturity over 3 months		<u>(652,403)</u>	<u>(550,000)</u>
	8	<u><u>1,918,263</u></u>	<u><u>1,362,459</u></u>

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

Clarity Singapore Limited

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Audited Financial Statements
Financial Year Ended 30 September 2020

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2020

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

1. General information

Clarity Singapore Limited (the "Company") was incorporated on 10 October 2010 as a company limited by guarantee and not having a share capital. Each member of the company undertakes to meet the debts and liabilities of the Company, in the event of liquidation, to an amount not exceeding S\$10 per member. As at 30 September 2020, the Company has 10 members (2019: 11 members).

The Company registered as a Charity under the Charities Act, Chapter 37 on 03 December 2010. It has been accorded an Institute of Public Character ('IPC') status since 03 December 2010 and has been renewed on 01 September 2020 and due to expire on 31 August 2023.

The address of the Company's registered office is at 12 Tannery Road, #10-01 HB Centre 1, S347722. The principal places of business are as follows:

- at Block 854, #01-3511, Yishun Ring Road, Singapore 760854.
- at Agape Village, 7A Lorong 8 Toa Payoh, #04-01 Singapore 319264.
- At Mount Alvernia, 820 Thomson Road, #01-21 Mount Alvernia Medical Centre B, Singapore 574623.

The principal activities of the Company are:

- To alleviate distress amongst people suffering from mental problems or issues in the Republic of Singapore, in particular those who are poor, regardless of race, religion, sex or citizenship, by initiating, assisting and organising such form of relief and schemes of social services; and
- To better and more effectively serve the poor, the needy and especially people suffering from mental illnesses by researching, analysing the needs and developing the strategies and activities of various social and community organisations.

2. Significant accounting policies**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS") and the disclosure requirements of the Companies Act, Chapter 50, Charities Act and Regulations. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar (S\$), which is the Company's functional and presentation currency. Functional currency is the currency of the primary economic environment in which the Company operates. All financial information presented are denominated in S\$ unless otherwise stated.

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgment in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Interpretations and amendments to published standards effective in 2020

On 01 October 2019, the Company adopted the new or amended FRSs and Interpretations of FRSs ("INT FRSs") that are relevant and mandatory to its operations and effective on 1 October 2019. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

Except for the adoption of FRS 116 Leases, the adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

Adoption of FRS 116 Leases

When the Company is the lessee

Prior to the adoption of FRS 116, non-cancellable operating lease payments were not recognised as liabilities in the statement of financial position. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Company's accounting policy on leases after the adoption of FRS 116 is as disclosed in Note 2.14.

On initial application of FRS 116, the Company has elected to apply the following practical expedients:

- i) For all contracts entered into before 1 October 2019 and that were previously identified as leases under FRS 17 *Leases* and INT FRS 104 *Determining whether an Arrangement contains a Lease*, the Company has not reassessed if such contracts contain leases under FRS 116; and
- ii) On a lease-by-lease basis, the Company has:
 - a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
 - b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
 - c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 October 2019 as short-term leases;
 - d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
 - e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 October 2019.

2. Significant accounting policies (Cont'd)**2.1 Basis of preparation (Cont'd)****Adoption of FRS 116 Leases (Cont'd)**When the Company is the lessee (Cont'd)

For leases previously classified as operating leases on 1 October 2019, the Company has applied the following transition provisions:

- (i) On a lease-by-lease basis, the Company chose to measure its ROU assets (except for ROU assets which meet the definition of investment property) at a carrying amount as if FRS 116 had been applied since the commencement of the lease but discounted using the incremental borrowing rate at 1 October 2019.
- (ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 October 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.
- (iii) The difference between the carrying amounts of the ROU assets and lease liabilities as at 1 October 2019 is adjusted directly to opening funds. Comparative information is not restated.
- (iv) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liabilities as at 1 October 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

The effects of adoption of FRS 116 on the Company's financial statements as at 1 October 2019 are as follows:

	1 October 2019 S\$ (As previously reported)	FRS 116 adjustments S\$	1 October 2019 S\$ (As restated)
<u>Statement of financial position</u>			
<u>Non-current assets</u>			
Property, plant and equipment	15,927	43,762	59,689
<u>Current liabilities</u>			
Lease liabilities	0	(16,250)	(16,250)
<u>Non-current liabilities</u>			
Lease liabilities	0	(28,879)	(28,879)
<u>Unrestricted fund</u>			
General fund	(2,052,110)	1,335	(2,050,775)
<u>Restricted fund</u>			
Comit@North	<u>(93,000)</u>	<u>32</u>	<u>(92,968)</u>

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Audited Financial Statements
Financial Year Ended 30 September 2020**2. Significant accounting policies (Cont'd)****2.1 Basis of preparation (Cont'd)****Adoption of FRS 116 Leases (Cont'd)**When the Company is the lessee (Cont'd)

An explanation of the differences between the operating lease commitments previously disclosed in the Company's financial statements as at 30 September 2019 and the lease liabilities recognised in the statement of financial position as at 1 October 2019 are as follows :

	S\$
Operating lease commitment disclosed as at 30 September 2019	21,454
Add: Extension options which are reasonably certain to be exercised	27,160
Less: Discounting effect using weighted average prime lending rate of 5.25%	<u>(3,485)</u>
Lease liabilities recognised as at 1 October 2019	<u>45,129</u>

Standards issued but not yet effective

The Company has not adopted the following relevant new/ revised FRSs, INT FRSs and amendments to FRSs that were issued but not yet effective:

Descriptions	Annual periods commencing on
Amendments to: <ul style="list-style-type: none"> - References to the Conceptual Framework in FRS Standards - Illustrative examples, implementation guidance and FRS practice statements - FRS 103 : Definition of a Business - FRS 1 and FRS 8: Definition of Material - FRS 109, FRS 39 and FRS 107: Interest Rate Benchmark Reform 	1 January 2020
Amendments to: <ul style="list-style-type: none"> - FRS 116 : Covid-19 – Related Rent Concessions 	1 June 2020
Amendments to: <ul style="list-style-type: none"> - FRS 109, FRS 39 and FRS 107, FRS 107, FRS 104, FRS 116: Interest Rate Benchmark Reform – Phase 2 	1 January 2021
Amendments to: <ul style="list-style-type: none"> - FRS 103 : Reference to the Conceptual Framework - FRS 16 : Property, Plant and Equipment – Proceeds before intended Use - FRS 37 : Onerous Contracts – Cost of Fulfilling a Contract Annual Improvements to FRSs 2018-2020	1 January 2022
FRS 117: Insurance Contract Amendments to: <ul style="list-style-type: none"> - FRS 1 : Classification of Liabilities as Current or Non-current 	1 January 2023

The management expects that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

2. Significant accounting policies (Cont'd)

2.2 Income recognition

Income is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised services to a customer, excluding amounts collected on behalf of third parties.

