MARYMOUNT CENTRE
Unique Entity Number: 201402049Z
(Incorporated in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2019

MARYMOUNT CENTRE
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

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MARYMOUNT CENTRE
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT

We are pleased to present this statement to the members of Marymount Centre (the "Company") together with the audited financial statements for the financial year ended 31 December 2019.

In our opinion,

(a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50, the Singapore Charities Act, Chapter 37 and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

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

Jonafah Lawrence Lopez	
Tang Edmund Koon Kay	
Jane Marie Ng Yin Gek	
Ho Teik Tiong	
Joycelyn Ong Yueh Ling	
Woo Mei Lin Jacqueline	
Yap Lian Hiang Vivien	(Appointed on 1 January 2019)
Liew Nyuk Yen	(Appointed on 1 January 2019)
Natalie Siew Hui Zhen	(Appointed on 1 January 2019)
Quek Toi Wee	(Appointed on 1 January 2019)
Winnie Foo (Winnie Fu Wenjing)	(Appointed on 1 July 2019)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

The Company is a company limited by guarantee and has no share capital.

OPTIONS

The Company is a company limited by guarantee. As such, there are no share options and unissued shares under option.

MARYMOUNT CENTRE
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT

AUDITOR

The auditor, Singapore Assurance PAC, has indicated its willingness to accept re-appointment.

On behalf of the Board of Directors

Jonafah Lawrence Lopez
Director

Jane Marie Ng Yin Gek
Director

Singapore
14 May 2020

Singapore Assurance PAC
(Incorporated with Limited Liability)
Chartered Accountants of Singapore
Co. Reg No: 200614137M
GST Reg No: 200614137M

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MARYMOUNT CENTRE
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Marymount Centre (the "Company"), which comprise the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in accumulated 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 provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and of the financial performance, changes in funds and cash flows of the Company 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 Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (set out on pages 1 and 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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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MARYMOUNT CENTRE
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, the Charities Act and Regulations, and FRSs, for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MARYMOUNT CENTRE
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act and the Charities Act and Regulations.

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

(a) the Company 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 Company has not complied with the requirements of Regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

singapore assurance

SINGAPORE ASSURANCE PAC
Public Accountants and
Chartered Accountants

Singapore
14 May 2020

MARYMOUNT CENTRE
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 S$	2018 S$
ASSETS			
Non-current assets			
Property, plant and equipment	(4)	4,783,998	4,997,612
Current assets			
Trade receivables	(5)	19,265	18,097
Other receivables	(6)	83,831	176,785
Fixed deposits	(7)	3,676,010	3,281,068
Cash and bank balances	(8)	2,210,987	1,849,085
		5,990,093	5,325,035
Total assets		10,774,091	10,322,647
FUNDS AND LIABILITIES			
Funds			
Unrestricted funds			
Accumulated funds	(9)	6,153,859	5,313,475
Restricted funds			
Ahuva Good Shepherd	(9)	-	-
Good Shepherd Centre	(9)	643,885	698,147
Interim Placement and Assessment Centre	(9)	464,501	332,502
Small Group Care	(9)	-	14,736
Computer Equipment	(9)	-	14,207
		1,108,386	1,059,592
Total funds		7,262,245	6,373,067
Non-current liabilities			
Deferred capital grant	(10)	2,905,402	3,037,882
Current liabilities			
Deferred capital grant	(10)	132,480	132,480
Other payables	(11)	473,964	779,218
		606,444	911,698
Total funds and liabilities		10,774,091	10,322,647

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

MARYMOUNT CENTRE
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted funds 2019 S$	Restricted funds 2019 S$	Total 2019 S$	Total 2018 S$
Income					
Income from generated funds					
Voluntary income	(12)	1,020,709	112,612	1,133,321	984,348
Investment income		51,149	3,667	54,816	41,144
Income from charitable activities					
Clients' contribution		-	5,420	5,420	6,087
Programme fees		547,009	4,065	551,074	501,279
Funding from government		13,810	2,509,030	2,522,840	2,447,605
Other fees		16,734	-	16,734	24,144
Other income	(13)	186,420	3,533	189,953	171,949
		1,835,831	2,638,327	4,474,158	4,176,556
Expenditure					
Cost of charitable activities					
Manpower costs	(14)	445,706	2,305,459	2,751,165	2,606,028
Other costs					
- Depreciation		12,063	229,882	241,945	242,737
- Property related costs	(15)	1,828	99,763	101,591	102,882
- Operating costs	(16)	31,968	127,298	159,266	122,354
- Administrative costs	(17)	20,286	118,791	139,077	134,722
Governance costs					
Manpower costs	(14)	48,560	-	48,560	32,906
Audit fees		9,773	39,092	48,865	43,320
Depreciation		20,219	-	20,219	7,606
Property related costs	(15)	29,439	-	29,439	22,268
Operating costs	(16)	4,429	-	4,429	5,882
Administrative costs	(17)	40,424	-	40,424	65,089
		664,695	2,920,285	3,584,980	3,385,794
Surplus/(Deficit) for the financial year		1,171,136	(281,958)	889,178	790,762

