

## **ONE HOPE CENTRE**

[UEN. T04SS0143E]

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

### **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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## **Fiducia LLP**

[UEN. T10LL0955L]

Public Accountants and  
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**STATEMENT BY THE MANAGEMENT COMMITTEE**

In the opinion of the Management Committee, the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of One Hope Centre (the "Society") as at 31 December 2020, and the results, changes in funds and cash flows of the Society for the 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, comprising the following, authorised the issue of these financial statements on 28 May 2021.

President	Chuah Chee Kian Christopher
Vice President	Lim Choon Liang James
Vice President	Lau Wan Keong
Vice President	Leong Lai Hoong Vivien
Secretary	Lee Geok Chiau Grace
Treasurer	Chung Gay Leong David
Member	Tan Ee Ching
Member	Chua Ying Hwee

For and on behalf of the Management Committee,

  
\_\_\_\_\_  
Chuah Chee Kian Christopher  
President

  
\_\_\_\_\_  
Chung Gay Leong David  
Treasurer

Singapore, 28 May 2021

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Independent auditor's report to the members of:

### **ONE HOPE CENTRE**

[UEN. T04SS0143E]  
[Registered under the Societies Act (Chapter 311)  
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## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of One Hope Centre (the "Society"), which comprise the statement of financial position of the Society as at 31 December 2020, the statement of financial activities, statement of changes in funds and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the 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 December 2020 and the results, changes in 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**

Management is responsible for the other information. The other information comprises the Statement by the Management Committee (set out on page 2) 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.

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(CONT'D)

Independent auditor's report to the members of:

### **ONE HOPE CENTRE**

[UEN. T01SS0059B]  
[Registered under the Societies Act (Chapter 311)  
in the Republic of Singapore]

## **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.
- 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.

## Fiducia LLP

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(CONT'D)

Independent auditor's report to the members of:

### **ONE HOPE CENTRE**

[UEN. T04SS0143E]  
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### **Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)**

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

- 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.

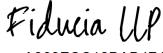
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **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, the Charities Act and Regulations.

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

- 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, 28 May 2021

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

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds S\$	
		Accumulated general fund S\$	Care & Share fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	President's challenge S\$	VCF funding S\$		Invictus fund S\$
<b>2020</b>									
<b>INCOME</b>									
<b>Income from generated funds</b>									
<u>Voluntary income</u>									
Donation from individuals	6	19,390	0	1,000	0	0	0	0	20,390
Donation from churches	6	14,368	0	0	0	0	0	0	14,368
Donation from organisations	6	210,000	0	0	0	0	0	0	210,000
Fund-raising proceeds	6	18,610	0	0	0	0	0	0	18,610
Subscription fee	5	1,000	0	0	0	0	0	0	1,000
BCF grant		400,000	0	0	0	0	0	0	400,000
NCSS grants		3,359	0	0	0	0	2,829	50,000	56,188
Jobs Support Scheme		75,623	0	0	0	0	0	0	75,623
		<u>742,350</u>	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>2,829</u>	<u>50,000</u>	<u>796,179</u>
<b>Other income</b>									
Special employment credit		4,383	0	0	0	0	0	0	4,383
Wages credit scheme		10,249	0	0	0	0	0	0	10,249
Miscellaneous income		3,316	0	0	0	0	0	0	3,316
		<u>17,948</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>17,948</u>
Total income		<u>760,298</u>	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>2,829</u>	<u>50,000</u>	<u>814,127</u>