Income is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation. Income is recognised as follows:

2.2.1 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Rendering of services

Revenue from services is recognised duration in which the services are rendered.

2.2.3 Interest income

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

2.2.4 Other income

Other income is recognised when earned.

2.3 Government Grants

Grants from the government are recognised as a receivable at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Where the grants relates to an asset, the fair value is recognised as funds on the statement of financial position and is amortised to the statement of financial activities over the expected useful lives of the relevant asset by equal annual instalments.

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

2.4 Expenditure recognition

All expenses are accounted for on an accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.4.1 Cost of generating funds

The cost of generating funds are those costs attributable to generating income for the Company, other than those costs incurred in undertaking charitable activities in furtherance of the Company's objects

2. Significant accounting policies (Cont'd)**2.4 Expenditure recognition (cont'd)**

2.4.2 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company. The total cost of charitable activities comprises of direct cost and apportionment of overhead and shared costs.

2.4.3 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.5 Property, plant and equipment

2.5.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

2.5.2 Depreciation

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful Lives
Computers	1 year
Furniture	5 years
Fixtures and Fittings	3 years
Office equipment	3 years
Renovation	3 years
Rights of use assets – Office Units	Over the remaining lease term
Rights of use asset – Copier	Over the remaining lease term

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in statement of financial activities when the changes arise.

2. Significant accounting policies (Cont'd)**2.5 Property, plant and equipment (cont'd)**

2.5.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of financial activities when incurred.

2.5.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the disposals proceeds and its carrying amount is recognised in the statement of financial activities.

2.6 Impairment of non-financial assets

Property, plant and equipment and ROU assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in statement of financial activities.

2. Significant accounting policies (Cont'd)

2.7 Financial assets

(a) Classification and measurement

The Company classifies its financial assets into the measurement category of amortised cost.

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

At subsequent measurement

Debt instruments of the Company mainly comprise of cash and cash equivalents, trade and other receivables.

The Company managed these groups of financial assets by collecting the contractual cash flow and these cash flows represented solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of financial activities when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

(b) Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost.

For trade receivables, the Company applied the simplified approach by the FRS 109, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

For cash and bank balances and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2. Significant accounting policies (Cont'd)**2.7 Financial assets (Cont'd)**

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in the statement of financial activities.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits with financial institutions that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in values.

2.9 Financial liabilities

Financial liabilities are recognised when and only when, the Company becomes a party to the contractual agreements of the financial instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables" and "Lease liabilities" in the statement of financial position.

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

Financial liabilities are derecognised when the obligations under the liability is discharged or cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)**2.10 Other payables**

Other payables represent liabilities for goods and services provided to the Company prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2.11 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

2.12 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values due to their short-term nature.

2.13 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of financial activities in the period in which they are incurred. Borrowing costs are recognised in the statement of financial activities using the effective interest method. Borrowing costs may include interest in respect of lease liability recognised in accordance with FRS 116.

2.14 Leases

- (a) These following accounting policies are applied before the initial application date of FRS 116, 1 October 2019:

When the Company is the lessee:

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating lease (net of any incentives received from the lessors) are recognised in the statement of financial activities on a straight-line basis over the period of the lease.

Contingent rents are recognised as expense in the statement of financial activities when incurred.

2. Significant accounting policies (Cont'd)

2.14 Leases (Cont'd)

- (b) These accounting policies are applied on and after the initial application date of FRS 116, 1 October 2019:

When the Company is the lessee:

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use ("ROU") assets

The Company recognised a right-of-use asset and lease liabilities at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted of any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meet the definition of an investment property) are presented within "Property, plant and equipment" as disclosed in Note 10. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

2. Significant accounting policies (Cont'd)**2.14 Leases (Cont'd)**

- (b) These accounting policies are applied on and after the initial application date of FRS 116, 1 October 2019: (Cont'd)

When the Company is the lessee: (Cont'd)

- Lease liabilities (Cont'd)

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

For contract that contain both lease and non-lease components, the Company allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Company has elected to not separate lease and non-lease component for property lease and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a changes in the Company's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in the statement of financial activities if the carrying amount of the right-of-use asset has been reduced to zero.

The Company's lease liabilities are disclosed in Note 13.

- Short-term and low-value leases

The Company has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease term of 12 months or less from the commencement date and do not contain a purchase option and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed in the statement of financial activities on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in the statement of financial activities in the periods that triggered those lease payments.

2. Significant accounting policies (Cont'd)**2.15 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 Board of directors. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Board of directors retains full control over the use of unrestricted funds for any of the Company's purposes.

2.16 Employee compensationDefined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

Employee leave entitlement

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

2.17 Events after the reporting date

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Critical accounting estimates, assumptions and judgments

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

3.1 Critical accounting estimates and assumptions

At the reporting date, there were no critical accounting estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Critical judgments in applying the entity's accounting policies

In the process of applying the Company's accounting policies, the management has made certain judgments, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

3.2.1 Government grants

Government grants to meet operating expenses are recognised as income in the statement of financial activities on the accrual basis in the financial year these operating expenses were incurred and there is reasonable assurance that the Company will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Company if the conditions are not met.

