

KAMPONG KAPOR COMMUNITY SERVICES

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2020**

CONTENTS

Statement by the Management Committee	1
Independent Auditor's Report	2
Statement of Financial Activities	5
Statement of Financial Position	6
Statement of Changes in Accumulated Fund and Specific Funds	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

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 (the "Society") respectively, do hereby state that in our opinion, the financial statements as set out 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 2020, 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.

At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee approved and authorised these financial statements for issue.

On behalf of the Management Committee,


Yeo Oon Chye
Chairman

16 July 2020



Chia Ping Kheong
Honorary Treasurer

**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 statement of financial position as at 31 March 2020, and the statement of financial activities, 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 2020 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 and the information included in the Annual Report for the financial year but does not include the financial statements and our auditor's report thereon.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
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 to be kept 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. The Society did not carry out any fund-raising appeals during the financial year.



Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

16 July 2020

KAMPONG KAPOR COMMUNITY SERVICES

STATEMENT OF FINANCIAL ACTIVITIES For the financial year ended 31 March 2020

	Note	2020				Total Funds	2019 Total Funds	
		Unrestricted Fund	KKFSC Programme Fund	WFSC Programme Fund	SSFP Programme Fund			Other Restricted Funds
		\$	\$	\$	\$	\$	\$	
Income								
Tax deductible donations		3,000	–	1,500	–	7,875	12,375	9,770
Non-tax deductible donations		20	–	–	–	11,571	11,591	10,574
Donation-in-kind		–	3,600	–	–	–	3,600	–
Grants from NCSS								
- Community Chest		–	102,681	79,129	–	–	181,810	165,393
- Tote Board Social Service Fund		–	513,397	395,637	–	–	909,034	826,989
Grants from government (recurrent)		–	1,987,273	1,550,946	485,330	–	4,023,549	3,564,930
Other grants from government Programme and membership income		170	2,991	1,680	–	–	4,841	4,469
Training income		–	24,818	1,000	–	–	25,818	23,240
Interest income		15,930	24,995	13,543	274	–	54,742	35,048
Sundry income		–	285	–	15	–	300	6,020
Amortisation of capital grant School Pocket Money fund	14	–	2,113	–	111	–	2,224	65,322
		–	–	–	–	64,360	64,360	104,570
Total income		19,120	2,728,247	2,106,225	487,331	117,501	5,458,424	5,013,241
Less: Expenditure								
<i>Expenditure on manpower</i>								
Salaries and bonus		–	1,794,587	1,261,813	337,803	–	3,394,203	3,088,862
Central Provident Fund		–	275,072	192,472	53,534	–	521,078	473,389
		–	2,069,659	1,454,285	391,337	–	3,915,281	3,562,251
<i>Other operating expenditure</i>								
Amortisation of capital grant	14	–	–	–	–	2,224	2,224	65,322
Communications		–	8,249	6,554	3,517	–	18,320	20,402
Depreciation of plant and equipment	3	–	16,025	18,755	2,244	–	37,024	116,311
Plant and equipment written off		–	–	–	63	–	63	–
Food and beverages		–	5,582	1,912	219	–	7,713	8,820
Insurance		–	5,132	3,601	270	–	9,003	9,229
Outsource and contract services		–	62,487	37,193	3,289	–	102,969	98,732
Printing and stationery		–	3,804	3,118	217	–	7,139	11,227
Professional services		–	13,491	9,730	709	–	23,930	26,407
Rental of building, equipment and others		–	28,514	21,289	1,501	–	51,304	53,410
Specific financial assistance		–	8,761	3,175	113	127,127	139,176	158,445
Staff training and other benefits		–	93,381	77,273	5,232	–	175,886	157,979
Transport		–	17,934	12,863	24,220	–	55,017	58,196
Utilities		–	14,872	14,756	783	–	30,411	25,395
Other operating costs		–	32,265	19,647	1,281	–	53,193	53,846
		–	310,497	229,866	43,658	129,351	713,372	863,721
Total expenditure		–	2,380,156	1,684,151	434,995	129,351	4,628,653	4,425,972
Net surplus/(deficit) for the financial year		19,120	348,091	422,074	52,336	(11,850)	829,771	587,269

