

**ALIVE COMMUNITY NETWORK**

[UEN. T02SS0190K]

[Registered under the Societies Act (Chapter 311)  
in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 JULY 2021**

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**Fiducia LLP**

[UEN. T10LL0955L]

Public Accountants and  
Chartered Accountants of Singapore

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**STATEMENT BY THE MANAGEMENT COMMITTEE**

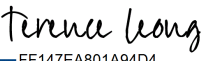
In the opinion of the Management Committee, the financial statements of Alive Community Network (the "Society") are drawn up so as to present fairly, in all material respects, the state of affairs of the Society as at 31 July 2021, and the results, changes in funds and cash flows of the Society for the financial year then ended.

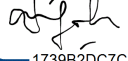
At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee appointed on 1 February 2021 and comprising of the following has, on the date of this statement, authorised the issue of the financial statements:

President	Leong Yoong Hwa Terence
Vice President	Ong Ah Chuan
Secretary	Chan Poh Kheng
Treasurer	Koh Hui Ling Pauline
Assistant Treasurer	Tan Wei Leng Pauline
Committee Member	Anil Sachdev S/O Danesh Kumar
Committee Member	Jenny Lam Hwee Ming
Committee Member	Bastien Koh Jie Min
Committee Member	Tu Harrick Iskandar

For and on behalf of the Management Committee,

DocuSigned by:  
  
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Leong Yoong Hwa Terence  
President

DocuSigned by:  
  
1739B2DC7C22420...  
Koh Hui Ling Pauline  
Treasurer

Singapore, 14 January 2022

## Fiducia LLP

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Independent auditor's report to the members of:

### **ALIVE COMMUNITY NETWORK**

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## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Alive Community Network (the "Society"), which comprise the statement of financial position as at 31 July 2021, and the statement of financial activities, statement of changes in 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 provision of 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 state of affairs of the Society as at 31 July 2021 and the results, changes in funds and cash flows of the Society for the financial year ended on that date.

### Basis for Opinion

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

Management is responsible for the other information. The other information comprises the Statement by the Management Committee (as set out on page 2), but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report, and the annual report which is expected to be made available to us after that date.

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.

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(CONT'D)

Independent auditor's report to the members of:

### **ALIVE COMMUNITY NETWORK**

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

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

In preparing the financial statements, management 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.

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(CONT'D)

Independent auditor's report to the members of:

### **ALIVE COMMUNITY NETWORK**

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations.

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

- (a) 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
- (b) the Society has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

DocuSigned by:  
  
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**Fiducia LLP**  
Public Accountants and  
Chartered Accountants

Singapore, 14 January 2022

Partner-in-charge: Gan Chek Huat  
PAB No: 01939

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**STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2021**

	Note	2021 S\$	2020 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	4	1,080,396	861,941
Other receivables	5	75,949	97,838
		<u>1,156,345</u>	<u>959,779</u>
<b>Non-current assets</b>			
Plant and equipment	6	<u>394,606</u>	<u>227,605</u>
<b>Total assets</b>		<u>1,550,951</u>	<u>1,187,384</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	7	17,848	20,445
Deferred capital grant	8	19,155	14,358
Deferred income	9	89,546	153,500
Lease liabilities	10	115,588	157,579
		<u>242,137</u>	<u>345,882</u>
<b>Non-current liabilities</b>			
Lease liabilities	10	225,697	0
Deferred capital grant	8	21,790	26,907
		<u>247,487</u>	<u>26,907</u>
<b>Total liabilities</b>		<u>489,624</u>	<u>372,789</u>
<b>NET ASSETS</b>		<u>1,061,327</u>	<u>814,595</u>
<b>FUNDS</b>			
<b>Unrestricted fund</b>			
Accumulated general fund	11.1	<u>1,029,453</u>	<u>815,117</u>
<b>Restricted funds</b>			
Resources fund	11.7	35,610	0
Paint of love	11.4	(3,736)	(522)
		<u>31,874</u>	<u>(522)</u>
<b>TOTAL FUNDS</b>		<u>1,061,327</u>	<u>814,595</u>

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

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021**

	Note	2021			2020		
		Unrestricted fund S\$	Restricted funds S\$	Total Funds S\$	Unrestricted fund S\$	Restricted funds S\$	Total funds S\$
<b>INCOME</b>							
Income from generating funds		190,411	35,910	226,321	263,361	45,000	308,361
Income from charitable activities		400,000	64,273	464,273	38,826	46,636	85,462
Other income		279,227	0	279,227	354,562	842	355,404
<b>Total income</b>	12	<u>869,638</u>	<u>100,183</u>	<u>969,821</u>	<u>656,749</u>	<u>92,478</u>	<u>749,227</u>
<b>EXPENDITURE</b>							
Costs of charitable activities		189,490	67,787	257,277	256,477	74,065	330,542
Governance and other administrative costs		465,812	0	465,812	358,473	0	358,473
<b>Total expenditure</b>	13	<u>655,302</u>	<u>67,787</u>	<u>723,089</u>	<u>614,950</u>	<u>74,065</u>	<u>689,015</u>
<b>NET INCOME FOR THE FINANCIAL YEAR</b>		214,336	32,396	246,732	41,799	18,413	60,212
<b>FUNDS BROUGHT FORWARD</b>		<u>815,117</u>	<u>(522)</u>	<u>814,595</u>	<u>773,318</u>	<u>(18,935)</u>	<u>754,383</u>
<b>FUNDS CARRIED FORWARD</b>		<u>1,029,453</u>	<u>31,874</u>	<u>1,061,327</u>	<u>815,117</u>	<u>(522)</u>	<u>814,595</u>