4. Detailed statement of financial activities

	Note	Unrestricted fund	Restricted funds											Total Restricted funds S\$	Total Funds S\$	
		General fund S\$	Community Care Training Grant S\$	Better and Happier Youth S\$	Care & Share S\$	Comit@ North S\$	Community Silver Trust S\$	Community Chest Charity Support Fund S\$	Community Care Day Celebration Fund S\$	NCSS Comchest COVID-19 S\$	Pledge It Forward Campaign S\$	The Sayang Sayang Fund S\$	# Stronger together Staff Appreciation Fund S\$			
2020 INCOME																
Income from generating funds																
Donations																
- Tax exempt	5,6	110,027	0	0	0	0	0	0	0	0	0	0	0	0	0	110,027
- Non-tax exempt	5	29,472	0	0	0	0	0	0	0	0	0	0	0	0	0	29,472
Grants																
- Grant from AIC		0	2,526	0	0	0	0	0	500	0	0	1,000	0	0	4,026	4,026
- Grant from Care & Share		0	0	0	133,591	0	0	0	0	0	0	0	0	0	133,591	133,591
- Grant from Caritas		300,000	0	0	0	0	0	0	0	0	0	0	0	0	300,000	300,000
- Grant from CST		0	0	0	0	326,430	0	0	0	0	0	0	0	0	326,430	326,430
- Grant from Comchest		0	0	0	0	0	50,000	0	0	3,000	0	0	0	0	53,000	53,000
- Grant from MOH		0	0	0	0	679,540	0	0	0	0	0	0	0	0	679,540	679,540
		439,499	2,526	0	133,591	679,540	326,430	50,000	500	3,000	0	1,000	0	1,196,587	1,636,086	
Income from charitable activities																
Counselling fees		2,140	0	0	0	43,025	0	0	0	0	0	0	0	0	43,025	45,165
Placement admin fee revenue		600	0	0	0	0	0	0	0	0	0	0	0	0	600	600
Psycho-education sessions		2,260	0	0	0	0	0	0	0	0	0	0	0	0	2,260	2,260
		5,000	0	0	0	43,025	0	0	0	0	0	0	0	43,025	48,025	
Other income																
Government-paid childcare leave		1,163	0	0	0	0	0	0	0	0	0	0	0	0	1,163	1,163
Interest income		9,270	0	0	0	0	0	0	0	0	0	0	0	0	9,270	9,270
Job Support Scheme		170,896	0	0	0	0	0	0	0	0	0	0	0	0	170,896	170,896
Rental rebate		2,919	0	0	0	4,323	0	0	0	0	0	0	0	4,323	7,242	
SingTel Sponsorship Scheme (NCSS)		540	0	0	0	0	0	0	0	0	0	0	0	0	540	540
Special Employment Credit (MOM)		385	0	0	0	0	0	0	0	0	0	0	0	0	385	385
Wage Credit Scheme (IRAS)		27,257	0	0	0	0	0	0	0	0	0	0	0	0	27,257	27,257
		212,430	0	0	0	4,323	0	0	0	0	0	0	0	4,323	216,753	
TOTAL INCOME	5	656,929	2,526	0	133,591	726,888	326,430	50,000	500	3,000	0	1,000	0	1,243,935	1,900,864	

4. Detailed statement of financial activities (Cont'd)

	Note	Unrestricted fund	Restricted funds											Total Restricted funds S\$	Total Funds S\$	
		General fund S\$	Community Care Training Grant S\$	Better and Happier Youth S\$	Care & Share S\$	Comit@ North S\$	Community Silver Trust S\$	Community Chest Charity Support Fund S\$	Community Care Day Celebration Fund S\$	NCSS Comchest COVID-19 S\$	Pledge It Forward Campaign S\$	The Sayang Sayang Fund S\$	# Stronger together Staff Appreciation Fund S\$			
2020																
Cost of charitable activities																
C&S – Better and Happier		292	0	0	0	0	0	0	0	0	0	0	0	0	0	292
C&S - Psychoeducation		(6)	0	0	0	0	0	0	0	0	0	0	0	0	0	(6)
CFS YES!		0	0	4,753	0	0	0	0	0	0	0	0	0	0	4,753	4,753
Contractor fees		0	0	0	0	6,471	0	0	0	0	0	0	0	0	6,471	6,471
Financial and transport assistance		118	0	0	0	0	0	0	0	0	0	0	0	0	0	118
Holy cross fundraising event		164	0	0	0	0	0	0	0	0	0	0	0	0	0	164
OCD Networking		0	0	0	0	0	0	0	0	0	1,724	0	0	1,724	1,724	
Provision for unutilised leave		6,817	0	0	0	0	0	0	0	0	0	0	0	0	6,817	
Psycho-education session expenses		9,453	0	0	0	0	0	0	0	0	0	0	0	0	9,453	
PTSD expenses		0	0	1,825	0	0	0	0	0	0	0	0	0	1,825	1,825	
Staff costs																
- Salaries		76,151	0	0	0	371,745	65,415	0	0	0	0	0	0	437,160	513,311	
- AWS/Bonus		15,360	0	0	0	55,343	5,280	0	0	0	0	0	0	60,623	75,983	
- Employer CPF		21,136	0	0	0	66,337	7,186	0	0	0	0	0	0	73,523	94,659	
- SDF		255	0	0	0	876	104	0	0	0	0	0	0	980	1,235	
- Medical		2,926	0	0	0	199	2,471	0	0	0	0	0	0	2,670	5,596	
- Dental		212	0	0	0	252	0	0	0	0	0	0	0	252	464	
- Staff insurance		958	0	0	0	3,359	720	0	0	0	0	0	0	4,079	5,037	
- Staff welfare		(878)	0	0	0	1,234	373	0	500	0	0	1,000	960	4,067	3,189	
- Training and development		230	2,526	0	0	7,639	0	0	0	0	0	0	0	10,165	10,395	
		<u>133,188</u>	<u>2,526</u>	<u>6,578</u>	<u>0</u>	<u>513,455</u>	<u>81,549</u>	<u>0</u>	<u>500</u>	<u>0</u>	<u>1,724</u>	<u>1,000</u>	<u>960</u>	<u>608,292</u>	<u>741,480</u>	