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

	Note	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds S\$
		Accumulated general fund S\$	Care & Share fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	President's challenge S\$	VCF funding S\$	
<b>2020 (CONT'D)</b>								
<b>EXPENDITURE</b>								
<b>Cost of charitable activities</b>								
Capability building expenses		0	26,103	0	0	0	0	26,103
Capacity building expenses		0	2,851	0	0	0	0	2,851
Depreciation	9	39,818	1,797	0	0	0	8,040	49,655
Fundraising expenses		24	0	0	0	0	0	24
Honorarium		0	0	0	0	200	0	200
Lifeboat fund expense		0	0	4,500	0	0	0	4,500
Love gifts and support		0	0	0	1,200	0	0	1,200
Monthly 1st Sat. fellowship		0	0	0	0	1,144	0	1,144
New initiatives		0	35,565	0	0	0	0	35,565
Operating lease expense								
- rental		869	0	0	0	1,312	0	2,181
Refreshment and foods		0	0	0	0	4	0	4
Staff CPF & SDL		36,731	0	0	0	0	0	36,731
Staff insurance		13,536	0	0	0	0	0	13,536
Staff medical fee		2,353	0	0	0	0	0	2,353
Staff salaries and AWS		239,060	0	0	0	0	41,960	281,020
Staff welfare		390	0	0	0	0	0	390
Staff foreign worker		5,850	0	0	0	0	0	5,850
Utilities		1,914	0	0	0	0	0	1,914
Volunteers activities		2,066	0	0	0	0	0	2,066
		<u>342,611</u>	<u>66,316</u>	<u>4,500</u>	<u>1,200</u>	<u>2,660</u>	<u>0</u>	<u>467,287</u>

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

	Note	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds S\$	
		Accumulated general fund S\$	Care & Share fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	President's challenge S\$	VPF funding S\$		Invictus fund S\$
<b>2020 (CONT'D)</b>									
<b>EXPENDITURE (CONT'D)</b>									
<b>Governance and administrative costs</b>									
Accounting fee		5,850	0	0	0	0	1,950	0	7,800
Audit fee		6,206	0	0	0	0	0	0	6,206
Bank charges		98	0	0	0	0	0	0	98
Depreciation	9	49	19,201	0	0	0	0	0	19,250
General expenses		6,503	0	0	0	0	0	0	6,503
Insurance		636	0	0	0	0	0	0	636
Interest expense on lease liability	11	1,028	167	0	0	0	0	0	1,195
IT maintenance		497	0	0	0	0	0	0	497
Printing, postage and stationery		443	0	0	0	0	0	0	443
Refreshments and foods		117	0	0	0	0	0	0	117
Telecom charges		4,054	0	0	0	0	0	0	4,054
Transport		22	0	0	0	0	0	0	22
		<u>25,503</u>	<u>19,368</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,950</u>	<u>0</u>	<u>46,821</u>
Total expenditure		<u>368,114</u>	<u>85,684</u>	<u>4,500</u>	<u>1,200</u>	<u>2,660</u>	<u>1,950</u>	<u>50,000</u>	<u>514,108</u>
<b>Net (expenditure)/income for the financial year</b>		<u>392,184</u>	<u>(85,684)</u>	<u>(3,500)</u>	<u>(1,200)</u>	<u>(2,660)</u>	<u>879</u>	<u>0</u>	<u>300,019</u>



**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

	Note	Unrestricted fund	Restricted funds			Total unrestricted and restricted funds S\$
		Accumulated general fund S\$	Care & Share fund S\$	President's challenge S\$	VCF funding S\$	
<b>2019</b>						
<b>INCOME</b>						
<b>Income from generated funds</b>						
<u>Voluntary income</u>						
Donation from individuals	6	41,460	0	0	0	41,460
Donation from churches	6	22,219	0	0	0	22,219
Donation from organisations	6	315,010	0	0	0	315,010
Subscription fee	5	800	0	0	0	800
NCSS grants		50,000	0	0	1,271	51,271
President challenge		0	0	111,000	0	111,000
Tote board		35,000	0	0	0	35,000
		<u>464,489</u>	<u>0</u>	<u>111,000</u>	<u>1,271</u>	<u>576,760</u>
<b>Other income</b>						
Special employment credit		3,276	0	0	0	3,276
Wages credit scheme		8,286	0	0	0	8,286
Miscellaneous income		88	0	0	0	88
		<u>11,650</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,650</u>
Total income		<u>476,139</u>	<u>0</u>	<u>111,000</u>	<u>1,271</u>	<u>588,410</u>