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

**STATEMENT OF CHANGES IN FUNDS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021**

	Balance at beginning of financial year S\$	Net income/ (expenditure) for the financial year S\$	Balance at end of financial year S\$
<b>2021</b>			
<b>Unrestricted fund</b>			
Accumulated general fund	<u>815,117</u>	<u>214,336</u>	<u>1,029,453</u>
<b>Restricted funds</b>			
Paint of love	(522)	(3,214)	(3,736)
Resources fund	<u>0</u>	<u>35,610</u>	<u>35,610</u>
	<u>(522)</u>	<u>32,396</u>	<u>31,874</u>
	<u>814,595</u>	<u>246,732</u>	<u>1,061,327</u>
	Balance at beginning of financial year S\$	Net income for the financial year S\$	Balance at end of financial year S\$
<b>2020</b>			
<b>Unrestricted fund</b>			
Accumulated general fund	<u>773,318</u>	<u>41,799</u>	<u>815,117</u>
<b>Restricted funds</b>			
Enhanced step up programme fund	(8,715)	8,715	0
Paint of love	<u>(10,220)</u>	<u>9,698</u>	<u>(522)</u>
	<u>(18,935)</u>	<u>18,413</u>	<u>(522)</u>
	<u>754,383</u>	<u>60,212</u>	<u>814,595</u>

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



**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021**

	Note	2021 S\$	2020 S\$
<b>Cash flows from operating activities</b>			
Net income for the financial year		246,732	60,212
Adjustment for:			
- Interest income		(2,603)	(1,034)
- Depreciation	6	205,290	267,900
- Gain on early termination of lease	10	(595)	0
- Interest expense on lease liabilities	10	3,184	4,067
Operating cash flow before changes in working capital		<u>452,008</u>	<u>331,145</u>
Changes in working capital			
- Other receivables		21,889	(8,174)
- Other payables		(2,597)	7,164
- Deferred capital grant		(320)	(9,132)
- Deferred income		(63,954)	47,875
<b>Net cash generated from operating activities</b>		<u>407,026</u>	<u>368,878</u>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	6	(22,847)	(9,635)
Interest received		2,603	1,034
<b>Net cash used in investing activities</b>		<u>(20,244)</u>	<u>(8,601)</u>
<b>Cash flows from financing activities</b>			
Principal payment of lease liabilities		(165,143)	(233,571)
Interest paid		(3,184)	(4,067)
<b>Net cash used in financing activities</b>		<u>(168,327)</u>	<u>(237,638)</u>
<b>Net increase in cash and cash equivalents</b>		218,455	122,639
Cash and cash equivalents at beginning of financial year		<u>861,941</u>	<u>739,302</u>
<b>Cash and cash equivalents at end of financial year</b>	4	<u>1,080,396</u>	<u>861,941</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 JULY 2021**

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

**1. General information**

Alive Community Network (the "Society") is registered under the Societies Act (Chapter 311) and Charities Act (Chapter 37). The registered office of the Society is located at 291 New Bridge Road, #02-10/11, The Oriental Plaza, Singapore 088756.

The principal activities of the Society are those of providing community services to needy individuals and families and members of the public.

The Society has been granted an Institutions of a Public Character ("IPC") status from 1 November 2020 until 31 October 2023.

In the accompanying notes to the financial statements, NCSS refers to "National Council of Social Service", and MSF refers to "Ministry of Social and Family Development".

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

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") and the disclosure requirements of the Societies Act (Chapter 311) and Charities Act (Chapter 37). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

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

**2.1.1 Interpretations and amendments to published standards effective in 2021**

In the current financial year, the Society adopted the new or amended FRSs and Interpretations to FRSs ("INT FRSs") that are mandatory for application for the financial year. Changes to the Society's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

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

## 2. Significant accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

#### 2.1.1 Interpretations and amendments to published standards effective in 2021

##### Adoption of Amendments to FRS 116 Leases – Related Rent Concessions

The Society has elected to early adopt the amendments to FRS 116 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

The Society has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of S\$55,459 was recognised as negative variable lease payments in the profit or loss during the year.

#### 2.1.2 Standards issued but not yet effective

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

Description	Annual periods commencing on
<b>Amendments to:</b>	
- FRS 109, FRS 39, FRS 107, FRS 104, FRS 116: Interest Rate Benchmark Reform – Phase 2	1 January 2021
- FRS 103 : Reference to the Conceptual Framework - FRS 16 : Property, Plant and Equipment – Proceeds before intended Use - FRS 37 : Onerous Contracts – Cost of Fulfilling a Contract Annual Improvements to FRSs 2018-2020	1 January 2022
<b>Amendments to:</b>	
- FRS 1 : Classification of Liabilities as Current or Non-current - FRS 1 : Disclosure of Accounting Policies - FRS 8 : Definition of Accounting Estimates - FRS 12 : Deferred tax related to Assets and Liabilities arising from a single transaction	1 January 2023
- FRS 110 and FRS 28 <i>Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture</i>	To be determined

The Management Committee believes that the adoption of the revised standards and interpretations above will have no material impact on the financial statements in the year of initial application.

### 2.2 Income recognition

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

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

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**2. Significant accounting policies (Cont'd)****2.2 Income recognition (Cont'd)**

Income is recognised as follows:

**2.2.1 Donations**

Donations are taken up and accrued as and when they are committed. Uncommitted donations, income from charity events and all income except as listed below, are recognised on receipt basis (i.e. at a point in time).

**2.2.2 Rental income**

Rental income is recognised on a straight-line basis over the lease term.

**2.2.3 Interest income**

Interest income from bank deposits is accrued on a time apportion basis using the effective interest method.

**2.2.4 Other income**

Other income is recognised when received.

**2.3 Government grants**

Government grants are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Society will comply with all the attached conditions.