4. Detailed statement of financial activities (Cont'd)

	Note	Unrestricted fund	Restricted funds											Total Restricted funds S\$	Total Funds S\$
		General fund S\$	Community Care Training Grant S\$	Better and Happier Youth S\$	Care & Share S\$	Comit@ North S\$	Community Silver Trust S\$	Community Chest Charity Support Fund S\$	Community Care Day Celebration Fund S\$	NCSS Comchest COVID-19 S\$	Pledge It Forward Campaign S\$	The Sayang Sayang Fund S\$	# Stronger together Staff Appreciation Fund S\$		
2020															
EXPENDITURE (Cont'd)															
Governance and other administrative cost															
Accounting/Payroll System															
Subscription		0	0	0	0	2,228	0	0	0	0	0	0	0	2,228	2,228
Audit fee		8,881	0	0	0	0	0	0	0	0	0	0	0	0	8,881
Bank charge		446	0	0	0	0	0	0	0	0	0	0	0	0	446
Depreciation of property, plant and equipment		41,816	0	0	0	4,766	0	0	0	0	0	0	0	4,766	46,582
Internet		1,292	0	0	0	1,068	0	0	0	0	0	0	0	1,068	2,360
Interest expense on lease liabilities		1,547	0	0	0	357	0	0	0	0	0	0	0	357	1,904
Local transport		956	0	0	0	0	0	0	0	0	0	0	0	0	956
Office supplies		488	0	0	0	600	0	0	0	1,446	0	0	0	2,046	2,534
Pantry supplies/refreshments		297	0	0	0	0	0	0	0	0	0	0	0	0	297
Periodicals and subscriptions		564	0	0	0	0	0	0	0	0	0	0	0	0	564
Postage and courier		162	0	0	0	0	0	0	0	0	0	0	0	0	162
Printing		942	0	0	0	960	0	0	0	0	0	0	0	960	1,902
Rental of premises		0	0	0	0	12,968	0	0	0	0	0	0	0	12,968	12,968
Rental of workshop		(176)	0	0	0	0	0	0	0	0	0	0	0	0	(176)
Repairs and maintenance		80	0	0	0	3,116	0	0	0	0	0	0	0	3,116	3,196
Secretarial fee		1,200	0	0	0	0	0	0	0	0	0	0	0	0	1,200
Service & conservancy charges		0	0	0	0	173	0	0	0	0	0	0	0	173	173
Software subscriptions		10	0	0	0	1,534	0	0	0	0	0	0	0	1,534	1,544
SGgives transaction fee		2,233	0	0	0	0	0	0	0	0	0	0	0	0	2,233
Staff costs															
- Salaries		0	0	0	0	112,835	174,746	0	0	0	0	0	0	287,581	287,581
- AWS/Bonus		0	0	0	0	13,252	28,220	0	0	0	0	0	0	41,472	41,472
- Employer CPF		0	0	0	0	13,045	35,255	0	0	0	0	0	0	48,300	48,300
- SDF		0	0	0	0	240	444	0	0	0	0	0	0	684	684
- Medical		2,212	0	0	0	1,201	0	0	0	0	0	0	0	1,201	3,413
- Staff insurance		0	0	0	0	1,439	1,679	0	0	0	0	0	0	3,118	3,118
- Staff welfare		2,328	0	0	0	418	0	0	0	0	0	0	0	418	2,746
- Training and development		821	0	0	0	0	0	0	0	0	0	0	0	0	821
Staff Supervision fee		245	0	0	0	17,718	4,537	0	0	0	0	0	0	22,255	22,500
Telephone		3,151	0	0	0	2,503	0	0	0	0	0	0	0	2,503	5,654
Utilities		219	0	0	0	4,292	0	0	0	0	0	0	0	4,292	4,511
Website/IT fee		68	0	0	0	1,684	0	0	0	0	0	0	0	1,684	1,752
		69,782	0	0	0	196,397	244,881	0	0	1,446	0	0	0	442,724	512,506
TOTAL EXPENDITURE		202,970	2,526	6,578	0	709,852	326,430	0	500	1,446	1,724	1,000	960	1,051,016	1,253,986
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR		453,959	0	(6,578)	133,591	17,036	0	50,000	0	1,554	(1,724)	0	(960)	192,919	646,878

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Audited Financial Statements
Financial Year Ended 30 September 2020**4. Detailed statement of financial activities**

	Note	Unrestricted fund	Restricted funds					Total Restricted funds S\$	Total Funds S\$
		General fund S\$	Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$	Maternal Health Initiative S\$		
2019									
INCOME									
Income from generating funds									
Donations									
- Tax exempt	5,6	54,183	0	0	0	0	0	0	54,183
- Non-tax exempt	5	8,477	0	0	0	0	0	0	8,477
Fundraising									
- Clarity Christmas Ballet 2018 - tax exempt	5,6	73,303	0	0	0	0	0	0	73,303
Grants									
- Grant from Caritas		250,000	0	0	0	0	0	0	250,000
- Grant from MOH		0	0	633,922	0	0	0	633,922	633,922
- Grant from AIC - CCTG		4,806	0	0	0	0	0	0	4,806
- Grant from CFS		0	0	0	0	20,000	0	20,000	20,000
		390,769	0	633,922	0	20,000	0	653,922	1,044,691
Income from charitable activities									
Counselling fees		5,180	0	32,420	0	0	0	32,420	37,600
Post Traumatic Stress Disorder Training Workshop		34,900	0	0	0	0	0	0	34,900
Placement admin fee revenue		600	0	0	0	0	0	0	600
Psycho-education sessions		6,315	0	0	0	0	0	0	6,315
		46,995	0	32,420	0	0	0	32,420	79,415
Other income									
Government-paid childcare leave		2,316	0	0	0	0	0	0	2,316
Interest income		8,958	0	0	0	0	0	0	8,958
SingTel Sponsorship Scheme (NCSS)		540	0	0	0	0	0	0	540
Special Employment Credit (MOM)		1,395	0	0	0	0	0	0	1,395
Wage Credit Scheme (IRAS)		12,083	0	0	0	0	0	0	12,083
		25,292	0	0	0	0	0	0	25,292
TOTAL INCOME	5	463,056	0	666,342	0	20,000	0	686,342	1,149,398

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Financial Year Ended 30 September 2020**4. Detailed statement of financial activities (Cont'd)**

	Unrestricted fund	Restricted funds					Total Restricted funds S\$	Total Funds S\$
	General fund S\$	Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$	Maternal Health Initiative S\$		
2019 (Cont'd)								
EXPENDITURE								
Cost of charitable activities								
- C&S - Fridays with Clarity	0	2,160	0	0	0	0	2,160	2,160
- C&S - Psychoeducation	4,180	4,370	0	0	0	0	4,370	8,550
Caritas/NCSS membership fees	125	0	0	0	0	0	0	125
CFS YES!	0	0	0	0	5,989	0	5,989	5,989
Contractor fees	0	0	7,224	0	0	0	7,224	7,224
Facilities cost	0	9,492	0	0	0	0	9,492	9,492
Financial and transport assistance	0	0	0	435	0	0	435	435
HPB – Maternal Mental Health	9,236	0	0	0	0	0	0	9,236
OCD Networking	0	0	0	920	0	0	920	920
Provision for unutilised leave	(5,379)	0	0	0	0	0	0	(5,379)
Psycho-education session expenses	1,914	201	0	120	0	0	321	2,235
PTSD expenses	18,487	0	0	0	0	0	0	18,487
Staff costs								
- Salaries	21,330	78,840	351,719	0	0	0	430,559	451,889
- AWS/Bonus	7,500	13,140	37,650	0	0	0	50,790	58,290
- Employer CPF	5,648	15,638	63,498	0	0	0	79,136	84,784
- SDF	273	0	842	0	0	0	842	1,115
- Recruitment expense	324	0	0	0	0	0	0	324
- Medical	2,197	0	1,199	0	0	0	1,199	3,396
- Dental	269	0	298	0	0	0	298	567
- Staff insurance	1,181	0	3,070	0	0	0	3,070	4,251
- Staff welfare	616	0	2,176	0	0	0	2,176	2,792
- Training and development	7,168	0	883	0	0	0	883	8,051
	<u>75,069</u>	<u>123,841</u>	<u>468,559</u>	<u>1,475</u>	<u>5,989</u>	<u>0</u>	<u>599,864</u>	<u>674,933</u>

