

**KAMPONG KAPOR COMMUNITY SERVICES**

**FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2019**

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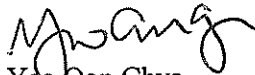
**THE MANAGEMENT COMMITTEE**

**KAMPONG KAPOR COMMUNITY SERVICES**

**STATEMENT BY THE MANAGEMENT COMMITTEE**

On behalf of the Management Committee, we, Yeo Oon Chye and Chia Ping Kheong, being the Chairman and Honorary Treasurer of Kampong Kapor Community Services (“Society”) respectively, do hereby state that in our opinion, the financial statements on pages 5 to 23 are properly drawn up in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the financial position of the Society as at 31 March 2019, and of the financial performance, changes in accumulated fund and specific funds and cash flows of the Society for the financial year ended on that date.

On behalf of the Management Committee,

  
Yeo Oon Chye  
Chairman

  
Chia Ping Kheong  
Honorary Treasurer

18 July 2019

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
KAMPONG KAPOR COMMUNITY SERVICES****Report on the Audit of the Financial Statements*****Opinion***

We have audited the accompanying financial statements of Kampong Kapor Community Services (the "Society") as set out on pages 5 to 23, which comprise the balance sheet as at 31 March 2019, and the statement of comprehensive income, statement of changes in accumulated fund and specific funds and statement of cash flows for the 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 Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Society as at 31 March 2019 and the financial performance, changes in accumulated fund and specific funds and cash flows of the Society for the year ended on that date.

***Basis for Opinion***

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society 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***

The Management Committee is responsible for the other information. The other information comprises the Statement by the Management Committee as set out on page 1.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF KAMPONG KAPOR COMMUNITY SERVICES (cont'd)**

### **Report on the Audit of the Financial Statements (cont'd)**

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

The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Charities Act and Regulations and FRSs, and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, Management Committee is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Committee.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
KAMPONG KAPOR COMMUNITY SERVICES (cont'd)**

**Report on the Audit of the Financial Statements (cont'd)**

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

- Conclude on the appropriateness of Management Committee'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 Society'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 Society 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.

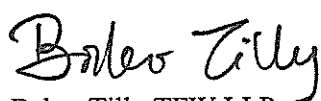
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Society have been properly kept in accordance with those provisions of the Societies Regulations enacted under the Societies Act, 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:

- (i) the Society has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (ii) the Society has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

A handwritten signature in black ink that reads "Baker Tilly".

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

18 July 2019

**KAMPONG KAPOR COMMUNITY SERVICES**

**STATEMENT OF COMPREHENSIVE INCOME**  
For the financial year ended 31 March 2019

Note	2019					Total Funds \$	2018 Total Funds \$
	Unrestricted Fund \$	KKFSC Programme Fund \$	WFSC Programme Fund \$	SSFP Programme Fund \$	Other restricted Funds \$		
<b>Income</b>							
	5,000	–	500	–	4,270	9,770	27,102
	3,934	–	40	–	6,600	10,574	11,699
	–	95,841	69,552	–	–	165,393	146,744
	–	479,217	347,772	–	–	826,989	733,717
	–	1,828,750	1,304,135	432,045	–	3,564,930	3,177,719
	–	84,479	75,778	20,072	16,588	196,916	234,034
	150	2,452	1,867	–	–	4,469	42,419
	–	23,240	–	–	–	23,240	10,080
	16,352	19,379	4,927	409	–	41,068	18,965
13	–	62,056	–	3,266	–	65,322	68,317
	–	–	–	–	104,570	104,570	90,789
<b>Total income</b>	<b>25,436</b>	<b>2,595,414</b>	<b>1,804,571</b>	<b>455,792</b>	<b>132,028</b>	<b>5,013,241</b>	<b>4,561,585</b>
<b>Less expenditure</b>							
<i>Expenditure on manpower</i>							
	–	1,704,241	1,013,139	371,482	–	3,088,862	2,613,512
	–	255,731	157,466	60,192	–	473,389	403,297
	–	1,959,972	1,170,605	431,674	–	3,562,251	3,016,809
<i>Other operating expenditure</i>							
13	–	–	–	–	65,322	65,322	68,317
	–	8,350	8,322	3,730	–	20,402	16,495
3	–	95,305	14,614	6,393	–	116,311	107,329
	–	5,374	3,242	203	–	8,820	8,337
	–	6,576	2,307	346	–	9,229	8,221
	–	62,445	33,001	3,287	–	98,732	87,096
	–	7,013	3,787	427	–	11,227	6,792
	–	16,977	8,758	672	–	26,407	17,460
	–	27,580	24,378	1,452	–	53,410	61,946
	–	5,724	2,151	88	150,481	158,445	177,261
	–	100,404	47,082	10,493	–	157,979	117,197
	–	18,422	10,742	29,032	–	58,196	38,195
	–	13,080	11,627	688	–	25,395	21,298
	–	38,642	13,735	1,469	–	53,846	77,197
	–	405,892	183,746	58,280	215,803	863,721	813,141
	–	2,365,864	1,354,351	489,954	215,803	4,425,972	3,829,950
<b>Net (deficit)/surplus for the financial year</b>	<b>25,436</b>	<b>229,550</b>	<b>450,220</b>	<b>(34,162)</b>	<b>(83,775)</b>	<b>587,269</b>	<b>731,635</b>