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

MARYMOUNT CENTRE
(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Unrestricted funds	Restricted funds					
	General funds S$	Ahuva Good Shepherd S$	Good Shepherd Centre S$	Interim Placement and Assessment Centre S$	Small Group Care S$	Computer Equipment S$	Total S$
Balance at 1 January 2018	4,364,393	215,500	646,745	340,561	-	15,106	5,582,305
Surplus/(Deficit) for the financial year	1,114,186	(380,604)	51,402	(8,059)	14,736	(899)	790,762
Transfer (to)/from other funds	(165,104)	165,104	-	-	-	-	-
Balance at 31 December 2018	5,313,475	-	698,147	332,502	14,736	14,207	6,373,067
Surplus/(Deficit) for the financial year	1,171,136	(299,256)	(54,262)	131,999	(46,232)	(14,207)	889,178
Transfer (to)/from other funds	(330,752)	299,256	-	-	31,496	-	-
Balance at 31 December 2019	6,153,859	-	643,885	464,501	-	-	7,262,245

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

MARYMOUNT CENTRE
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 S$	2018 S$
Cash flows from operating activities			
Surplus for the financial year		889,178	790,762
Adjustments for:			
Amortisation of deferred capital grant	(13)	(132,480)	(132,480)
Unwinding of fair value discount on interest-free loan		-	32,942
Depreciation of property, plant and equipment	(4)	262,164	250,343
Interest income on fixed deposits		(54,816)	(41,144)
Operating surplus before working capital changes		964,046	900,423
Changes in working capital:			
Trade receivables		(1,168)	(1,151)
Other receivables		102,354	(4,347)
Other payables		(5,254)	69,003
Net cash from operating activities		1,059,978	963,928
Cash flows from investing activities			
Interest received		45,416	33,059
Fixed deposits		(394,942)	(532,572)
Purchase of property, plant and equipment		(48,550)	(38,077)
Net cash used in investing activities		(398,076)	(537,590)
Cash flows from financing activity			
Repayment of loan		(300,000)	(500,000)
Net cash used in financing activity		(300,000)	(500,000)
Net increase/(decrease) in cash and cash equivalents		361,902	(73,662)
Cash and cash equivalents at beginning of the financial year		1,849,085	1,922,747
Cash and cash equivalents at end of the financial year	(8)	2,210,987	1,849,085

Reconciliation of liabilities arising from financing activities:

			Non-cash charges		
	2018	Cash flows	Acquisition	New leases	2019
Loan (Note 11)	522,875	(300,000)	-	-	222,875

			Non-cash charges		
	2017	Cash flows	Acquisition	New leases	2018
Loan (Note 11)	1,022,875	(500,000)	-	-	522,875

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

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

The financial statements were authorised for issue by the Board of Directors on the date of the Directors' Statement.

1. GENERAL

Marymount Centre (the "Company") is a company limited by guarantee and is domiciled in the Republic of Singapore.

The registered office is located at 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315. The principal place of business of the Company is located at 9 Lorong 8 Toa Payoh, Good Shepherd Place, Singapore 319253.

The principal activity of the Company is those of providing social services encompassing residential care, crisis shelter, and student care services.

The Company is registered as a charity under the Charities Act, Chapter 37 and is an approved Institutions of a Public Character.

Every member has undertaken to contribute such amounts not exceeding S$10 to the assets of the Company in the event the Company is wound up and the monies are required for payment of liabilities of the Company. The Company has 4 (2018: 4) members at the end of the year.

The Company currently operates 5 Centres specifically providing:

(i) Ahuva Good Shepherd ("AGS"):
Residential care for girls aged between 4 to 16 years old from single parent families or from families in which parents are not able to cope with child and/or experiencing marital discord;

(ii) Good Shepherd Student Care ("GSSC"):
After school care for children aged between 7 to 14 years old who need adult supervision, and/or come from single parent and low income family;

(iii) Good Shepherd Centre ("GSC"):
Crisis shelter for abused women, mothers and their children and foreign domestic workers and women in pregnancy crisis and trafficking-in-person;

(iv) Interim Placement and Assessment Centre ("IPAC"):
Interim placement for children aged between 4 to 12 years old while their cases are assessed and investigated by the Ministry of Social and Family Development (Child Protective Service); and

(v) Small Group Care ("SGC"):
Residential care for girls aged between 7 to 12 years old to receive treatment and intervention for a period up to 18 months.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention, except as otherwise described in the accounting policies below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore Dollar (S$), which is the Company's functional currency. All financial information is presented in Singapore Dollar, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, 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.