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Financial Year Ended 30 September 2020**4. Detailed statement of financial activities (Cont'd)**

	Note	Unrestricted fund	Restricted funds					Total Restricted funds S\$	Total Funds S\$
		General fund S\$	Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$	Maternal Health Initiative S\$		
2019 (Cont'd)									
EXPENDITURE (Cont'd)									
Governance and other administrative cost									
Accounting/Payroll System Subscription		1,004	0	1,990	0	0	0	1,990	2,994
Advertising and promotion		698	0	0	800	0	0	800	1,498
Audit fee		4,173	0	0	0	0	0	0	4,173
Bank charge		383	0	0	0	0	0	0	383
Copier lease rental		0	0	1,633	0	0	0	1,633	1,633
Computer supplies		0	0	546	0	0	0	546	546
Depreciation of property, plant and equipment	10	23,312	0	0	0	0	0	0	23,312
Internet		0	0	1,185	0	0	0	1,185	1,185
Local transport		2,470	0	0	0	0	0	0	2,470
Office supplies		951	0	1,193	0	0	0	1,193	2,144
Pantry supplies/refreshments		283	0	0	0	0	0	0	283
Periodicals and subscriptions		564	0	0	0	0	0	0	564
Postage and courier		90	0	0	0	0	0	0	90
Printing		1,643	0	1,518	0	0	0	1,518	3,161
Property insurance		1,635	0	0	0	0	0	0	1,635
Rental of premises		0	0	12,968	0	0	0	12,968	12,968
Mt Alvernia Rental - HPB		6,850	0	0	0	0	0	0	6,850
Repairs and maintenance		642	0	2,084	0	0	0	2,084	2,726
Secretarial fee		1,200	0	0	0	0	0	0	1,200
Service & conservancy charges		0	0	180	0	0	0	180	180
SGgives transaction fee		1,599	0	0	0	0	0	0	1,599
Staff costs									
- Salaries		121,189	33,235	88,230	0	0	0	121,465	242,654
- AWS/Bonus		7,500	19,240	8,286	0	0	0	27,526	35,026
- Employer CPF		23,074	8,177	11,702	0	0	0	19,879	42,953
- SDF		375	0	186	0	0	0	186	561
- Medical		1,873	0	619	0	0	0	619	2,492
- Staff insurance		2,125	0	236	0	0	0	236	2,361
- Staff welfare		0	0	655	0	0	0	655	655
- Training and development		768	0	0	0	0	0	0	768

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Financial Year Ended 30 September 2020**4. Detailed statement of financial activities (Cont'd)**

	Unrestricted fund	Restricted funds						Total Funds S\$
	General fund S\$	Care & Share S\$	Comit@ North S\$	Pledge It Forward Campaign S\$	Better and Happier Youth S\$	Maternal Mental Health Initiative S\$	Total Restricted funds S\$	
2019 (Cont'd)								
EXPENDITURE (Cont'd)								
Governance and other administrative cost (Cont'd)								
Staff Supervision fee	2,360	0	11,040	0	0	0	11,040	13,400
Telephone	3,803	0	2,733	0	0	0	2,733	6,536
Utilities	333	0	6,053	0	0	0	6,053	6,386
Website/IT fee	450	0	1,305	0	0	0	1,305	1,755
	<u>211,347</u>	<u>60,652</u>	<u>154,342</u>	<u>800</u>	<u>0</u>	<u>0</u>	<u>215,794</u>	<u>427,141</u>
TOTAL EXPENDITURE	<u>286,416</u>	<u>184,493</u>	<u>622,901</u>	<u>2,275</u>	<u>5,989</u>	<u>0</u>	<u>815,658</u>	<u>1,102,074</u>
SURPLUS / (DEFICIT) FOR THE FINANCIAL YEAR	<u>176,640</u>	<u>(184,493)</u>	<u>43,441</u>	<u>(2,275)</u>	<u>14,011</u>	<u>0</u>	<u>(129,316)</u>	<u>47,324</u>

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Financial Year Ended 30 September 2020**5. Revenue from contracts with customers**

Disaggregation of revenue from contracts with customer:

	Note	2020 S\$	2019 S\$
<u>Revenue from</u>			
Donations		139,499	62,660
Fundraising		0	73,303
Counselling fees		45,165	37,600
Post Traumatic Stress Disorder Training Workshop		0	34,900
Placement admin fee revenue		600	600
Psycho-education sessions		2,260	6,315
Other incoming resources		216,753	25,292
		<u>404,277</u>	<u>240,670</u>
Grants		1,496,587	908,728
	4	<u>1,900,864</u>	<u>1,149,398</u>
<u>Timing of transfer of services :</u>			
At a point in time		<u>404,277</u>	<u>240,670</u>

6. Tax deductible donations

During the financial year, the Company issued tax-deductible receipts for donations totalling S\$110,027 (2019: S\$127,486) pursuant to its Institution of a Public Character ("IPC") status. They are recorded as follows:

	2020 S\$	2019 S\$
Statement of financial activities		
General fund:		
Donations - tax exempt	110,027	54,183
Clarity Christmas Ballet 2018 - tax exempt	0	73,303
	<u>110,027</u>	<u>127,486</u>

7. Income tax

The Company is registered as a charity under the Charities Act since 3 December 2010. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act, Chapter 134.

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Audited Financial Statements
Financial Year Ended 30 September 2020**8. Cash and bank balances**

	2020 S\$	2019 S\$
Cash on hand	770	650
Cash at bank	817,493	361,809
Fixed deposit	1,752,403	1,550,000
	<u>2,570,666</u>	<u>1,912,459</u>

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2020 S\$	2019 S\$
Cash on hand	770	650
Cash at bank	817,493	361,809
Fixed deposit	1,752,403	1,550,000
	<u>2,570,666</u>	<u>1,912,459</u>
Less: fixed deposits with maturity over 3 months	<u>(652,403)</u>	<u>(550,000)</u>
	<u>1,918,263</u>	<u>1,362,459</u>

Fixed deposits at the reporting date had maturity dates ranging from 1 month to 9 months as at 30 September 2020 (2019: 1 to 9 months) and had a weighted average effective interest rate of 0.53% (2019: 0.58%) per annum.