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

## KAMPONG KAPOR COMMUNITY SERVICES

### BALANCE SHEET At 31 March 2019

	Note	2019 \$	2018 \$
<b>Non-current asset</b>			
Plant and equipment	3	110,315	118,858
		<hr/>	<hr/>
<b>Current assets</b>			
Other receivables	4	101,145	185,760
Cash and bank balances		1,721,228	1,791,227
Fixed deposits	5	3,276,834	2,522,336
		<hr/>	<hr/>
		5,099,207	4,499,323
		<hr/>	<hr/>
<b>Total assets</b>		5,209,522	4,618,181
		<hr/>	<hr/>
<b>Current liability</b>			
Other payables	6	112,263	108,191
		<hr/>	<hr/>
<b>Net assets</b>		5,097,259	4,509,990
		<hr/>	<hr/>
<b>Funds</b>			
<i>Unrestricted Fund</i>			
Accumulated Fund		1,383,916	1,358,480
<i>Restricted Fund</i>			
KKFSC Programme Fund	7	2,166,141	1,915,813
WFSC Programme Fund	8	1,176,489	707,886
SSFP Programme Fund	9	23,837	57,999
School Pocket Money Fund	10	31,385	17,655
Financial Assistance Fund	11	254,265	256,699
Comcare Fund	12	5,396	12,458
Capital grant	13	5,598	70,920
Care and Share Matching grant	14	50,232	112,080
		<hr/>	<hr/>
<b>Total Funds</b>		5,097,259	4,509,990
		<hr/>	<hr/>

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

**KAMPONG KAPOR COMMUNITY SERVICES**

**STATEMENT OF CHANGES IN ACCUMULATED FUND AND SPECIFIC FUNDS**  
**For the financial year ended 31 March 2019**

	Unrestricted Fund		Restricted Funds				Other Restricted Funds				Total Other Restricted Funds \$	Total Funds \$
	Accumulated Fund \$		KKFSC Programme Fund \$	WFSC Programme Fund \$	SSFP Programme Fund \$	School Pocket Money Fund \$	Financial Assistance Fund \$	Comcare Fund \$	Capital grant \$	Care and Share Matching grant \$		
Balance at 1 April 2017	1,408,168		1,649,806	214,398	-	16,306	254,361	6,878	132,912	95,526	505,983	3,778,355
Net (deficit)/surplus for the financial year	(49,688)		266,007	493,488	57,999	1,349	2,338	5,580	(61,992)	16,554	(36,171)	731,635
Balance at 31 March 2018	1,358,480		1,915,813	707,886	57,999	17,655	256,699	12,458	70,920	112,080	469,812	4,509,990
Net (deficit)/surplus for the financial year	25,436		229,550	450,220	(34,162)	13,730	(2,434)	(7,062)	(65,322)	(22,687)	(83,775)	587,269
Inter funds transfer	-		20,778	18,383	-	-	-	-	-	(39,161)	(39,161)	-
<b>Balance at 31 March 2019</b>	<b>1,383,916</b>		<b>2,166,141</b>	<b>1,176,489</b>	<b>23,837</b>	<b>31,385</b>	<b>254,265</b>	<b>5,396</b>	<b>5,598</b>	<b>50,232</b>	<b>346,876</b>	<b>5,097,259</b>