When the government grants relates to an expense item, it is recognised in income or expenditure over the periods necessary to match them on a systematic basis to the costs that it is intended to compensate.

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to income or expenditure over the expected useful life of the relevant asset by equal annual instalments.

**2.4 Deferred capital grants**

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

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

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**2. Significant accounting policies (Cont'd)****2.5 Expenditure recognition**

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

**2.5.1 Cost of generating funds**

Costs that are directly attributable to the fund-raising activities are separated from those costs incurred in undertaking charitable activities.

**2.5.2 Cost of charitable activities**

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Society. The total costs of charitable expenditure are apportionment of overhead and shared costs.

**2.5.3 Governance and other administrative costs**

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

**2.6 Leases**

The Company 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 the Society is a lessee

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

**2.6.1 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). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

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 right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8. The Society's right-of-use assets are presented within plant and equipment as disclosed in Note 6.

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**2. Significant accounting policies (Cont'd)****2.6 Leases (Cont'd)**When the Society is a lessee (Cont'd)

## 2.6.2 Lease liabilities

At the commencement date of the lease, the Society recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed 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.

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

The Society's lease liabilities are disclosed in Note 10.

The Society has applied the amendment to FRS 116 Leases: Covid-19-Related Rent Concessions. The Society applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Society applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Society chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Society assesses whether there is a lease modification.

## 2.6.3 Short-term leases and leases of low-value assets

The Society applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

## 2.6.4 Variable lease payments

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

## **2. Significant accounting policies (Cont'd)**

### **2.6 Leases (Cont'd)**

#### When the Society is a lessor

In classifying a sublease, the Society as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Society derecognises the right-of-use asset relating to the head lease that it transfers to the sub-lessee and recognised the net investment in the sublease within "Trade and other receivables". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in the statement of comprehensive income. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

When the sublease is assessed as an operating lease, the Society recognises lease income from sublease in the statement of comprehensive income. The right-of-use asset relating to the head lease is not recognised as the Society has reassessed the classification of head lease and concluded that the lease do not contains a contract and the Society do not have the right to control the use of the identified asset for a period of time in exchange for consideration.

### **2.7 Plant and equipment**

#### 2.7.1 Measurement

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

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

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

#### 2.7.2 Depreciation

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

	Useful life
Furniture and fittings	3 years
Office equipment	3 years
Motor vehicles	10 years
Computers	1 year
Musical equipment	3 years
Air-conditioners	3 years
Leased premises	Over the remaining lease term

**2. Significant accounting policies (Cont'd)****2.7 Plant and equipment (Cont'd)**

## 2.7.2 Depreciation (Cont'd)

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

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

## 2.7.3 Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repairs and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

## 2.7.4 Disposal

On disposal of an item of plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities.

**2.8 Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost of disposal and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if; there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.



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**2. Significant accounting policies (Cont'd)****2.9 Financial assets****2.9.1 Classification and measurement**

The Society classifies its financial assets as at amortised cost category.

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

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

**At initial recognition**

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

**At subsequent measurement**

Debt instruments of the Society mainly comprise of cash and cash equivalents and other receivables.

There are three subsequent measurement categories, depending on the Society's business model for managing the asset and the cash flow characteristics of the asset. Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

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

**2.9.2 Impairment**

The Society assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

**2.9.3 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.

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

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**2. Significant accounting policies (Cont'd)****2.10 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits with financial institution, which are subject to an insignificant risk of change in value.

**2.11 Financial liabilities**

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

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

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

**2.12 Other payables**

Other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method. Accruals are recognised at the best estimate of amount payable.

**2.13 Provisions for other liabilities and charges**

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

**2.14 Employee benefits****2.14.1 Defined contribution plans**

The Society makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed. The Society has no further payment obligations once the contributions have been paid.

**2.14.2 Employee leaves entitlement**

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

**2. Significant accounting policies (Cont'd)****2.15 Borrowing costs**

Borrowing costs are recognised in the statement of financial activities using the effective interest method. Borrowing costs may include interest in respect of lease liability recognised in accordance with FRS 116.

**2.16 Borrowings**

Borrowings are initially recognised at their fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and their redemption values is recognised in the statement of financial activities over the period of borrowings using the effective interest method.

Borrowings, which are due to be settled within twelve months after the reporting date, are included in current borrowings in the statement of financial position.

**2.17 Funds**

Monies received for specific purposes, including transfers from the general funds, are credited directly to the respective funds in the financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Society that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors or with their authority or created through legal process but are still within the wider objects of the Society. Unrestricted funds are expendable at the discretion of the Society's Management Committee in furtherance of the Society objects. Designated funds are part of the unrestricted funds earmarked for a particular object. The designation is for administrative purpose only and does not restrict the Society's discretion to apply funds.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

Funds received for the specific purposes such as purchase of depreciable assets are taken to relevant designated funds account. The relevant funds will be reduced over the useful life of the asset in line with its depreciation. Depreciation is charged to the relevant designated funds where the asset is held.

**2.18 Contingencies**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

**2.19 Events after the reporting date**

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

**3. Critical accounting estimates, assumptions and judgements**

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

**3.1 Critical accounting estimates and assumptions**

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**3.1.1 Useful lives of plant and equipment**

Management determines the estimated useful lives and the related depreciation for its plant and equipment based on the period over which the plant and equipment are expected to provide economic benefits. Management's estimation of the useful lives of plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimation of the useful lives of the plant and equipment could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of plant and equipment. The depreciation charge is increased where useful lives are less than previously estimated lives.

The carrying value of the Society's plant and equipment was disclosed in Note 6 to the financial statements.

Based on Management's assessment, no change in the estimated useful lives of plant and equipment are required as of 31 July 2021 and 31 July 2020.