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

	Note	Unrestricted fund	Restricted funds			Total unrestricted and restricted funds S\$
		Accumulated general fund S\$	Care & Share fund S\$	President's challenge S\$	VCF funding S\$	
<b>2019 (CONT'D)</b>						
<b>EXPENDITURE</b>						
<b>Cost of charitable activities</b>						
Capability building expenses		0	38,676	0	0	38,676
Capacity building expenses		0	4,186	0	0	4,186
Depreciation	9	47,622	749	0	0	48,371
Fundraising expenses		3,770	0	0	0	3,770
Honorarium		0	0	1,300	0	1,300
Love gifts and support		450	0	0	0	450
Monthly 1st Sat. fellowship		0	0	4,628	0	4,628
New initiatives		0	2,916	0	0	2,916
Operating lease expense – rental		0	0	10,200	0	10,200
Refreshment and foods		0	0	186	0	186
Staff CPF & SDL		32,127	0	0	0	32,127
Staff insurance		7,100	0	0	0	7,100
Staff medical fee		1,781	0	0	0	1,781
Staff salaries and AWS		169,751	0	88,827	0	258,578
Staff welfare		385	0	0	0	385
Staff foreign worker		4,370	0	0	0	4,370
Utilities		4,226	0	0	0	4,226
Volunteers activities		0	0	3,199	0	3,199
		<u>271,582</u>	<u>46,527</u>	<u>108,340</u>	<u>0</u>	<u>426,449</u>

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

	Note	Unrestricted fund	Restricted funds			Total unrestricted and restricted funds S\$
		Accumulated general fund S\$	Care & Share fund S\$	President's challenge	VCF funding	
<b>2019 (CONT'D)</b>						
<b>EXPENDITURE (CONT'D)</b>						
<b>Governance and administrative costs</b>						
Audit fee		4,494	0	0	0	4,494
Bank charges		82	0	0	0	82
Balance c/f		11,226	0	0	1,950	13,176
Depreciation	9	691	18,735	0	0	19,426
Entertainment		616	0	0	0	616
General expenses		6,822	0	0	0	6,822
Insurance		928	0	0	0	928
Interest expense on lease liability	11	1,612	78	0	0	1,690
IT maintenance		115	0	0	0	115
Printing, postage and stationery		2,141	0	0	0	2,141
Refreshments and foods		302	0	0	0	302
Telecom charges		2,804	0	0	0	2,804
Transport		157	0	0	0	157
		<u>27,414</u>	<u>18,813</u>	<u>0</u>	<u>1,950</u>	<u>48,177</u>
Total expenditure		<u>298,996</u>	<u>65,340</u>	<u>108,340</u>	<u>1,950</u>	<u>474,626</u>
<b>Net income/(expenditure) for the financial year</b>		<u>177,143</u>	<u>(65,340)</u>	<u>2,660</u>	<u>(679)</u>	<u>113,784</u>

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

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

	Note	2020						2019	
		Unrestricted fund	Restricted funds				Total unrestricted and restricted funds	Total unrestricted and restricted funds	
		Accumulated general fund S\$	Care & Share fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	President's challenge S\$	VCF funding S\$	S\$	S\$
<b>ASSETS</b>									
<b>Current assets</b>									
Cash and cash equivalents	7	637,456	(54,782)	1,700	0	0	(1,358)	583,016	666,431
Other receivables	8	415,306	2,491	0	0	0	1,558	419,355	9,210
		<u>652,762</u>	<u>52,291</u>	<u>1,700</u>	<u>0</u>	<u>0</u>	<u>200</u>	<u>1,002,371</u>	<u>675,641</u>
<b>Non-current assets</b>									
Property, plant and equipment	9	67,553	96,649	0	0	0	0	164,202	185,282
<b>Total assets</b>		<u>1,120,315</u>	<u>44,358</u>	<u>1,700</u>	<u>0</u>	<u>0</u>	<u>200</u>	<u>1,166,573</u>	<u>860,923</u>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Other payables	10	25,711	0	0	0	0	0	25,711	18,867
Lease liabilities	11	48,077	1,470	0	0	0	0	49,547	49,307
		<u>73,788</u>	<u>1,470</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>75,258</u>	<u>68,174</u>
<b>Non-current liabilities</b>									
Lease liabilities	11	20,218	5,639	0	0	0	0	25,857	27,310
<b>Total liabilities</b>		<u>94,006</u>	<u>7,109</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>101,115</u>	<u>95,484</u>
<b>NET ASSETS</b>		<u>1,026,309</u>	<u>37,249</u>	<u>1,700</u>	<u>0</u>	<u>0</u>	<u>200</u>	<u>1,065,458</u>	<u>765,439</u>
<b>TOTAL FUNDS</b>	12	<u>1,026,309</u>	<u>37,249</u>	<u>1,700</u>	<u>0</u>	<u>0</u>	<u>200</u>	<u>1,065,458</u>	<u>765,439</u>