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



## KAMPONG KAPOR COMMUNITY SERVICES

### STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2019

	2019 \$	2018 \$
<b>Cash flows from operating activities</b>		
Surplus for the financial year	587,269	731,635
Adjustments for:		
Depreciation of plant and equipment	116,311	107,329
Interest income	(18,695)	(17,593)
Operating cash flow before working capital changes	684,885	821,371
Receivables	84,615	(111,524)
Payables	4,072	(47,163)
<b>Net cash from operating activities</b>	773,572	662,684
<b>Cash flows from investing activity</b>		
Purchase of plant and equipment	(107,768)	(26,493)
Interest received	18,695	18,626
<b>Net cash used in investing activities</b>	(89,073)	(7,867)
<b>Net increase in cash and cash equivalents</b>	684,499	654,817
Cash and cash equivalents at beginning of financial year	4,313,563	3,658,746
<b>Cash and cash equivalents at end of financial year</b>	4,998,062	4,313,563
<b>Cash and cash equivalents comprise:</b>		
Fixed deposits	3,276,834	2,552,336
Cash and bank balances	1,721,228	1,791,227
<b>Cash and cash equivalents at end of financial year</b>	4,998,062	4,313,563

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

# KAMPONG KAPOR COMMUNITY SERVICES

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2019

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

### 1 General information

Kampong Kapor Community Services is registered under the Societies Act in Singapore. The Society is a registered charity under the Charities Act since 1 April 2010.

The Society provides casework and counselling, information and referral services, preventive and developmental programmes and activities for individuals and families in need. The objective of the programmes and services is to develop and strengthen clients' resilience and social support networks within family and community. It is located at Blk 2 Kitchener Road, #03-89, Singapore.

### 2 Significant accounting policies

#### a) Basis of preparation

The financial statements, expressed in Singapore dollar which is the functional currency of the Society, have been prepared in accordance with the provisions of the Societies Act, Chapter 311, Charities Act, Chapter 37 and other regulations and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the financial year. Although these estimates are based on management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

#### *Use of estimates and judgements*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant judgements and estimates made during the financial year.

The carrying amounts of cash and bank balances, fixed deposits, other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

## 2 Significant accounting policies (cont'd)

### a) Basis of preparation (cont'd)

#### *New and revised standards*

In the current financial year, the Society has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the financial year. The adoption of these new and revised FRSs and INT FRSs has no material effect on the financial statements except as disclosed below:

#### ***FRS 115 Revenue from Contracts with Customers***

FRS 115 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts. FRS 115 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in FRS 115 by applying a 5-step approach.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. The entity is required to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model; to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Society adopted FRS 115 using the modified retrospective approach without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings as at 1 January 2018.

At the date of initial application and 31 December 2018, the Society has assessed that the adoption of FRS 115 does not have any material impact to the financial position and results of the Society.

#### ***FRS 109 Financial Instruments***

FRS 109 replaces FRS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018. It includes guidance on (i) the classification and measurement of financial assets and financial liabilities; (ii) impairment requirements for financial assets; and (iii) general hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on expected credit loss model and replace FRS 39 incurred loss model.

The Society applied FRS 109 using a modified retrospective approach, with date of initial application on 1 January 2018. The Society has not restated the comparative information, which continues to be reported under FRS 39.