**3.1.2 Impairment of plant and equipment**

Plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. This requires an estimation of the value in use of the cash-generating units. Estimating the value in use requires the Society to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

**3.2 Critical judgements in applying the entity's accounting policies**

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

**3.2.1 Government grants**

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

#### 4. Cash and cash equivalents

	2021 S\$	2020 S\$
Cash on hand	435	387
Cash at banks	822,485	606,554
Fixed deposits	257,476	255,000
	<u>1,080,396</u>	<u>861,941</u>

The fixed deposits have average maturity periods of 3 months (2020: 3 months) from the financial year-end and average interest rate at 0.40% (2020: 1.15%) per annum. Fixed deposits are included as cash and cash equivalents as these can be readily converted into cash without incurring significant penalty.

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

#### 5. Other receivables

	2021 S\$	2020 S\$
Deposits	74,503	89,394
Grant receivables – Jobs Support Scheme	0	8,444
Prepayments	1,446	0
	<u>75,949</u>	<u>97,838</u>

Deposits mainly refer to security deposit in relation to the finance lease for the use of the premises and facilities.

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees (Singapore citizens and Permanent Residents) during this period of economic and pandemic uncertainty. JSS payouts are intended to offset local employees' wages and help protect their jobs.

At the reporting date, the carrying amounts of other receivables approximate their fair value.

## 6. Plant and equipment

	Note	Furniture and fittings S\$	Office equipment S\$	Motor vehicles S\$	Computers S\$	Musical equipment S\$	Air- conditioners S\$	Leased premises S\$	Total S\$
<b>Cost</b>									
At 31 July 2019		7,908	47,877	103,399	10,035	11,743	1,379	0	182,341
Effects of adopting FRS 116		0	0	0	0	0	0	391,150	391,150
At 1 August 2019		7,908	47,877	103,399	10,035	11,743	1,379	391,150	573,491
Additions		0	0	0	9,357	278	0	0	9,635
At 31 July 2020		7,908	47,877	103,399	19,392	12,021	1,379	391,150	583,126
Additions		0	636	0	22,211	0	0	408,117	430,964
Disposals		0	(398)	0	0	0	0	(391,150)	(391,548)
Reclassification		0	(2,538)	0	2,538	0	0	0	0
At 31 July 2021		7,908	45,577	103,399	44,141	12,021	1,379	408,117	622,542
<b>Accumulated depreciation</b>									
At 31 July 2019		5,707	30,038	31,020	10,035	9,902	919	0	87,621
Depreciation charge	13	2,201	15,890	10,340	2,402	1,919	460	234,688	267,900
At 31 July 2020		7,908	45,928	41,360	12,437	11,821	1,379	234,688	355,521
Depreciation charge	13	0	2,038	10,340	15,676	92	0	177,144	205,290
Disposals		0	(398)	0	0	0	0	(332,477)	(332,875)
Reclassification		0	(2,538)	0	2,538	0	0	0	0
At 31 July 2021		7,908	45,030	51,700	30,651	11,913	1,379	79,355	227,936
<b>Carrying amount</b>									
At 31 July 2020		0	1,949	62,039	6,955	200	0	156,462	227,605
At 31 July 2021		0	547	51,699	13,490	108	0	328,762	394,606

Right of use assets acquired under leasing arrangements are presented together with the owned assets at the same class. Details of such leased assets are disclosed in Note 10.

## 6. Plant and equipment (Cont'd)

During the financial year, depreciation was charged to the following funds:

	Note	2021 S\$	2020 S\$
<b>Unrestricted fund</b>			
Accumulated general funds		<u>182,124</u>	<u>249,133</u>
<b>Restricted fund</b>			
Care and share grant	13	19,617	18,424
ComChest Covid-19	13	1,716	343
Charity Support Fund	13	<u>1,833</u>	<u>0</u>
		<u>23,166</u>	<u>18,767</u>
		<u>205,290</u>	<u>267,900</u>

## 7. Other payables

	2021 S\$	2020 S\$
Accruals	13,521	11,001
Deposit received	1,000	1,000
Deferred grants – Jobs Support Scheme	0	8,444
Other creditors	<u>3,327</u>	<u>0</u>
	<u>17,848</u>	<u>20,445</u>

The deferred grant income – Jobs Support Scheme (JSS) will be recognised as a grant income, on a systematic basis, over the estimated months of economic uncertainty in which the entity recognises the related salary costs.

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

## 8. Deferred capital grants

	Note	2021 S\$	2020 S\$
Balance at the beginning of financial year		41,265	50,397
Reclassified from deferred income	9	22,846	9,635
Amortisation	6	<u>(23,166)</u>	<u>(18,767)</u>
Balance at end of financial year		<u>40,945</u>	<u>41,265</u>
		2021 S\$	2020 S\$
Not later than one year		19,155	14,358
Later than one year but not later than five years		<u>21,790</u>	<u>26,907</u>
		<u>40,945</u>	<u>41,265</u>

The deferred capital grants account for the purchase of capital assets via utilisations of restricted funds less accumulated amortisation which are matched to the depreciation charges of the corresponding equipment acquired using the funds.

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## 9. Deferred income

	Note	2021 S\$	2020 S\$
Balance at the beginning of financial year		153,500	105,625
Grants received during the financial year		0	77,028
Utilisation during the financial year:			
- Care and share grant	11	(13,360)	(19,518)
- Charity support fund	11	(27,748)	0
- Reclassified to deferred capital grants	8	(22,846)	(9,635)
Balance at the end of financial year		<u>89,546</u>	<u>153,500</u>

This represents Care and Share grant, Community Chest Covid-19 Fund and Charity Support Fund received in advance from NCSS and the objectives are disclosed in Note 11.3 and Note 11.5.