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

**STATEMENT OF CHANGES IN FUNDS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Balance at beginning of financial year S\$	Net (expenditure)/ income for the financial year S\$	Transfers (from)/to S\$	Balance at end of financial year S\$
<b>2020</b>				
<b>Unrestricted fund</b>				
Accumulated general fund	638,875	392,184	(4,750)	1,026,309
<b>Restricted funds</b>				
Care & Share fund	122,933	(85,684)	0	37,249
Lifeboat fund	450	(3,500)	4,750	1,700
Women's ministry fund	1,200	(1,200)	0	0
President's challenge	2,660	(2,660)	0	0
VCF funding	(679)	879	0	200
	<u>126,564</u>	<u>(92,165)</u>	<u>4,750</u>	<u>39,149</u>
<b>Total funds</b>	<u><u>765,439</u></u>	<u><u>300,019</u></u>	<u><u>0</u></u>	<u><u>1,065,458</u></u>
<b>2019</b>				
<b>Unrestricted fund</b>				
Accumulated general fund	461,732	177,143	0	638,875
<b>Restricted funds</b>				
Care & Share fund	188,273	(65,340)	0	122,933
Lifeboat fund	450	0	0	450
Women's ministry fund	1,200	0	0	1,200
President's challenge	0	2,660	0	2,660
VCF funding	0	(679)	0	(679)
	<u>189,923</u>	<u>(63,359)</u>	<u>0</u>	<u>126,564</u>
<b>Total funds</b>	<u><u>651,655</u></u>	<u><u>113,784</u></u>	<u><u>0</u></u>	<u><u>765,439</u></u>

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

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**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020 S\$	2019 S\$
<b>Cash flows from operating activities</b>			
Net income for the financial year		7,174	113,784
Adjustments for:			
- Depreciation of property, plant and equipment	9	68,905	67,797
- Interest expense		1,195	1,690
Operating cash flow before changes in working capital		<u>77,274</u>	<u>183,271</u>
Changes in working capital			
- Other receivables		(122,074)	7,714
- Other payables		<u>11,618</u>	<u>2,497</u>
<b>Net cash (used in)/generated from operating activities</b>		<u>(33,182)</u>	<u>193,482</u>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	9	<u>0</u>	<u>(5,107)</u>
<b>Net cash used in investing activities</b>		<u>0</u>	<u>(5,107)</u>
<b>Cash flow from financing activities</b>			
Repayment of principal portion of lease liabilities		(49,038)	(47,606)
Interest paid	11	<u>(1,195)</u>	<u>(1,690)</u>
<b>Net cash used in financing activities</b>		<u>(50,233)</u>	<u>(49,296)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>		(83,415)	139,079
Cash and cash equivalents at beginning of financial year		<u>666,431</u>	<u>527,352</u>
<b>Cash and cash equivalents at end of financial year</b>	7	<u>583,016</u>	<u>666,431</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 DECEMBER 2020**

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

**1. General information**

One Hope Centre (the "Society") is registered and domiciled in Singapore. The Society's registered office and principal place of business is at 8 New Industrial Road, #04-04B, LHK 3 Building, Singapore 536200.

The Society was registered on 07 August 2004 under the Societies Act (Chapter 311) and was registered as charity under the Charities Act, Chapter 37 on 12 November 2010. The Society has been accorded as Institutions of a Public Character ("IPC") status from 1 August 2019 to 31 January 2022.

One Hope Centre is a voluntary welfare organisation, which seeks to assist members of the public who as a result of gambling are:

- Facing difficulties managing their finances due to their inability to pay creditors;
- Harassed by unlicensed moneylenders due to their inability to meet regular payments; or
- Finding difficulties making ends meet due to loss of employment and having to settle for a lesser paying job.

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

The financial statements have been prepared in accordance with 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.

The financial statements are presented in Singapore Dollar ("S\$"), which is the Society's functional currency.