The nature of these adjustments are described below:

#### ***Classification and measurement***

Under FRS 109, the Society classifies its financial assets based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The assessment of the Society's business model was made as of the date of initial application on 1 January 2018. The assessment of whether contractual cash flows on debt instruments are solely comprised of principal and interest was made based on the facts and circumstances as at the initial recognition of the assets.

## 2 Significant accounting policies (cont'd)

### a) Basis of preparation (cont'd)

#### *New and revised standards (cont'd)*

#### *Classification and measurement (cont'd)*

The following are the changes in classification and measurement arising from adopting FRS 109:

- Loans and receivables (including other receivables (excluding prepayments) and cash and cash equivalents) as at 31 December 2017 are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. These are classified and measured as debt instruments at amortised cost beginning 1 January 2018.

The Society has not designated any financial liabilities as at fair value through profit or loss. There are no changes in classification and measurement for the Society's financial liabilities.

At the date of initial application and 31 December 2018, the Society has assessed that the adoption of FRS 109 does not have any material impact to the financial position and results of the Society.

New standards, amendments to the standards and interpretations that have been issued at the reporting date but are not yet effective for the financial year ended 31 December 2018 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society, except as disclosed as follows:

#### *FRS 116 Leases*

FRS 116 replaces the existing FRS 17: *Leases*. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on the statement of financial position to reflect their rights to use leased assets (a "right-of-use" asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as FRS 116 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability. The accounting for lessors will not change significantly.

The standard is effective for annual periods beginning on or after 1 January 2019. The Society will assess the potential impact of FRS 116 and plans to adopt the standard on the required effective date.

### b) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment loss. Depreciation is charged on the straight-line method to allocate the depreciable amount of property, plant and equipment over estimated useful lives as follows:

	Years
Furniture, fittings & fixtures	5
Computers	3
Office equipment	5
Renovations	5

On disposal of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to income or expenditure.

## 2 Significant accounting policies (cont'd)

### b) Plant and equipment (cont'd)

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in income or expenditure when the changes arise.

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

### c) Income recognition

Donations - when received  
Programme income - over the period of provision of services to clients

Such services are recognised as a performance obligation satisfied over time. Revenue from programme income is recognised over the duration of the programmes and in the period in which the service is provided, having regard to the stage of completion of the service.

Grant - where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with

### d) Grants

#### *Capital grants*

Capital grants received are amortised over the useful lives of the assets acquired using the grants.

Total capital grants received less the amounts amortised to income or expenditure at the balance sheet date are included in the balance sheet as capital grants.

#### *Revenue grants*

Grants of a revenue nature are credited to income or expenditure in the period to which they relate.

### e) Defined contribution plans

The Society contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. Contributions to CPF are charged to income or expenditure in the period in which the contributions relate.

### f) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in income or expenditure.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

## 2 Significant accounting policies (cont'd)

### g) Income tax

The Society is exempted from income tax under the Income Tax Act. As such, no provision for income tax has been made in the financial statements of the Society.

### h) Provision for other liabilities

Provisions are recognised when the Society has a 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. Where the Society expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

### i) Financial assets

The accounting policy for financial assets before 1 April 2018 are as follows:

#### *Classification*

The Society classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every balance sheet date. The Society's only financial assets are loans and receivables.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing more than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are classified within cash and bank balances, fixed deposits and other receivables (excluding prepayments) on the balance sheet.

#### *Recognition and derecognition*

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Society 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 Society has transferred substantially all risks and rewards of ownership.

On sale of a financial asset, the difference between the net sales proceeds and its carrying amount is taken to income or expenditure.

#### *Initial measurement*

Loans and receivables are initially recognised at fair value plus transaction costs.

#### *Subsequent measurement*

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Gains and losses are recognised in income or expenditure when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

## 2 Significant accounting policies (cont'd)

### i) Financial assets (cont'd)

The accounting policy for financial assets before 1 April 2018 are as follows (cont'd):

#### *Impairment*

The Society assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

#### *Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in income or expenditure. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in income or expenditure.

The accounting policy for financial assets from 1 April 2018 onwards are as follows:

#### *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Society 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 Society has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition.