## 10. Leases

### 10.1 Society as a lessee

(a) Carrying amount of right-of-use assets ("ROU") classified within plant and equipment

	Note	2021 S\$	2020 S\$
Leased premises	6	<u>328,762</u>	<u>156,462</u>

(b) Lease liabilities

	2021 S\$	2020 S\$
Current	115,588	157,579
Non-current	<u>225,697</u>	<u>0</u>
	<u>341,285</u>	<u>157,579</u>

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

	1 August 2020 S\$	Additions S\$	Adjustments* S\$	Cash flows S\$	Non-cash changes		31 July 2021 S\$
					Accretion of interests S\$	Other S\$	
Current	157,579	0	(59,268)	(168,327)	3,184	182,420	115,588
Non-current	0	408,117	0	0	0	(182,420)	225,697
	<u>157,579</u>	<u>408,117</u>	<u>(59,268)</u>	<u>(168,327)</u>	<u>3,184</u>	<u>0</u>	<u>341,285</u>

	1 August 2019 S\$	Cash flows S\$	Non-cash changes		31 July 2020 S\$
			Accretion of interests S\$	Other S\$	
Current	233,571	(237,638)	4,067	157,579	157,579
Non-current	157,579	0	0	(157,579)	0
	<u>391,150</u>	<u>(237,638)</u>	<u>4,067</u>	<u>0</u>	<u>157,579</u>

\*Adjustments refer to the remaining balance of the lease liabilities adjusted during the financial year due to early termination of one of the lease agreement.



## 10. Leases (Cont'd)

### 10.1 Society as a lessee (Cont'd)

(c) Amount recognised in the statement of financial activities

	Note	2021 S\$	2020 S\$
Depreciation	6	177,144	234,688
Interest expense on lease liabilities	13	3,184	4,067
Gain on early termination of lease		(595)	0
Lease expense not capitalised in lease liabilities:			
- Expense relating to services	13	118,819	118,819
- Income from subleasing right-of-use assets	12		
		<u>(154,001)</u>	<u>(285,949)</u>
		<u>144,551</u>	<u>71,625</u>

#### Subleases – Classified as operating leases

The Society acts as an intermediate lessor under license arrangement in which it subleases out premises to a related party for monthly lease payment. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

The undiscounted lease receivables from the operating leases to be collected after the reporting date, are as follows:

	2021 S\$	2020 S\$
Within one year	190,110	230,043
Later than one year but not later than five years	<u>316,850</u>	<u>506,960</u>
	<u>506,960</u>	<u>737,003</u>

(d) Total cash outflow:

During the financial year, the Society had total cash outflows for leases of S\$287,146 in 2021 (2020: S\$356,457).

**11. Funds****11.1 Accumulated general fund**

Accumulated general fund is expendable at the discretion of the Management Committee in furtherance of the Society's objects.

**11.2 Enhanced step-up programme fund ("ESU")**

Enhanced step-up is a school social work programme introduced to support out of school youths and at-risk children through casework, counselling, family intervention and life skills training. ESU programme has been ended in March 2018 and last back-payment of funding was received in January 2020.

**11.3 Care and share grant**

The care and share matching grant is a national fund-raising and volunteerism movement for the social service sector. It aims to bring the nation together to show care and concern for the less fortunate, to recognise the contributions made by voluntary welfare organisations (VWOs) and to invest in building capability in the social service sector to meet future needs of the community. The Society is a qualifying VWO under the Care and Share scheme.

The balance of the grant received in advance as at the reporting date is included in Note 9.

**11.4 Paint of love**

Paint of love is an initiative of the Society to improve the lives of low income households in Singapore by providing their homes a fresh coat of paint and help make small fixtures/ repair where possible. These improvements help families to live in better conditions and thus a better quality of life.

**11.5 Community Chest**

Community Chest ("ComChest") was established in 1983 to raise funds for the many social service agencies in Singapore. The public funds raised through Community Chest are channelled to programmes that provide direct social support services and are relevant and critical to helping the disadvantaged. Periodic reviews of services are done to check for viability, effectiveness and relevance of programmes.

**11.5.1 ComChest Covid-19**

ComChest Covid-19 aim to support social service agencies in dealing with the current COVID-19 situation in areas such as strengthen business continuity measures, carry out professional cleaning and disinfection works for premises, and purchase personal protective equipment to ensure safety of staff and service users.

**11.5.2 Charity Support Fund**

Charity Support Fund is a fund to provide funding support for smaller and under-supported charities to run programmes that empower social service users and families, support their capital expenses to improve service quality and efficiency, and build their capability for community engagements to benefit the service users.

**11.6 Resources Fund**

Resources Fund is a fund set up to support manpower costs.

## 12. Income

	Note	Unrestricted fund	Restricted funds					Total restricted funds S\$	Total funds S\$
		Accumulated general fund S\$	Care and share grant S\$	Paint of love S\$	ComChest Covid-19 S\$	Charity Support Fund S\$	Resources Fund S\$		
<b>2021</b>									
<b>Income from generating funds</b>									
<i>At a point in time</i>									
- Non-tax deductible donations		58,056	0	0	0	0	0	0	58,056
- Tax deductible donations	15	131,925	0	300	0	0	35,610	35,910	167,835
- Community program		70	0	0	0	0	0	0	70
NCSS Funds- Singtel sponsorship		360	0	0	0	0	0	0	360
		<u>190,411</u>	<u>0</u>	<u>300</u>	<u>0</u>	<u>0</u>	<u>35,610</u>	<u>35,910</u>	<u>226,321</u>
<b>Income from charitable activities</b>									
Care and share grants		0	32,976	0	0	0	0	32,976	32,976
Community chest Covid-19 fund		0	0	0	1,716	0	0	1,716	1,716
Charity support fund		0	0	0	0	29,581	0	29,581	29,581
Bicentennial community fund		400,000	0	0	0	0	0	0	400,000
		<u>400,000</u>	<u>32,976</u>	<u>0</u>	<u>1,716</u>	<u>29,581</u>	<u>0</u>	<u>64,273</u>	<u>464,273</u>
<b>Other income</b>									
Government paid leave		1,296	0	0	0	0	0	0	1,296
Miscellaneous income		79,808	0	0	0	0	0	0	79,808
Rental income*		154,001	0	0	0	0	0	0	154,001
Interest income		2,603	0	0	0	0	0	0	2,603
Special employment credit		1,837	0	0	0	0	0	0	1,837
Jobs Support Scheme		26,248	0	0	0	0	0	0	26,248
Wage credit scheme		13,434	0	0	0	0	0	0	13,434
		<u>279,227</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>279,227</u>
<b>Total income</b>		<u>869,638</u>	<u>32,976</u>	<u>300</u>	<u>1,716</u>	<u>29,581</u>	<u>35,610</u>	<u>100,183</u>	<u>969,821</u>