The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

**2.1.1 Interpretations and amendments published standards effective in 2020**

On 1 January 2020, the Society adopted the new or amended FRSs and interpretations of 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.

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 not material effect on the amounts reported for the current or prior financial years.

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**2. Significant accounting policies (Cont'd)****2.1 Basis of preparation (Cont'd)**

## 2.1.2 New or amended Standards and Interpretation not yet effective

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

Description	Effective for annual periods commencing on
Amendments to:	
-FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
-FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116: Interest Rate Benchmark Reform – Phase 2	1 January 2021
-FRS 103: Reference to the Conceptual Framework	1 January 2022
-FRS 16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
-FRS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
-FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Annual Improvements to FRSs 2018-2020	1 January 2022

The management believes that the adoption of the other standards and interpretations do not have material impact on the financial statements in the period of the 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.

## 2.2.1 Donations

Unrestricted donations are reported as income. The timing of income recognition is governed by the donor's intent. If the donor is silent, the donation is recognised as income in the financial year made. The timing of income recognition for restricted donations is the same as for unrestricted donations.

## 2.2.2 Other income

Other income is recognised when received.

## 2.2.3 Income from member's subscription

Income from members' subscription is recognised on receipt basis, as they are not refundable.



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

### **2.3 Government grants**

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. 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 the statement of financial activities over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

### **2.4 Expenditure recognition**

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

#### **2.4.1 Cost of charitable activities**

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Society and an apportionment of overhead and shared costs.

#### **2.4.2 Governance and administrative costs**

Governance costs include the cost of governance arrangement, which related 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.

### **2.5 Property, plant and equipment**

#### Measurement

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

The cost of an item of property, plant and equipment includes its purchase price and any costs 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 property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

#### Depreciation

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

	Useful lives
Office equipment	3 to 5 years
Furniture and fittings	10 years
Renovation	10 years
Right-of-use assets	Over the remaining lease term

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

## Depreciation (Cont'd)

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

The residual values and useful lives of property, 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.

## Subsequent expenditure

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

## Disposal

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

**2.6 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 to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment, 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, and only 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.

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

## (a) Classification and measurement

The Society classified its financial assets into the amortised cost measurement 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.

Financial assets with embedded debt instruments are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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 assets 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 the statement of financial activities.

At subsequent measurementDebt instrument

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

There are three prescribed subsequent measurement categories, depending on the Society's business model in managing the assets and the cash flow characteristic of the assets. The Society managed these group of financial assets by collecting the contractual cash flow and these cash flows represented solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment 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 are recognised using the effective interest rate method.

## (b) Impairment

The Society assesses on forward looking basis the expected credit losses associated with its debt instruments 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.

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

## (c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the 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.

**2.8 Cash and cash equivalents**

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

**2.9 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" and "Lease liabilities".

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 expired. 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.

**2.10 Other payables**

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs will be recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

**2.11 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.

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**2. Significant accounting policies (Cont'd)****2.12 Borrowing costs**

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

**2.13 Employee compensation**

## 2.13.1 Defined contribution plans

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

## 2.13.2 Employee leave entitlement

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

**2.14 Leases**

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.

## (a) As 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.

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 2.6. The Society's right-of-use assets are presented within property, plant and equipment as disclosed in Note 9.

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

## (a) As lessee (Cont'd)

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 11.

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 Company assesses whether there is a lease modification.

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.

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.

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

Restricted fund balances are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Management Committee. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

**2.16 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.

**2.17 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. Significant accounting judgements and estimates**

The preparation of the Society's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

**3.1 Judgement made in applying accounting policies**

The Management is of the opinion that there are no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Government grants

Government grants to meet operating expenses are recognised as income in statement of financial activities on the accrual basis in the 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 Company if the conditions are not met.

**3.2 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

### 3. Significant accounting judgements and estimates (Cont'd)

#### 3.2 Key sources of estimation uncertainty (Cont'd)

##### Useful lives of property, plant and equipment

The useful life of an item of property, plant and equipment are estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Society's property, plant and equipment as at 31 December 2020 and 31 December 2019 were disclosed in Note 9.