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 Company 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 Company. Such changes are reflected in the assumptions when they occur.

Useful lives of property, plant and equipment
The useful life of an item of property, plant and equipment is 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 amounts of the Company's property, plant and equipment as at 31 December 2019 are disclosed in Notes 4 to the financial statements.

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements (cont'd)

Key sources of estimation uncertainty (cont'd)

Impairment of loans and receivables
The impairment of trade and other receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amounts of the Company's trade and other receivables as at 31 December 2019 are disclosed in Note 5 and 6 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except as explained in Note 3.11, which addresses changes in accounting policies.

3.1 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) - debt investment; FVOCI - equity investment; or FVTPL.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets (cont'd)

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt investments at FVOCI
A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI
On initial recognition of an equity investment that is not held-for-trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

Financial assets at FVTPL
All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment (cont'd)

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (cont'd)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

<u>*Financial assets at FVTPL*</u>
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

<u>*Financial assets at amortised cost*</u>
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

<u>*Debt investments at FVOCI*</u>
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

<u>*Equity investments at FVOCI*</u>
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised other payables.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Where the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents.

3.2 Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (cont'd)

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of the asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over their estimated useful lives of each component of an item of plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

The estimated useful lives for the current and comparative years are as follows:

Leasehold building	27 years
Furniture and fittings	3 years
Office equipment	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted prospectively if appropriate.

3.3 Leases

The Company has applied FRS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under FRS 17 and INT FRS 104. The details of accounting policies under FRS 17 and INT FRS 104 are disclosed separately.

Leases - Policy applicable from 1 January 2019

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company uses the definition of a lease in FRS 116.

This policy is applied to contracts entered into, on or after 1 January 2019.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Leases (cont'd)

Leases - Policy applicable from 1 January 2019 (cont'd)

As a lessee (cont'd)

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Generally, the Company uses the lessee's incremental borrowing rate as the discount rate.

The Company determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:
- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Leases (cont'd)

Leases - Policy applicable from 1 January 2019 (cont'd)

As a lessee (cont'd)

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property *in* 'property, plant and equipment' in the statement of financial position.

Short-term leases and of low-value assets
The Company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Leases - Policy applicable before 1 January 2019

For contracts entered into before 1 January 2019, the Company determined whether the arrangement was or contained a lease based on the assessment of whether:

- fulfilment of the arrangement was dependent on the use of a specific asset or assets; and
- the arrangement had conveyed a right to use the asset. An arrangement conveyed the right to use the asset if one of the following was met:
  - the purchaser had the ability or right to operate the asset while obtaining or controlling more than an insignificant amount of the output;
  - the purchaser had the ability or right to control physical access to the asset while obtaining or controlling more than an insignificant amount of the output; or
  - facts and circumstances indicated that it was remote that other parties would take more than an insignificant amount of the output, and the price per unit was neither fixed per unit of output nor equal to the current market price per unit of output.

As a lessee

In the comparative period, as a lessee the Company classified leases that transferred substantially all of the risks and rewards of ownership as finance leases. When this was the case, the leased assets were measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Minimum lease payments were the payments over the lease term that the lessee was required to make, excluding any contingent rent. Subsequent to initial recognition, the assets were accounted for in accordance with the accounting policy applicable to that asset.

Assets held under other leases were classified as operating leases and were not recognised in the Company's statement of financial position. Payments made under operating leases were recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received were recognised as an integral part of the total lease expense, over the term of the lease.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Impairment

(i) Non-derivative financial assets and contract assets

The Company recognises loss allowances for expected credit losses (ECLs) on:
- financial assets measured at amortised costs;
- debt investments measured at FVOCI;
- contract assets (as defined in FRS115); and
- intra-group financial guarantee contracts (FGC).

Loss allowances of the Company are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset

Simplified approach
The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach
The Company applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

General approach (cont'd)
The Company considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs
ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

Presentation of allowance for ECLs in the statement of financial position
Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Employee benefits

(i) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme, a defined contribution plan in Singapore. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Annual leave

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.