\* Rental income, net of rental waiver and property tax rebate of S\$76,042 given to sub-lessee.

## 12. Income (Cont'd)

	Note	Unrestricted fund	Restricted funds				Total restricted funds S\$	Total funds S\$
		Accumulated general fund S\$	Enhanced step-up programme S\$	Care and share grant S\$	Paint of love S\$	ComChest Covid-19 S\$		
<b>2020</b>								
<b>Income from generating funds</b>								
<u>At a point in time</u>								
- Non tax deductible donations		82,945	0	0	0	0	0	82,945
- Tax deductible donations	15	179,456	0	0	45,000	0	45,000	224,456
- Marriage preparation programme		600	0	0	0	0	0	600
NCSS Funds- Singtel sponsorship		360	0	0	0	0	0	360
		<u>263,361</u>	<u>0</u>	<u>0</u>	<u>45,000</u>	<u>0</u>	<u>45,000</u>	<u>308,361</u>
<b>Income from charitable activities</b>								
ESU MSF grants		29,470	8,715	0	0	0	8,715	38,185
ESU Comchest grants		5,991	0	0	0	0	0	5,991
Care and share grants		3,365	0	29,062	0	0	29,062	32,427
Community Chest Covid-19 fund		0	0	0	0	1,284	1,284	1,284
Deferred capital grant		0	0	7,575	0	0	7,575	7,575
		<u>38,826</u>	<u>8,715</u>	<u>36,637</u>	<u>0</u>	<u>1,284</u>	<u>46,636</u>	<u>85,462</u>
<b>Other income</b>								
Miscellaneous income		0	0	0	842	0	842	842
SG training grant		300	0	0	0	0	0	300
Room bookings		9,400	0	0	0	0	0	9,400
Rental income		290,749	0	0	0	0	0	290,749
Interest income		1,034	0	0	0	0	0	1,034
Special employment credit		1,017	0	0	0	0	0	1,017
Jobs Support Scheme		42,929	0	0	0	0	0	42,929
Wage credit scheme		9,133	0	0	0	0	0	9,133
		<u>354,562</u>	<u>0</u>	<u>0</u>	<u>842</u>	<u>0</u>	<u>842</u>	<u>355,404</u>
<b>Total income</b>		<u>656,749</u>	<u>8,715</u>	<u>36,637</u>	<u>45,842</u>	<u>1,284</u>	<u>92,478</u>	<u>749,227</u>

### 13. Expenditure

	Note	Unrestricted fund	Restricted fund				Total restricted funds S\$	Total funds S\$
		Accumulated general fund S\$	Care and share grant S\$	Paint of love S\$	ComChest Covid-19 S\$	Charity Support Fund S\$		
<b>2021</b>								
<b>Cost of charitable activities</b>								
Communications		157	0	0	0	150	150	307
Depreciation	6	182,124	19,617	0	1,716	1,833	23,166	205,290
Insurance		3,797	0	1,728	0	0	1,728	5,525
Interest expense on lease liabilities	10	3,184	0	0	0	0	0	3,184
IT expenses		0	827	0	0	0	827	827
Labour		0	150	560	0	0	710	710
Material		0	2,805	458	0	0	3,263	3,263
Repair and maintenance		161	0	567	0	0	567	728
Road tax		0	0	95	0	0	95	95
Software expense		0	0	0	0	749	749	749
Staff salaries		0	0	0	0	22,948	22,948	22,948
Staff CPF		0	0	0	0	3,901	3,901	3,901
Staff travelling expenses		0	315	36	0	0	351	351
Printing and stationery		67	166	0	0	0	166	233
Refreshments		0	0	70	0	0	70	70
Trainer's Fees		0	5,995	0	0	0	5,995	5,995
Training		0	3,101	0	0	0	3,101	3,101
		<u>189,490</u>	<u>32,976</u>	<u>3,514</u>	<u>1,716</u>	<u>29,581</u>	<u>67,787</u>	<u>257,277</u>