#### 4. Income tax

The Society is a charity registered under the Charities Act since 12 November 2010. Consequently, the income of the Society is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

#### 5. Revenue from contracts with customers

##### (a) Disaggregation of revenue from contracts with customers

	Note	2020 S\$	2019 S\$
<b>Revenue from:</b>			
Donations	6	263,368	378,689
Subscription fee		1,000	800
		<u>264,368</u>	<u>379,489</u>
Timing of transfer of services			
- At a point in time		264,368	379,489
		<u>264,368</u>	<u>379,489</u>

##### (b) There are no contract liabilities balances.

#### 6. Donations

	2020 S\$	2019 S\$
Tax deductible donations	230,780	355,804
Non-tax deductible donations	32,588	22,885
	<u>263,368</u>	<u>378,689</u>
The donations were allocated as follows:		
• Donation from individuals	20,390	41,460
• Donation from churches	14,368	22,219
• Donation from organisation	210,000	315,010
• Fund-raising proceeds	18,610	0
	<u>263,368</u>	<u>378,689</u>

The Society issued tax-deductible receipts for donations totalling S\$230,780 (2019: S\$355,804) pursuant to its Institutions of a Public Character ("IPC") status.



**7. Cash and cash equivalents**

	2020 S\$	2019 S\$
Cash on hand	530	0
Cash at banks	582,486	666,431
	<u>583,016</u>	<u>666,431</u>

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

**8. Other receivables**

	2020 S\$	2019 S\$
BCF grant receivable	400,000	0
Deposits	5,157	7,157
Grant receivables – Jobs Support Scheme	8,492	0
Prepayments	4,127	1,631
Other receivables	1,579	422
	<u>419,355</u>	<u>9,210</u>

Other receivables are unsecured, interest-free and repayable on demand.

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 values.

## 9. Property, plant and equipment

	Office equipment S\$	Furniture and fittings S\$	Renovation S\$	Right-of-use assets S\$	Total S\$
<b>Cost</b>					
As at 31 December 2018, as previously reported	4,955	46,639	135,262	0	186,856
Effects of adopting FRS 116	0	0	0	115,086	115,086
As at 1 January 2019, as restated	4,955	46,639	135,262	115,086	301,942
Additions	5,107	0	0	9,137	14,244
At 31 December 2019	10,062	46,639	135,262	124,223	316,186
Additions	0	0	0	47,825	47,825
At 31 December 2020	10,062	46,639	135,262	172,048	364,011
<b>Accumulated depreciation</b>					
At 1 January 2019	4,559	16,169	42,379	0	63,107
Depreciation charge	1,236	4,664	13,526	48,371	67,797
At 31 December 2019	5,795	20,833	55,905	48,371	130,904
Depreciation charge	1,702	4,322	13,226	49,655	68,905
At 31 December 2020	7,497	25,155	69,131	98,026	199,809
<b>Carrying amount</b>					
31 December 2019	4,267	25,806	79,357	75,852	185,282
31 December 2020	2,565	21,484	66,131	74,022	164,202

2020				2019		
Unrestricted fund	Restricted funds		Total	Unrestricted fund	Restricted fund	Total
Accumulated general fund	Care & Share fund	Invictus fund	Total	Accumulated general fund	Care & Share fund	Total
S\$	S\$	S\$	S\$	S\$	S\$	S\$
39,818	1,797	8,040	49,655	47,622	749	48,371
49	19,201	0	19,250	691	18,735	19,426
39,867	20,998	8,040	68,905	48,313	19,484	67,797

The breakdown of the depreciation charge as follows:

Cost of charitable activities	39,818	1,797	8,040	49,655	47,622	749	48,371
Governance and administrative costs	49	19,201	0	19,250	691	18,735	19,426
	39,867	20,998	8,040	68,905	48,313	19,484	67,797

**10. Other payables**

	2020 S\$	2019 S\$
Accruals	17,218	17,510
Deferred grant income – Jobs Support Scheme	8,492	0
Other payables	0	1,357
	<u>30,485</u>	<u>18,867</u>

Other payables are non-trade in nature, unsecured, interest-free and repayable on demand.

The deferred grant income – Jobs Support Scheme (JSS) will be recognised as a grant income, on a systematic basis, over the estimated 17 months of economic uncertainty till August 2021 in which the entity recognises the related salary costs.