#### *Classification and measurement*

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Society classifies its financial assets based on the Society's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Society's financial assets are classified at amortised cost which comprise other receivables (excluding prepayments), cash and bank balances and fixed deposits.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

## 2 Significant accounting policies (cont'd)

### i) Financial assets (cont'd)

The accounting policy for financial assets from 1 April 2018 onwards are as follows:

#### *Impairment*

The Society recognises an allowance for expected credit losses (“ECLs”) for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Society recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

### j) Financial liabilities

Financial liabilities comprise other payables (excluding advance receipts) on the balance sheet. Financial liabilities are recognised on the balance sheet when, and only when, the Society becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

### k) Leases

#### *Operating lease*

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to income or expenditure on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expenditure in the period in which termination takes place.



**3 Plant and equipment**

	Furniture fittings & fixtures \$	Computers \$	Office equipment \$	Renovations \$	Total \$
<b>2019</b>					
<b>Cost</b>					
At 1.4.2018	21,789	35,913	28,001	464,910	550,613
Additions	16,907	39,161	45,329	6,371	107,768
Written off	–	(799)	(6,919)	–	(7,718)
At 31.3.2019	38,696	74,275	66,411	471,281	650,663
<b>Accumulated depreciation</b>					
At 1.4.2018	16,434	20,084	20,487	374,750	431,755
Depreciation charge	6,393	13,670	10,191	86,057	116,311
Written off	–	(799)	(6,919)	–	(7,718)
At 31.3.2019	22,827	32,955	23,759	460,807	540,348
<b>Net carrying value</b>					
At 31.3.2019	<b>15,869</b>	<b>41,320</b>	<b>42,652</b>	<b>10,474</b>	<b>110,315</b>
<b>2018</b>					
<b>Cost</b>					
At 1.4.2017	20,998	30,496	26,225	458,024	535,743
Additions	791	17,040	1,776	6,886	26,493
Disposal	–	(11,623)	–	–	(11,623)
At 31.3.2018	21,789	35,913	28,001	464,910	550,613
<b>Accumulated depreciation</b>					
At 1.4.2017	12,139	25,527	16,082	282,301	336,049
Depreciation charge	4,295	6,180	4,405	92,449	107,329
Disposal	–	(11,623)	–	–	(11,623)
At 31.3.2018	16,434	20,084	20,487	374,750	431,755
<b>Net carrying value</b>					
At 31.3.2018	5,355	15,829	7,514	90,160	118,858

**4 Other receivables**

	2019 \$	2018 \$
Sundry receivables	85,728	145,656
Sundry deposits	6,574	10,953
Prepayments	8,843	29,151
	<u>101,145</u>	<u>185,760</u>
Not past due		
- Grants receivable from IRAS and WDA		10,111
- Grants receivable from MSF		3,150
- Grants receivable from NCSS		114,332
- Grant receivable from MOM		7,089
- Interest receivables		5,455
- Trade receivables		24
		<u>145,161</u>
Past due but not impaired		495
		<u>145,656</u>

The age analysis of sundry receivables past due but not impaired was as follows:

	2018 \$
Past due 0 - 60 days	22
Past due 60 days and over	473
	<u>495</u>

**5 Fixed deposits**

Fixed deposits are short term in nature, mature within 12 months (2018: 12 months) after balance sheet date and earn interests at the short-term fixed deposits rates ranging from 1.35% to 1.84% (2018: 0.75% to 1.23%) per annum.

**6 Other payables**

	2019 \$	2018 \$
Sundry payables	-	4
Accrued operating expenses	112,256	108,131
Deposits from students	7	56
	<u>112,263</u>	<u>108,191</u>

**7 Kampong Kapor Family Service Centre (“KKFSC”) Programme Fund**

	2019 \$	2018 \$
At 1 April	1,915,813	1,649,806
Receipts	2,595,414	2,401,844
Expenditure	(2,365,864)	(2,135,837)
Net surplus for the financial year	229,550	266,007
Inter funds transfer	20,778	–
At 31 March	<u>2,166,141</u>	<u>1,915,813</u>

These are funds received from NCSS and Ministry of Social and Family Development (“MSF”) to provide service to the Community.