At the reporting date, the carrying amounts of cash and cash equivalents approximate their fair values.

9. Trade and other receivables

	2020 S\$	2019 S\$
Trade receivables	0	2,140
Other receivables		
- Deposits	6,184	6,214
- Interest receivable	1,980	3,295
- Prepayment	4,264	763
- Grant receivable	172,667	164,534
- Other debtors	767	450
	<u>185,862</u>	<u>177,396</u>

At the reporting date, the carrying amounts of trade and other receivables approximate their fair values.

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Audited Financial Statements
Financial Year Ended 30 September 2020**10. Property, plant and equipment**

2020	Balance at 01.10.2019 S\$	Effect of adopting FRS 116 Leases S\$	Balance at 01.10.2019 (restated) S\$	Additions S\$	Balance at 30.09.2020 S\$
At cost					
Computers	61,509	0	61,509	17,308	78,817
Furniture	11,681	0	11,681	0	11,681
Fixtures and fittings	700	0	700	0	700
Office equipment	9,318	0	9,318	697	10,015
Renovation	222,277	0	222,277	0	222,277
Rights of use assets – Office units	0	54,199	54,199	0	54,199
Rights of use asset – Copier	0	7,811	7,811	0	7,811
	<u>305,485</u>	<u>62,010</u>	<u>367,495</u>	<u>18,005</u>	<u>385,500</u>
	Balance at 01.10.2019 S\$	Effect of adopting FRS 116 Leases S\$	Balance at 01.10.2019 (restated) S\$	Depreciation charge S\$	Balance at 30.09.2020 S\$
Accumulated depreciation					
Computers	61,477	0	61,477	17,305	78,782
Furniture	8,110	0	8,110	1,162	9,272
Fixtures and fittings	233	0	233	233	466
Office equipment	7,491	0	7,491	1,464	8,955
Renovation	212,217	0	212,217	9,718	221,935
Rights of use assets – Office units	0	17,988	17,988	15,138	33,126
Rights of use asset – Copier	0	260	260	1,562	1,822
	<u>289,528</u>	<u>18,248</u>	<u>307,776</u>	<u>46,582</u>	<u>354,358</u>
Carrying amount	Balance at 01.10.2019 S\$				Balance at 30.09.2020 S\$
Computers	32				35
Furniture	3,571				2,409
Fixtures and fittings	467				234
Office equipment	1,827				1,060
Renovation	10,060				342
Rights of use assets – Office units	0				21,073
Rights of use asset – Copier	0				5,989
	<u>15,957</u>				<u>31,142</u>

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Audited Financial Statements
Financial Year Ended 30 September 2020**10. Property, plant and equipment**

	Balance at beginning of financial year S\$	Additions S\$	Balance at end of financial year S\$
2019			
At cost			
Computers	51,464	10,045	61,509
Furniture	9,234	2,447	11,681
Fixtures and fittings	0	700	700
Office equipment	7,531	1,787	9,318
Renovation	221,249	1,028	222,277
	<u>289,478</u>	<u>16,007</u>	<u>305,485</u>
Accumulated depreciation			
	Balance at beginning of financial year S\$	Depreciation S\$	Balance at end of financial year S\$
Computers	51,436	10,041	61,477
Furniture	6,589	1,521	8,110
Fixtures and fittings	0	233	233
Office equipment	5,692	1,799	7,491
Renovation	202,499	9,718	212,217
	<u>266,216</u>	<u>23,312</u>	<u>289,528</u>
Carrying amount			
	Balance at beginning of financial year S\$		Balance at end of financial year S\$
Computers	28		32
Furniture	2,645		3,571
Fixtures and fittings	0		467
Office equipment	1,839		1,827
Renovation	18,750		10,060
	<u>23,262</u>		<u>15,957</u>

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Audited Financial Statements
Financial Year Ended 30 September 2020**11. Leases – The Company as a lessee**Nature of the Company's leasing activities*Office unit*

The Company leases office unit for the purpose of office operation.

(a) Carrying amount

Right-of-use ("ROU") assets classified within Property, plant, and equipment

	30.09.2020 S\$	01.10.2019 S\$
Office units	21,073	36,211
Copier	5,989	7,551
	<u>27,062</u>	<u>43,762</u>

(b) Depreciation charged during the financial year

	2020 S\$
Office units	15,138
Copier	1,562
	<u>16,700</u>

(c) Interest expense on lease liabilities

	2020 S\$
Office units	1,547
Copier	357
	<u>1,904</u>

(d) Lease expense not capitalised in lease liabilities

	2020 S\$
Lease expense – short term lease	<u>12,968</u>

(e) Total cash outflow for all the leases in 2020 was \$18,154.

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Financial Year Ended 30 September 2020**12. Other payables**

	2020 S\$	2019 S\$
Other payables		
- Outside parties	3,251	10,288
- Accruals	9,271	3,672
- Accrual salaries and CPF contributions	23,468	21,381
- Provision for unutilised leave	31,328	24,509
	<u>67,318</u>	<u>59,850</u>

At the reporting date, the carrying amounts of other payables approximate their fair values.

13. Lease liabilities

	2020 S\$	2019 S\$
Current	16,059	0
Non-current	12,820	0
	<u>28,879</u>	<u>0</u>

A reconciliation of liabilities arising from financing activities is as follows:

	01.10.2019 S\$	Cash flows S\$	Non – cash change		30.09.2020 S\$
			Accretion of interest S\$	Other S\$	
Lease liabilities					
- Current	16,250	(18,154)	1,904	16,059	16,059
- Non-current	28,879	0	0	(16,059)	12,820
	<u>45,129</u>	<u>(18,154)</u>	<u>1,904</u>	<u>0</u>	<u>28,879</u>

14. Unrestricted general fund

This fund represents accumulated surplus and is for the purpose of meeting operating expenses incurred by the Company.

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Financial Year Ended 30 September 2020**15. Restricted funds**

Fund balances restricted by outside sources are indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purpose established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its company purposes.