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

**11. Lease liabilities**

	2020 S\$	2019 S\$
Current	49,547	49,307
Non-current	<u>25,857</u>	<u>27,310</u>
	<u>75,404</u>	<u>76,617</u>

**Amount recognised in profit or loss:**

	2020 S\$	2019 S\$
Depreciation of right-of-use assets	49,655	48,371
Interest expense on lease liabilities	<u>1,195</u>	<u>1,690</u>
Total amount recognised in profit or loss	<u>50,850</u>	<u>50,061</u>

**Total cash outflow:**

During the financial year, the Society had total cash outflows for leases of S\$50,233 (2019: S\$49,296).

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

	1 January 2020 S\$	Additions S\$	Cash flows S\$	Non-cash changes		31 December 2020 S\$
				Accretion of interest S\$	Other S\$	
<b>Liabilities</b>						
<b>Lease liabilities</b>						
- current	49,307	47,825	(50,233)	1,195	1,453	49,547
- non-current	<u>27,310</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(1,453)</u>	<u>25,857</u>

	1 January 2019 S\$	Additions S\$	Cash flows S\$	Non-cash changes		31 December 2019 S\$
				Accretion of interest S\$	Other S\$	
<b>Liabilities</b>						
<b>Lease liabilities</b>						
- current	47,016	590	(49,296)	1,690	49,307	49,307
- non-current	<u>68,070</u>	<u>8,547</u>	<u>0</u>	<u>0</u>	<u>(49,307)</u>	<u>27,310</u>

**12. Funds****12.1 Unrestricted fund**

Accumulated general fund are expendable at the discretion of the Management in furtherance of the Society's objects and purposes.

**12.2 Restricted funds**Lifeboat fund

The Lifeboat fund was established to help the families of gambling clients to tide over financial hardship faced by the households.

During the financial year, the Management Committee approved the transfer of S\$4,750 from General Fund to Lifeboat fund to support the intended activities.

Women's ministry fund

The Women's ministry fund was established to help abused women with financial difficulties in the early years of OHC's work of reaching out to the street women.

Care & Share fund

The Care & Share Fund is a matching grant of one dollar for every donation raised by the Society provided by the Government in celebration of SGD50 to build capabilities and capabilities of the social service sector.

There was no grant received during the year and prior year.

President's Challenge

President's Challenge represents grant received/ receivable from National Council of Social Service (NCSS) for defray operating and impending fundraising costs.

Movement of this fund is as follows:

	2020 S\$	2019 S\$
Balance at beginning of year	2,660	0
Grants received	0	111,000
Less: Disbursement	<u>(2,660)</u>	<u>(108,340)</u>
Balance at end of year	<u>0</u>	<u>2,660</u>

VCF Funding

VCF Funding for "Finance & Accounting services" received/ receivable from National Council of Social Service (NCSS) on behalf of the MCCY VCF total amount of S\$4,237 or up to 25% of the actual shared service charges, whichever lower, based on the terms and condition stated in the agreement. The Grant is over a period of 24 months. The NCSS shall pay the Society the Grant as per the disbursement milestone set out in the agreement.

Invictus fund

The NCSS Invictus fund supports initiatives that seek to enhance service continuity to meet the needs of service users, and/or improve staff welfare of frontline workers.

### 13. Operating lease commitments

The Society leases office premise and office equipment from non-related party under non-cancellable operating lease agreements. These leases have renewal rights.

The future minimum rental payables under non-cancellable operating lease contracted for at the end of the reporting period, but not recognised as liabilities, are as follows:

	2020 S\$	2019 S\$
Not later than one year	0	1,664
Later than one year but not later than 5 years	0	0
	<u>0</u>	<u>1,664</u>

The Society has adopted FRS 116 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities in the statement of financial position as at 31 December 2019, except for short-term and low-value assets. There is no any short-term lease or lease of low-value assets as at 31 December 2020.

### 14. Related party transactions and balances

There was no transaction between the Society and related party for the financial years ended 31 December 2020 and 31 December 2019.

During the current and previous year, none of the Management Committee members and key management personnel received any remuneration from the Society.

### 15. Employees' remuneration

None of the Society's employees were remunerated more than or equal to S\$100,000 during the financial years ended 31 December 2020 and 31 December 2019.