### 13. Expenditure (Cont'd)

	Unrestricted fund	Restricted fund					Total funds S\$
	Accumulated general fund S\$	Care and share grant S\$	Paint of love S\$	ComChest Covid-19 S\$	Charity Support Fund S\$	Total restricted funds S\$	
<b>2021 (Cont'd)</b>							
<b>Governance and other administrative costs</b>							
Accounting and audit fees	4,815	0	0	0	0	0	4,815
Appreciation gifts	743	0	0	0	0	0	743
Bank charges	337	0	0	0	0	0	337
Get-well baskets/wreaths	77	0	0	0	0	0	77
Labour	760	0	0	0	0	0	760
Legal/stamping fees	2,887	0	0	0	0	0	2,887
Office pantry	115	0	0	0	0	0	115
Other fees	2,641	0	0	0	0	0	2,641
Professional fees	53,010	0	0	0	0	0	53,010
Service expense	118,819	0	0	0	0	0	118,819
Staff salaries	214,079	0	0	0	0	0	214,079
Staff CPF	37,799	0	0	0	0	0	37,799
Staff bonus	23,028	0	0	0	0	0	23,028
Staff Hong Bao	143	0	0	0	0	0	143
Staff SDL	597	0	0	0	0	0	597
Staff insurance	600	0	0	0	0	0	600
Staff medical	245	0	0	0	0	0	245
Staff mobile	1,250	0	0	0	0	0	1,250
Staff dental	26	0	0	0	0	0	26
Staff refreshments	45	0	0	0	0	0	45
Utilities	3,796	0	0	0	0	0	3,796
	<u>465,812</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>465,812</u>
<b>Total expenditure</b>	<u>655,302</u>	<u>32,976</u>	<u>3,514</u>	<u>1,716</u>	<u>29,581</u>	<u>67,787</u>	<u>723,089</u>

### 13. Expenditure (Cont'd)

	Note	Unrestricted fund	Restricted funds				Total restricted funds S\$	Total funds S\$
		Accumulated general fund S\$	Enhanced step-up programme S\$	Care and share grant S\$	Paint of love S\$	ComChest Covid-19 S\$		
<b>2020</b>								
<b>Cost of charitable activities</b>								
Depreciation	6	249,133	0	18,424	0	343	18,767	267,900
Insurance		2,140	0	0	1,826	0	1,826	3,966
Interest expense on lease liabilities		4,067	0	0	0	0	0	4,067
IT expenses		0	0	37	0	0	37	37
Labour		0	0	210	1,280	0	1,490	1,490
Material		0	0	1,019	1,470	0	2,489	2,489
Repair and maintenance		868	0	0	3,143	941	4,084	4,952
Staff salaries		0	0	0	24,000	0	24,000	24,000
Staff bonus		0	0	0	4,000	0	4,000	4,000
Staff travelling expenses		0	0	0	225	0	225	225
Printing and stationery		269	0	5	0	0	5	274
Programme		0	0	2,164	0	0	2,164	2,164
Refreshments		0	0	598	200	0	798	798
Trainer's fees		0	0	12,660	0	0	12,660	12,660
Training		0	0	1,520	0	0	1,520	1,520
		<u>256,477</u>	<u>0</u>	<u>36,637</u>	<u>36,144</u>	<u>1,284</u>	<u>74,065</u>	<u>330,542</u>

### 13. Expenditure (Cont'd)

	Unrestricted fund	Restricted funds				Total restricted funds S\$	Total funds S\$
	Accumulated general fund S\$	Enhanced step-up programme S\$	Care and share grant S\$	Paint of love S\$	ComChest Covid-19 S\$		
<b>2020 (Cont'd)</b>							
<b>Governance and other administrative costs</b>							
Audit fees	7,169	0	0	0	0	0	7,169
Appreciation gifts	170	0	0	0	0	0	170
Bank charges	176	0	0	0	0	0	176
Marriage preparation programme fees	600	0	0	0	0	0	600
Office pantry	6	0	0	0	0	0	6
Other fees	2,331	0	0	0	0	0	2,331
Service expense	118,819	0	0	0	0	0	118,819
Staff salaries	168,918	0	0	0	0	0	168,918
Staff CPF	34,191	0	0	0	0	0	34,191
Staff bonus	16,407	0	0	0	0	0	16,407
Staff Hong Bao	143	0	0	0	0	0	143
Staff SDL	476	0	0	0	0	0	476
Staff insurance	1,200	0	0	0	0	0	1,200
Staff medical	583	0	0	0	0	0	583
Staff mobile	1,462	0	0	0	0	0	1,462
Staff dental	19	0	0	0	0	0	19
Utilities	5,803	0	0	0	0	0	5,803
	<u>358,473</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>358,473</u>
<b>Total expenditure</b>	<u>614,950</u>	<u>0</u>	<u>36,637</u>	<u>36,144</u>	<u>1,284</u>	<u>74,065</u>	<u>689,015</u>



#### 14. Income tax

The Society is a registered charity organisation since 19 August 2004. As such, it is exempt from income tax under Section 13 of the Income Tax Act.

#### 15. Tax-exempt receipts

The Society is a member of NCSS and an IPC. Tax-exempt receipts issued for donations received during the financial year as follows:

	Note	2021 S\$	2020 S\$
<b>Income from generating funds</b>			
- Tax deductible donations	12	<u>167,835</u>	<u>224,456</u>

#### 16. Related party transactions

##### 16.1 Related party transactions and balances

In addition to the related parties' information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	2021 S\$	2020 S\$
<b>Alive Community Church - common significant influence</b>		
- Rental income	154,001	285,949
- Professional fee	53,010	0
- Donations	40,126	72,000
- Share cost – Business Protector Insurance	(1,657)	0
<b>Key management personnel</b>		
- Donations	<u>14,400</u>	<u>11,800</u>

##### 16.2 Key management personnel

Key management personnel are that staff who has the authority and responsibility for planning, directing and controlling the activities of the Society, directly and indirectly. The remuneration received during the financial year is as follows:

	2021 S\$	2020 S\$
<b>Short-term employment benefit</b>		
- Salaries, bonuses and others	26,000	24,000
<b>Post-employment benefit</b>		
- Contributions to CPF	<u>4,420</u>	<u>4,080</u>

In 2021 and 2020, none of the key management personnel received an annual remuneration more than S\$100,000.

Members of the Management Committee are volunteers and none received any remuneration or reimbursements during 2021 and 2020.