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

KAMPONG KAPOR COMMUNITY SERVICES

STATEMENT OF FINANCIAL POSITION At 31 March 2020

	Note	2020 \$	2019 \$
Non-current assets			
Plant and equipment	3	92,170	110,315
Current assets			
Inventories		1,800	–
Other receivables	4	309,181	101,145
Fixed deposits	5	4,040,773	3,276,834
Cash and bank balances	6	1,588,750	1,721,228
		5,940,504	5,099,207
Total assets		6,032,674	5,209,522
Current liability			
Other payables	7	105,644	112,263
Net assets		5,927,030	5,097,259
Funds			
<i>Unrestricted Fund</i>			
Accumulated Fund		1,403,036	1,383,916
<i>Restricted Fund</i>			
KKFSC Programme Fund	8	2,514,232	2,166,141
WFSC Programme Fund	9	1,598,563	1,176,489
SSFP Programme Fund	10	76,173	23,837
School Pocket Money Fund	11	14,390	31,385
Financial Assistance Fund	12	271,433	254,265
Comcare Fund	13	5,597	5,396
Capital grant	14	3,374	5,598
Care and Share Matching grant	15	40,232	50,232
Total funds		5,927,030	5,097,259

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 2020

	Unrestricted Fund		Restricted Funds				Other Restricted Funds				Total Other Restricted Funds \$
	Accumulated Fund \$	Programme 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 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 surplus/(deficit) 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)	--
Balance at 31 March 2019	1,383,916	2,166,141	1,176,489	23,837	31,385	254,265	5,396	5,598	50,232	346,876	5,097,259
Net surplus/(deficit) for the financial year	19,120	348,091	422,074	52,336	(16,995)	17,168	201	(2,224)	(10,000)	(11,850)	829,771
Balance at 31 March 2020	1,403,036	2,514,232	1,598,563	76,173	14,390	271,433	5,597	3,374	40,232	335,026	5,927,030

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 2020**

	2020 \$	2019 \$
Cash flows from operating activities		
Surplus for the financial year	829,771	587,269
Adjustments for:		
Depreciation of plant and equipment	37,024	116,311
Plant and equipment written-off	63	-
Interest income	(54,742)	(35,048)
Operating cash flow before working capital changes	812,116	668,532
Inventories	(1,800)	-
Receivables	(187,630)	102,170
Payables	(6,619)	4,072
Cash restricted in use	(617,442)	(659,063)
Net cash (used in)/from operating activities	(1,375)	115,711
Cash flows from investing activities		
Purchase of plant and equipment	(18,942)	(107,768)
Interest received	34,336	17,493
Net cash from/(used in) investing activities	15,394	(90,275)
Net increase in cash and cash equivalents	14,019	25,436
Cash and cash equivalents at beginning of the financial year	1,383,916	1,358,480
Cash and cash equivalents at end of the financial year (Note 6)	1,397,935	1,383,916
Cash and cash equivalents in the statement of cash flows:		
Amount as shown in Note 6	5,629,523	4,998,062
Restricted in use	(4,231,588)	(3,614,146)
Cash and cash equivalents for statement of cash flows purposes at end of the financial year	1,397,935	1,383,916

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 2020

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 (the "Society") is registered under the Societies Act in Singapore. The Society is a registered charity under the Charities Act since 1 April 2010. The Society is also an approved Institution of a Public Character ("IPC") under the Income Tax Act, Chapter 134. The IPC status granted to the Society is for the period from 1 April 2018 to 31 March 2021.

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 200002.

2 Significant accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollar ("S") which is the functional currency of the Society, have been prepared in accordance with the provisions of the Societies Act, Chapter 311, the Charities Act, Chapter 37 and other relevant 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.

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:

2 Significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards (cont'd)

FRS 116 Leases

When the Society is the lessee:

FRS 116 replaces the existing FRS 17 *Leases* for the financial period beginning 1 January 2019. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their 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.

	2019
	\$
Total operating lease commitments disclosed as at 31 March 2019	
(Note 16)	52,685
Less: short-term leases recognised on a straight-line basis as an expense	(52,685)
	<hr/>
Total lease liability recognised under FRS 116 at 1 April 2019	–
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In applying FRS 116 for the first time, the Society has used the practical expedients permitted by the standard to account for operating leases with a remaining lease term of less than 12 months as at 1 April 2019 as short-term leases.

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial year ended 31 March 2020 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.