The services provided are under Community’s programme and the Programme Fund ending balance of the year as indicated above is restricted for the operations of the programmes only, for the benefit of its intended clients. In keeping with the funder/donor’s intent for the use of monies, the reserve will not be transferred out of the Programme for other purposes.

**8 Whampoa Family Service Centre (“WFSC”) Programme Fund**

	2019 \$	2018 \$
At 1 April	707,886	214,398
Receipts	1,804,571	1,455,182
Expenditure	(1,354,351)	(961,694)
Net surplus for the financial year	450,220	493,488
Inter funds transfer	18,383	–
At 31 March	<u>1,176,489</u>	<u>707,886</u>

These are funds received from NCSS and MSF to provide service to the Community.

The services provided are under Community’s programme and the Programme Fund ending balance of the year as indicated above is restricted for the operations of the programmes only, for the benefit of its intended clients. In keeping with the funder/donor’s intent for the use of monies, the reserve will not be transferred out of the Programme for other purposes.

**9 Safe and Strong Families Preservation (“SSFP”) Programme Fund**

	2019 \$	2018 \$
At 1 April	57,999	–
Receipts	455,792	460,911
Expenditure	(489,954)	(402,912)
Net (deficit)/surplus for the financial year	(34,162)	57,999
At 31 March	<u>23,837</u>	<u>57,999</u>

**9 Safe and Strong Families Preservation (“SSFP”) Programme Fund (cont’d)**

These are funds received from MSF to provide agency service to the Community.

The services provided are under Community’s programme and the Programme Fund ending balance of the year as indicated above is restricted for the operations of the programmes only. The reserve will not be transferred out of the Programme for other purposes.

**10 School Pocket Money Fund**

	2019 \$	2018 \$
At 1 April	17,655	16,306
Receipts	104,570	90,789
Expenditure	(90,840)	(89,440)
Net surplus for the financial year	<u>13,730</u>	<u>1,349</u>
At 31 March	<u>31,385</u>	<u>17,655</u>

These are funds received from NCSS to finance needy students.

**11 Financial Assistance Fund**

	2019 \$	2018 \$
At 1 April	256,699	254,361
Receipts	10,870	15,900
Expenditure	(13,304)	(13,562)
Net (deficit)/surplus for the financial year	<u>(2,434)</u>	<u>2,338</u>
At 31 March	<u>254,265</u>	<u>256,699</u>

The fund is set up to provide financial assistance to needy families.

**12 Comcare Fund**

	2019 \$	2018 \$
At 1 April	12,458	6,878
Receipts	16,588	29,931
Expenditure	(23,650)	(24,351)
Net (deficit)/surplus for the financial year	<u>(7,062)</u>	<u>5,580</u>
At 31 March	<u>5,396</u>	<u>12,458</u>

These are funds received from MSF for short term emergency fund disbursed to the needy.

**13 Capital grant**

	2019 \$	2018 \$
At 1 April	70,920	132,912
Additions	–	6,325
Current year amortisation	(65,322)	(68,317)
Net deficit for the financial year	(65,322)	(61,992)
At 31 March	5,598	70,920

**14 Care and Share Matching grant**

The Grant which is given out under the Care and Share movement, is managed by the MSF and is called the Care and Share Matching Grant.

	2019 \$	2018 \$
At 1 April	112,080	95,526
Receipts	–	76,250
Expenditure	(22,687)	(59,696)
Net (deficit)/surplus for the financial year	(22,687)	16,554
Inter funds transfer	(39,161)	–
At 31 March	50,232	112,080

As per the Variation to the Funding Agreement dated 30 September 2015 (the “Agreement”), this represents a dollar and twenty-five cents for every eligible donation dollar for the first \$1,000,000 and a dollar for every eligible donation dollar for the subsequent \$1,000,000 that the Society raises between 1 January 2015 and 30 June 2019. The Grant shall be used to invest in building capability in the social service sector and recognise the contributions made by Volunteer Welfare Organisations (“VWOS”). The Grant can be used for the following areas:

- (i) Capability Building
- (ii) Capacity Building
- (iii) New Initiatives/Expansion of existing services
- (iv) Critical Existing Needs (up to 20%)

The Society has up to 3 years after the end of the matching grant period (i.e. 30 June 2019) to utilise the grants.