Restricted funds comprise:

Community Care Training Grant

Offered by the Agency for integrated Care (AIC) The CCTG provides course fee subsidy to the training and upgrading needs of staff. This grant can be used to subsidize fees of training courses, workshops and conferences. Corporate and support staff may also be funded under this grant to upgrade themselves in areas relevant to their work

Movement of this fund is as follows:

	2020 S\$	2019 S\$
Balance at beginning of financial year	0	0
Add: Grants received	2,526	0
Less: Utilisation	<u>(2,526)</u>	<u>0</u>
Balance at end of financial year	<u>0</u>	<u>0</u>

Better and Happier Youth

This is a component of YES Initiative which seeks to transform philanthropy by being a trusted bridge to impact communities.

Movement of this fund is as follows:

	2020 S\$	2019 S\$
Balance at beginning of financial year	33,116	19,105
Add: Grants received	0	20,000
Less: Utilisation	<u>(6,578)</u>	<u>(5,989)</u>
Balance at end of financial year	<u>26,538</u>	<u>33,116</u>

Care and Share Matching Grant

Care and Share Matching Grant is a grant from Ministry of Social and Family Development ("MSF"), based on qualifying donations, to develop the charitable agency's capabilities and capacity in the provision of social services and programmes for its beneficiaries. During the financial year, there is a transfer of S\$846 from general fund to Care and Share Matching Grant on 22 February 2021.

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Financial Year Ended 30 September 2020**15. Restricted funds (Cont'd)****Care and Share Matching Grant (Cont'd)**

Movement of this fund is as follows:

	2020 S\$	2019 S\$
Balance at beginning of financial year	(134,437)	55,056
Add: Grants received	133,591	0
Less: Utilisation	0	(184,493)
Transfer from general fund	846	0
Balance at end of financial year	<u>0</u>	<u>(134,437)</u>

Comit@North

This project aims to develop a community-based Allied Health-led, Community Intervention Team to provide psycho-social therapies, rehabilitation, counselling and case management for clients with mental health issues. The project also supports the primary care physicians in managing clients with mental health needs in the community and provides education, training and support to the clients and their caregivers to equip and enable them to live well in the community.

Movement of this fund is as follows:

	2020 S\$	2019 S\$
Balance at beginning of financial year	93,000	49,559
Effect of adopting FRS 116 Leases	(32)	0
Add: Grants received	726,888	666,342
Less: Utilisation	<u>(709,852)</u>	<u>(622,901)</u>
Balance at end of financial year	<u>110,004</u>	<u>93,000</u>

Community Silver Trust

Trust managed by Ministry of Health (MOH) on behalf of the Board of Trustees - The objective of the CST is to encourage donations and provide additional resources for the service providers in the intermediate and long-term care ("ILTC") sector to enhance their capabilities, provide value-added services to achieve higher quality care, and enhance the affordability of step down care for service users and patients. The ILTC sector provides a variety of services that meet both medical and non-medical needs of people with chronic diseases or disability who cannot care for themselves for long periods of time.

Movement of this fund is as follows:

	2020 S\$	2019 S\$
Balance at beginning of financial year	0	0
Add: Grants received	326,430	0
Less: Utilisation	<u>(326,430)</u>	<u>0</u>
Balance at end of financial year	<u>0</u>	<u>0</u>

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Financial Year Ended 30 September 2020**15. Restricted funds (Cont'd)****Community Chest Charity Support Fund**

Community Chest Fund is administered by NCSS - *Funding of Capital Expenditure for enhancement to premises.*

Movement of this fund is as follows:

	2020 S\$	2019 S\$
Balance at beginning of financial year	0	0
Add: Grants received	50,000	0
Less: Utilisation	0	0
Balance at end of financial year	<u>50,000</u>	<u>0</u>

Community Care Day Celebration Fund

This fund is offered by the Agency for Integrated Care (AIC) as part of the inaugural Community Care Day on 1st November 2019. This is a one-time Community Care Day Celebration Fund that Community Care organisations may tap on to celebrate the occasion with all colleagues in the organisation.

Movement of this fund is as follows:

	2020 S\$	2019 S\$
Balance at beginning of financial year	0	0
Add: Grants received	500	0
Less: Utilisation	(500)	0
Balance at end of financial year	<u>0</u>	<u>0</u>

NCSS Comchest COVID-19

Comchest grant for expenses for include disinfection, cleaning, buying more personal protective equipment and safety equipment, and business continuity measures.

Movement of this fund is as follows:

	2020 S\$	2019 S\$
Balance at beginning of financial year	0	0
Add: Grants received	3,000	0
Less: Utilisation	(1,446)	0
Balance at end of financial year	<u>1,554</u>	<u>0</u>

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Financial Year Ended 30 September 2020**15. Restricted funds (Cont'd)*****Pledge It Forward Campaign***

This campaign is led by The Social Co., a partner of Community Chest. The fund is designated for preventive interventions to strengthen families and individuals, for capital expenditure and for capability building for community engagements with the aim of unlocking resources for beneficiaries.

Movement of this fund is as follows:

	2020 S\$	2019 S\$
Balance at beginning of financial year	2,173	4,448
Add: Grants received	0	0
Less: Utilisation	<u>(1,724)</u>	<u>(2,275)</u>
Balance at end of financial year	<u>449</u>	<u>2,173</u>

The Sayang Sayang Fund

The Sayang Sayang Fund is a Community Impact Fund started by the Community Foundation of Singapore (CFS) to provide support for the frontline healthcare and ancillary workers, as well as the vulnerable communities such as seniors and families who are impacted by the novel coronavirus (COVID-19) outbreak and heightened precautionary measures. Community Care organisations may tap on this fund to appreciate and thank all colleagues in the organisation during this period.

Movement of this fund is as follows:

	2020 S\$	2019 S\$
Balance at beginning of financial year	0	0
Add: Grants received	1,000	0
Less: Utilisation	<u>(1,000)</u>	<u>0</u>
Balance at end of financial year	<u>0</u>	<u>0</u>

#StrongerTogether Staff Appreciation Fund

The #StrongerTogether Staff Appreciation Fund is offered by AIC, in collaboration with sponsors, to partners within the community care sector. This fund may be use to appreciate and support the wellbeing of staff for their dedication in service amidst the COVID-19 situation.