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 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.

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each reporting 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.

2 Significant accounting policies (cont'd)

c) Income recognition

- Donations - when received
- Donations in kind - based on open market value at the date of the receipt of the donation
- 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 end of the reporting period are included in the statement of financial position as capital grants.

Revenue grants

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

e) Employee benefits

Employee leave entitlement

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

Defined contribution plans

The Society makes contributions to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. Contributions to CPF are recognised as an expense in the period in which the related service is performed.

f) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each reporting 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) Financial assets

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 at amortised cost. The classification is based on the Society's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

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

Subsequent measurement

Debt instruments include cash and bank balances, fixed deposits and other receivables (excluding prepayments). These are subsequently measured at amortised cost based on the Society's business model for managing the asset and cash flow characteristics of the asset.

The Society measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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.

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.

2 Significant accounting policies (cont'd)

g) Financial assets (cont'd)

Impairment (cont'd)

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).

If the Society has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Society measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

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.

h) Cash and cash equivalents in the statement of cash flows

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

i) Financial liabilities

Financial liabilities comprise other payables. Financial liabilities are recognised on the statement of financial position 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.

j) Provision for other liabilities

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at the Board's best estimate of the expenditure required to settle the obligation at the end of the reporting period. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

k) Income tax

As a charity, the Society is exempt from tax on income and gains falling within Section 13(1)(zm) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have arisen for the Society during the financial year.

2 Significant accounting policies (cont'd)

l) Funds

Unless specifically indicated, fund balances are not represented by any specific accounts, but are represented by all assets of the Society.

m) Leases

The accounting policy for leases before 1 January 2019 are as follows:

When a Society is the lessee

Operating leases

Leases where a significant portion of the risks and rewards incidental to 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 recognised in profit or loss on a straight-line basis over the period of the lease. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

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

The accounting policy for leases after 1 January 2019 are as follows:

The Society assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Society is the lessee

The Society applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Society recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Society uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Society and payments of penalties for terminating the lease, if the lease term reflects the Society exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

2 Significant accounting policies (cont'd)

m) Leases (cont'd)

Lease liabilities (cont'd)

The lease liability is presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Society remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Society recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Society incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Society at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of use assets are presented as a separate line in the statement of financial position.

The Society applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(f).

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Society has not used this practical expedient.

3 Plant and equipment

	Furniture, fittings & fixtures \$	Computers \$	Office equipment \$	Renovations \$	Total \$
2020					
Cost					
At 1.4.2019	38,696	74,275	66,411	471,281	650,663
Additions	342	2,599	16,001	–	18,942
Written off	(249)	–	–	(106)	(355)
Reclassifications	(2,396)	–	2,396	–	–
At 31.3.2020	36,393	76,874	84,808	471,175	669,250
Accumulated depreciation					
At 1.4.2019	22,827	32,955	23,759	460,807	540,348
Depreciation charge	3,934	19,150	11,191	2,749	37,024
Written off	(249)	–	–	(43)	(292)
Reclassifications	(2,111)	–	2,111	–	–
At 31.3.2020	24,401	52,105	37,061	463,513	577,080
Net carrying value At 31.3.2020	11,992	24,769	47,747	7,662	92,170
2019					
Cost					
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
Accumulated depreciation					
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
Net carrying value At 31.3.2019	15,869	41,320	42,652	10,474	110,315

4 Other receivables

	2020 \$	2019 \$
Interest receivable	20,406	17,555
Sundry receivables	273,069	68,173
Sundry deposits	7,345	6,574
Prepayments	8,361	8,843
	309,181	101,145

5 Fixed deposits

Fixed deposits are short term in nature, mature within 12 months (2019: 12 months) after reporting date and earn interests at the short-term fixed deposits rates ranging from 1.12% to 1.67% (2019: 1.35% to 1.84%) per annum.

6 Cash and cash equivalents

	2020 \$	2019 \$
Fixed deposits (Note 5)	4,040,773	3,276,834
Cash and bank balances	1,588,750	1,721,228
	5,629,523	4,998,062

	2020 \$	2019 \$
Not restricted in use	1,397,935	1,383,916
Restricted in use – cash held in restricted funds	4,231,588	3,614,146
	5,629,523	4,998,062

7 Other payables

	2020 \$	2019 \$
Accrued operating expenses	105,644	112,256
Deposits from students	–	7
	105,644	112,263

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

	2020 \$	2019 \$
At 1 April	2,166,141	1,915,813
Receipts	2,728,247	2,595,414
Expenditure	(2,380,156)	(2,365,864)
Net surplus for the financial year	348,091	229,550
Inter funds transfer	–	20,778
At 31 March	2,514,232	2,166,141

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.