In 2018, the Society participates in the Care and Share Matching Grant Scheme and is subjected to the terms and conditions of the Agreement and the Operating Rules. The Society received approved grant of \$420,432.

**15 Operating lease commitment**

At balance sheet date, minimum lease payments for non-cancellable operating lease not provided for in the financial statements are as follows:

	2019 \$	2018 \$
Within 1 year	26,961	17,592
Within 2 to 5 years	25,724	3,659
	<hr/>	<hr/>

**16 Reserve policy**

The Society shall seek to accumulate and maintain cash reserves of at least one year, but not more than two years of annual operating expenditure. Substantial funding is secured in advance annually (or in some cases, bi-annually) from well-funded National-level institutions.

**17 Key management personnel**

Remuneration paid to key management personnel as follows:

	2019 \$	2018 \$
Salaries and related costs	648,411	411,183
Central Provident Fund	84,974	53,815
	<hr/>	<hr/>
	733,385	464,998
	<hr/>	<hr/>

During the financial year, there are 4 (2018: 3) employees who received annual remuneration above \$100,000.

**18 Financial instruments****a) Categories of financial instruments**

Financial instruments at their carrying amounts at balance sheet date are as follows:

	2019 \$	2018 \$
<i>Financial assets</i>		
Financial assets at amortised costs	5,090,364	–
Loan and receivables	–	4,470,172
	<hr/>	<hr/>
<i>Financial liability</i>		
At amortised cost	112,263	108,187
	<hr/>	<hr/>

## 18 Financial instruments (cont'd)

### b) Financial risk management

Overall risk management is determined and carried out by the Management Committee. Due to the nature of the Society's activities, it has minimal financial risks exposure.

#### *Foreign exchange risk*

The Society's exposure to foreign exchange risk is minimal as nearly all of its transactions are in Singapore dollar.

#### *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Society's exposure to credit risk arises primarily from cash and cash equivalents and other receivables. For financial assets, including cash and cash equivalents, the Society minimises credit risk by dealing exclusively with high credit rating counterparties.

The Society does not have any significant concentration of credit risk exposure. The maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised on the balance sheet. Credit risk exposure in relation to financial assets at amortised costs as at 31 December 2018 is insignificant, and accordingly no credit loss allowance is recognised as at 31 December 2018. There were no financial assets that are past due and/or impaired.

#### *Previous accounting policy for impairment of financial assets*

##### Financial assets that are neither past due nor impaired

Sundry receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Society. Cash and bank balances that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

##### Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in note 4.

#### *Interest rate risk*

The Society's income and operating cash flows are substantially independent of changes in market interest rates as it has no significant interest bearing assets or liabilities except for cash and bank balances where interest earned is not significant.

The sensitivity analysis for interest rate is not disclosed as the effect on the financial statements is not expected to be significant.

#### *Liquidity risk*

The Management Committee exercises prudent liquidity and cash flow risk management policies and aims to maintain sufficient level of liquidity and cash flows at all times.

The financial liabilities of the Society as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted payments.

## **18 Financial instruments (cont'd)**

### **c) Fair values**

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values.

## **19 Fund management**

The Society's objectives when managing its funds are to safeguard and to maintain adequate working capital to continue as going concern and to develop its principal activities over the longer term through the income and significant support in the form of NCSS and MSF funding and donations.

No changes were made to the fund management objectives during the financial years ended 31 March 2019 and 31 March 2018.

## **20 Authorisation of financial statements**

The financial statements of the Society for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Management Committee dated 18 July 2019.