### 16. Financial instruments

The financial assets and liabilities of the Society as at end of the financial year are as follows:

	2020 S\$	2019 S\$
<b>Financial assets</b>		
Cash and cash equivalents	583,016	666,431
Other receivables	415,228	7,580
	<u>998,224</u>	<u>674,011</u>
<b>Financial liabilities</b>		
Other payables	17,218	18,867
Lease liabilities	75,404	76,617
	<u>92,622</u>	<u>95,484</u>

## 17. Financial risk management

The Society is mainly exposed to interest rate risk, credit risk and liquidity risk.

Risk management is carried out under policies approved by the Management Committee. The Management Committee reviews and agrees on policies and procedures for management of these risks.

### 17.1 Interest rate risk

The Society's income and operating cash flows are not substantially affected by changes in market interest rates, as they do not have significant interest-bearing assets or liabilities as at the reporting date.

### 17.2 Credit risk

Credit risk is the potential financial loss resulting from the customer defaulting on its contractual obligations to the Society.

The Society has minimal exposure to credit risks due to the nature of its activities.

### 17.3 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 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 operations.

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

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2020</b>			
<b>Financial assets</b>			
Cash and cash equivalents	583,016	0	583,016
Other receivables (excluding prepayments)	<u>415,228</u>	<u>0</u>	<u>415,228</u>
	<u>998,244</u>	<u>0</u>	<u>998,244</u>
<b>Financial liabilities</b>			
Other payables	(17,218)	0	(17,218)
Lease liabilities	<u>(50,232)</u>	<u>(26,120)</u>	<u>(76,352)</u>
	<u>(67,450)</u>	<u>(26,120)</u>	<u>(93,570)</u>
Net financial assets	<u>930,794</u>	<u>(26,120)</u>	<u>904,674</u>

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

### 17.3 Liquidity risk (Cont'd)

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2019</b>			
<b>Financial assets</b>			
Cash and cash equivalents	666,431	0	666,431
Other receivables (excluding prepayments)	7,580	0	7,580
	<u>674,011</u>	<u>0</u>	<u>674,011</u>
<b>Financial liabilities</b>			
Other payables	(18,867)	0	(18,867)
Lease liabilities	(50,232)	(27,725)	(77,957)
	<u>(69,099)</u>	<u>(27,725)</u>	<u>(96,824)</u>
Net financial assets	<u>604,912</u>	<u>(27,725)</u>	<u>577,187</u>

## 18. Fair values

As at 31 December 2020, 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.

## 19. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2020 is as follows:

		2020	2019	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Fund			
	Accumulated General Fund	1,026	639	60.56
B	Restricted Funds			
	Lifeboat Fund	2	0	0
	Women's Ministry Fund	0	1	(100.00)
	Care & Share Fund	37	123	(69.92)
	President's challenge	0	3	(100.00)
	VCF funding	0	(1)	(100.00)
C	Endowment Fund	N/A	N/A	N/A
D	Total Unrestricted and Restricted Funds	1,065	765	39.22
E	Total Annual Operating Expenditure	514	475	8.21
F	Ratio of Funds to Annual Operating Expenditure (A/E)	2.00	1.35	

Reference:

C. An endowment fund consists of assets, funds or properties that are held in perpetuity which produce annual income flow for a foundation to spend as grants.

D. Total Funds include unrestricted, restricted/ designated and endowment funds.

E. Total Annual Operating Expenditure includes Cost of Charitable Activities and Governance and 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.

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**20. Management of conflict of interest**

During the current and previous financial year, none of the Management Committee members received any remuneration from the Society.

The Society's 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's Management Committee 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.

**21. 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 activities is to provide assistance to members of public affected by gambling. Therefore, the Society's operations has been impacted by COVID-19 and up to the date of signing this report as the Society's planned events and activities have been temporarily halted or cancelled. Summarise the impact of COVID-19 as below on the Society's financial performance reflected in this set of financial statements for the year ended 31 December 2020:

- i. The Society has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The management is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the 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. 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 December 2021. If the situation persists beyond management's current expectations, the Society's assets may be subject to further write downs in the subsequent financial periods.

**22. Authorisation of financial statements**

The financial statements for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Management Committee on 28 May 2021.