## 17. Financial instruments

The carrying amount of financial assets and liabilities of the Society as at the financial reporting date are as follows:

	2021 S\$	2020 S\$
Financial assets, at amortised cost	1,154,899	959,779
Financial liabilities, at amortised cost	<u>359,133</u>	<u>169,580</u>

## 18. Financial risk management

The Society is exposed to financial risks arising from its activities and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. The Management Committee reviews and agrees policies and procedures for the management of these risks, which are executed by the committee.

The Society has limited exposure to the following risk through its activities:

### 18.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society. The Society has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Society performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

#### Exposure to credit risk

The Society has no significant concentration of credit risk. The Society has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

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

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

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

There are no financial assets that are either past due or impaired for the financial year ended 31 July 2021 and 31 July 2020.

### 18.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rates. The Society's exposure to interest rate risk arises primarily from their cash and cash equivalents and borrowings.

The Society does not expect any significant effect on the Society's income or expenditure arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

## 18. Financial risk management (Cont'd)

### 18.2 Interest rate risk (Cont'd)

#### Sensitivity analysis for interest rate risk

At the reporting date, the interest rate profile of the Society's interest-bearing financial instruments was as follows:

	2021 S\$	2020 S\$
<b>Fixed rate instruments</b>		
<u>Financial assets</u>		
Fixed deposits	<u>257,476</u>	<u>255,000</u>
<u>Financial liabilities</u>		
Lease liabilities	<u>341,285</u>	<u>157,579</u>

The sensitivity analysis is based on changes in the interest rates of variable rate financial instruments.

Sensitivity analysis for interest rate risk is not presented as the Society do not have significant exposure to market risk for changes in interest rate.

At the reporting date, the Society does not have variable rate interest-bearing financial instruments.

### 18.3 Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting its financial obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

Management monitors and ensures that the Society maintains a level of cash and cash equivalents deemed adequate to finance the Society's activities.

The table below summarises the maturity profile of the Society's financial assets and liabilities at the end of the reporting date based on the contractual undiscounted repayment obligations:

2021	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>Financial assets, at amortised cost</b>			
Cash and cash equivalents	1,080,396	0	1,080,396
Other receivables, excluding prepayments	<u>74,503</u>	<u>0</u>	<u>74,503</u>
	<u>1,154,899</u>	<u>0</u>	<u>1,154,899</u>
<b>Financial liabilities, at amortised cost</b>			
Other payables	(17,848)	0	(17,848)
Lease liabilities	<u>(118,819)</u>	<u>(227,736)</u>	<u>(346,555)</u>
	<u>(136,667)</u>	<u>(227,736)</u>	<u>(364,403)</u>
	<u>1,018,232</u>	<u>(227,736)</u>	<u>790,496</u>

## 18. Financial risk management (Cont'd)

### 18.3 Liquidity risk (Cont'd)

2020	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>Financial assets, at amortised cost</b>			
Cash and cash equivalents	861,941	0	861,941
Other receivables, excluding prepayments	97,838	0	97,838
	<u>959,779</u>	<u>0</u>	<u>959,779</u>
<b>Financial liabilities, at amortised cost</b>			
Other payables (excluding deferred grants- JSS)	(12,001)	0	(12,001)
Lease liabilities	(158,425)	0	(158,425)
	<u>(170,426)</u>	<u>0</u>	<u>(170,426)</u>
	<u>789,353</u>	<u>0</u>	<u>789,353</u>

## 19. Fair values

As at 31 July 2021, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values due to their short-term nature.

The carrying amount of non-current lease liabilities approximate their fair values as they are subject to interest rate close to market rate of interests for similar arrangements with financial institutions.

## 20. Fund management

The primary objective of the Society is to ensure it maintains sufficient cash in order to support its activities. Its approach to management of funds is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

## 21. Reserve position and policy

The Society's reserves position for financial year ended 31 July 2021 and 2020 are as follows:

		2021	2020	Increase
		S\$'000	S\$'000	%
A	Unrestricted funds			
	Accumulated general fund	1,029	815	26.26
B	Restricted or designated funds			
	Restricted funds	32	(1)	3,300
C	Endowment fund	0	0	
D	Total funds	1,061	814	30.34
E	Total annual operating expenditure	723	689	4.93
F	Ratio of funds to annual operating expenditure (A/E)	1.42	1.18	

Reference:

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

The Society's reserve policy is as follows:

The reserve of the Society provide financial stability and the means for the development of the Society's activities. The Management Committee intends to maintain the reserves at a level sufficient for its operating needs. The Society reviews the level of reserves regularly for the Society's continuing obligations.

## 22. Management of conflict of interest

There are no paid staff in the Society's Management Committee members.

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

**23. Impact of COVID-19 (Coronavirus Disease 2019)**

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Society's significant operations are in Singapore which have been affected by the spread of COVID-19 in 2020. The nature of the Society's business are those of activities relating to providing community services and tuition classes to needy individuals and families and members of the public. The impact of COVID-19 on the Society's financial performance reflected in this set of financial statements for the year ended 31 July 2021 are summarised below:

- i. The Society has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Management Committee are continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to its service disruption.
- ii. The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020 to 1 June 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and the Society's physical operations were temporarily closed to adhere to the respective governments' movement control measures.
- iii. In 2021, the Society has received rental rebates for its office rental and also provided rental concessions to sub-tenant, a related party, for co-sharing of the Society's premises. Rental concessions received is recorded under Miscellaneous Income and rental concessions provided to its related party is treated as reduction of Rental Income, as disclosed in Note 12. The government has also implemented assistance measures which might mitigate some of the impact of COVID-19 on the Society's results and liquidity.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Society cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 July 2022. If the situation persists beyond management's current expectations, the Society's assets may be subject to further write downs in the subsequent financial.

**24. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Management Committee of the Society on 14 January 2022.