9 Whampoa Family Service Centre (“WFSC”) Programme Fund

	2020 \$	2019 \$
At 1 April	1,176,489	707,886
Receipts	2,106,225	1,804,571
Expenditure	(1,684,151)	(1,354,351)
Net surplus for the financial year	422,074	450,220
Inter funds transfer	–	18,383
At 31 March	1,598,563	1,176,489

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.

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

	2020 \$	2019 \$
At 1 April	23,837	57,999
Receipts	487,331	455,792
Expenditure	(434,995)	(489,954)
Net surplus/(deficit) for the financial year	52,336	(34,162)
At 31 March	76,173	23,837

10 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.

11 School Pocket Money Fund

	2020 \$	2019 \$
At 1 April	31,385	17,655
Receipts	64,360	104,570
Expenditure	(81,355)	(90,840)
Net (deficit)/surplus for the financial year	(16,995)	13,730
At 31 March	14,390	31,385

These are funds received from NCSS to finance needy students.

12 Financial Assistance Fund

	2020 \$	2019 \$
At 1 April	254,265	256,699
Receipts	29,447	10,870
Expenditure	(12,279)	(13,304)
Net surplus/(deficit) for the financial year	17,168	(2,434)
At 31 March	271,433	254,265

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

13 Comcare Fund

	2020 \$	2019 \$
At 1 April	5,396	12,458
Receipts	23,694	16,588
Expenditure	(23,493)	(23,650)
Net (deficit)/surplus for the financial year	201	(7,062)
At 31 March	5,597	5,396

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

14 Capital grant

	2020 \$	2019 \$
At 1 April	5,598	70,920
Current year amortisation	(2,224)	(65,322)
Net deficit for the financial year	(2,224)	(65,322)
At 31 March	3,374	5,598

15 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.

	2020 \$	2019 \$
At 1 April	50,232	112,080
Expenditure	(10,000)	(22,687)
Net deficit for the financial year	(10,000)	(22,687)
Inter funds transfer	–	(39,161)
At 31 March	40,232	50,232

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.

16 Operating lease commitment

In 2019, commitments in relation to non-cancellable operating leases contracted for rental of premises but not recognised as liabilities, are payable as follows:

	2019 \$
Within 1 year	26,961
Within 2 to 5 years	25,724
	<u>52,685</u>

17 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.

18 Key management personnel

Remuneration paid to key management personnel as follows:

	2020 \$	2019 \$
Salaries and related costs	653,666	648,411
Central Provident Fund	79,243	84,974
	<u>732,909</u>	<u>733,385</u>

During the financial year, there are 4 (2019: 4) employees who received annual remuneration above \$100,000. The members of the Management Committee are volunteers and they did not receive any remuneration from the Society.

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

Financial instruments at their carrying amounts at the end of the reporting period are as follows:

	2020 \$	2019 \$
<i>Financial assets</i>		
Financial assets at amortised costs	<u>5,930,343</u>	5,090,364
<i>Financial liabilities</i>		
Financial liabilities at amortised cost	<u>105,644</u>	112,263

19 Financial instruments (cont'd)

b) Financial risk management

The Society's 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.

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 fixed deposits 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.

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.

At the end of the reporting period, the Society has no significant concentrations of credit risk except for cash and cash equivalents placed with reputable bank.

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

The credit risk exposure in relation to financial assets at amortised cost as at 31 March 2020 and 31 March 2019 is insignificant and accordingly no credit loss allowance is recognised as at 31 March 2020 and 31 March 2019.

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 on the statement of financial position are due within twelve months from the end of the reporting period and approximate the contractual undiscounted payments.

c) Fair values of financial instruments

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values due to the relatively short-term maturity of these financial instruments.

20 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 Society's fund management objectives or policies during the financial years ended 31 March 2020 and 31 March 2019.

21 Authorisation of financial statements

The financial statements of the Society for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Management Committee dated 16 July 2020.