Movement of this fund is as follows:

	2020 S\$	2019 S\$
Balance at beginning of financial year	0	0
Add: Grants received	0	0
Less: Utilisation	<u>(960)</u>	<u>0</u>
Balance at end of financial year	<u>(960)</u>	<u>0</u>

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Financial Year Ended 30 September 2020**15. Restricted funds (Cont'd)***Net assets of the restricted funds*

2020	Cash and bank balance S\$	Trade and other receivables S\$	Property, plant and equipment S\$	Total S\$
Better and Happier Youth Comit@North	26,538 (62,437)	0 172,218	0 223	26,538 110,004
Community Chest Charity Support Fund	50,000	0	0	50,000
NCSS Comchest Covid-19 Pledge It Forward Campaign	1,554 0	0 449	0 0	1,554 449
#StrongerTogether Staff Appreciation Fund	(960)	0	0	(960)
	<u>14,695</u>	<u>172,667</u>	<u>223</u>	<u>187,585</u>

2019	Cash and bank balance S\$	Trade and other receivables S\$	Property, plant and equipment S\$	Total S\$
Better and Happier Youth Care and Share Matching Grant Comit@North	33,116 (134,444) (71,757)	0 0 164,534	0 7 223	33,116 (134,437) 93,000
Pledge It Forward Campaign	2,173	0	0	2,173
	<u>(170,912)</u>	<u>164,534</u>	<u>230</u>	<u>(6,148)</u>

16. Related party transactions

There were no related party transactions during the financial year 2020 and 2019.

The Company is governed by the Board of directors who are volunteers and receive no monetary remuneration for their contributions.

The remuneration of key management personnel during the financial year are as follows:

	2020 S\$	2019 S\$
Salaries and other short-term benefits	106,350	101,510
Post-employment benefits – contribution to CPF	<u>11,790</u>	<u>14,707</u>
	2020 No. of key management personnel	2019 No. of key management personnel
Remuneration band (S\$) Between S\$100,001 to S\$150,000	<u>1</u>	<u>1</u>

The remuneration of key management personnel is determined by the Board of directors.

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Financial Year Ended 30 September 2020**17. Management of conflict of interest**

There is no paid staff on the Company's Board of directors.

The Board of directors are required to disclose any interest that they may have, whether directly or indirectly, that the Company may enter into or in any organisation that the Company has dealings with or is considering dealing with and any personal interests accruing to him as one of the Company's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected member of the Board may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

18. Operating lease agreement

At the reporting date, the Company was committed to make the following payments in respect of operating leases with a term of more than two years.

	2020 S\$	2019 S\$
Not later than one year	0	16,888
Between one and five years	<u>0</u>	<u>4,566</u>

As disclosed in Note 2.1, the Company has adopted FRS 116 on 1 October 2019. These lease payments have been recognised as ROU assets and lease liabilities in the statement of financial position as at 30 September 2020.

19. Financial instruments

The aggregate carrying amounts of loans and receivables, financial asset and financial liabilities at amortised cost are as follows:

	2020 S\$	2019 S\$
Financial assets, at amortised cost		
Cash and bank balances	2,570,666	1,912,459
Trade and other receivables (excluding prepayment)	<u>181,598</u>	<u>176,633</u>
	<u>2,752,264</u>	<u>2,089,092</u>
Financial liabilities, at amortised cost		
Other payables	67,318	59,850
Lease liabilities	<u>28,879</u>	<u>0</u>
	<u>96,197</u>	<u>59,850</u>

20. Financial risk management

The Company's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Board of directors of the Company on an informal basis.

Credit risk

Credit risk refers to the risk that counterparties will default on its contractual obligation, resulting in deficits in funds.

The Company has adopted the following policy to mitigate the credit risk.

For banks and financial institutions, the Company mitigates its credit risks by transacting only with counterparties who are rated "A" and above independent rating agencies.

For trade and other receivables, the Company manages its credit risks by ensuring that the counterparty has sufficient financial assets and other committed credit lines to settle its financial and contractual obligations to the Company, as and when they fall due.

Liquidity and cash flow risks

Liquidity risk refers to the risk that the Company will have insufficient resources to meet its financial liabilities as and when they fall due.

The Board of directors exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

The table below summarises the profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted payments.

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2020			
Financial liabilities, at amortised cost			
Other payables	67,318	0	67,318
Lease liabilities	16,305	14,157	30,462
	<u>83,623</u>	<u>14,157</u>	<u>97,780</u>

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2019			
Financial liabilities, at amortised cost			
Other payables	59,850	0	59,850

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Audited Financial Statements
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The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to their short-term nature.

21. Conflict of interest policy

Whenever a member of the Board of directors is in any way, directly or indirectly, has an interest in a transaction or project or other matter to be discussed at a meeting, the member shall disclose the nature of his interests before the discussion on the matters begins.

The member concerned should not participate in the discussion or vote on the matter, and should also offer to withdraw from the meeting and the Board of directors shall decide if this should be accepted.

22. Reserve policy and position

The Company's reserve position for financial year ended 30 September 2019 is as follows:

		2020	2019	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	Accumulated general funds	2,504	2,052	22%
B	Restricted or Designated funds			
	Designated funds	0	0	0%
	Restricted funds	188	(6)	3,233%
C	Endowment funds	0	0	0%
D	Total funds	2,691	2,046	32%
E	Total annual operating expenditure	1,254	1,102	14%
F	Ratio of funds to annual operating expenditure (A/E)	2.00	1.86	

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a company to spend as grants.
- D. Total funds include unrestricted, restricted / designated and endowment funds.
- E. Total annual operating expenditure includes expenses related to cost of charitable activities and governance and other operating and administration expenditure.

The Company's Reserve Policy is as follows:

The reserves that we have set aside provide financial stability and the means for the development of our principal activity. We intend to establish our reserves at a level equivalent to 3 years of operating expenditure through increasing awareness of our activities, seeking more donors both private and corporate and fund raising efforts. The Board reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil our continuing obligations.

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23. Events after the reporting period

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Company's significant operations are in Singapore which have been affected by the spread of COVID-19 in 2020. The nature of the Company's business are those of activities relating to commodity (excluding gold) and futures brokers and dealers, all trade deals on the future exchanges are via the online platform. Therefore, the impact of COVID-19 on the Company's operations are minimal. Summarise the impact of COVID-19 as below on the Company's financial performance reflected in this set of financial statements for the year ended 31 December 2020:

- i. The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- ii. The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020 to 1 June 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and the Company's physical operations were temporarily closed to adhere to the respective governments' movement control measures.
- iii. In 2020, the Company has received rental rebates for its office rental and also provided rental concessions to sub-tenant for co-sharing of the Company's office premises.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Company cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 30 September 2021. If the situation persists beyond management's current expectations, the Company's assets may be subject to further write downs in the subsequent financial periods.

24. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of directors of the Company on 22 February 2021.