3.6 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.7 Revenue

(i) Rendering of services

Revenue from rendering of services in the ordinary course of business is recognised when the Company satisfies a performance obligation (PO) by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised services. The individual standalone selling price of a service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations POs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Revenue (cont'd)

(i) Rendering of services (cont'd)

Transaction price is the amount of consideration in the contract to which the Company expects to be entitled in exchange for transferring the promised services.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

Programme fees
Programme fees are recognised over time as the student residents simultaneously receive and consume the benefits as the Company performed.

(ii) Donations

Donations are recognised as and when they are received.

(iii) Funding from government

Operating grants from government are accounted for on an accrual basis when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant.

(iv) Client's contribution

Clients refer to the residents seeking temporary shelter at crisis shelter. Client's contribution is recognised when received.

(v) Interest income

Interest income is recognised as interest accrues using the effective interest method ("EIR") that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

3.8 Government grants

Government grants related to assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.9 Funds

(i) Unrestricted fund

These are funds for the working capital of the Company.

(ii) Restricted fund

Restricted funds are donations or grant income held for the needs of the Company as specified by donors or funding organisations.

3.10 Income tax

The Company is exempt from income tax on income and gains under the Income Tax Act, Chapter 134 to the extent that these are applied to its charitable objects.

3.11 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 January 2019. The adoption of these standards did not have any material effect on the financial performance and position of the Company.

3.12 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are issued but effective for annual periods beginning after 1 January 2020, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards. The Company is currently assessing the potential impact of adopting these standards and interpretations, on the financial statements of the Company. None of these are expected to have a significant effect on the financial statements of the Company.

4. PROPERTY, PLANT AND EQUIPMENT

	Building S$	Furniture and fittings S$	Office equipment S$	Total S$
Cost				
Balance at 1/1/2018	5,583,565	282,484	1,154	5,867,203
Additions	-	35,653	2,424	38,077
Balance at 31/12/2018	5,583,565	318,137	3,578	5,905,280
Additions	-	48,550	-	48,550
Balance at 31/12/2019	5,583,565	366,687	3,578	5,953,830
Accumulated Depreciation				
Balance at 1/1/2018	435,076	221,095	1,154	657,325
Depreciation	217,538	31,997	808	250,343
Balance at 31/12/2018	652,614	253,092	1,962	907,668
Depreciation	217,538	43,010	1,616	262,164
Balance at 31/12/2019	870,152	296,102	3,578	1,169,832
Net Carrying Amount				
Balance at 31/12/2018	4,930,951	65,045	1,616	4,997,612
Balance at 31/12/2019	4,713,413	70,585	-	4,783,998

Leasehold building
The leasehold building is situated on land that is owned by the Good Shepherd Nuns in Malaya which is a charitable organisation. The development of the building was partially funded by the government with the condition to operate the place as a "Place of Safety" under the Children and Young Persons Act and no other purpose.

5. TRADE RECEIVABLES

	2019 S$	2018 S$
Trade receivables:		
- Third parties	19,265	18,097

The trade receivables are non-interest bearing, unsecured and generally on Nil days' (2018: Nil days') terms. They are recognised at their original invoice amounts which represents their fair value on initial recognition.

6. OTHER RECEIVABLES

	2019 S$	2018 S$
Deposits	7,945	6,935
Government grant receivable	37,021	133,918
Interest receivable	38,865	29,465
Prepayment	-	3,879
Other receivables	-	2,588
	83,831	176,785

7. FIXED DEPOSITS

Fixed deposits are placed with financial institutions and mature within 12 to 18 months (2018: 12 to 18 months). The effective interest ranged between 1.58% to 1.80% (2018: 1.42% to 1.80%) per annum.

8. CASH AND BANK BALANCES

	2019 S$	2018 S$
Cash at bank	2,194,887	1,832,985
Cash on hand	16,100	16,100
	2,210,987	1,849,085

9. FUNDS

(i) Unrestricted fund

This represents cumulative surpluses available for general use for the furtherance of the Company's objectives.

(ii) Restricted fund

For AGS and GSC, these centres receive government grants and public donations. Any excess of the grants received for these centres are ring-fenced for the operations of these centres. Any deficit in these funds will be met by the Company's general funds.

For IPAC and SGC, these centres are set up as pilot projects which are solely funded by government grants. The excess of funds received for these centres is ring-fenced for the operations of the programmes only. Any deficit in these funds will be met by the Company's general funds.

10. DEFERRED CAPITAL GRANT

	2019 S$	2018 S$
Balance at beginning of the financial year	3,170,362	3,302,842
Amortisation	(132,480)	(132,480)
Balance at end of the financial year	3,037,882	3,170,362
Presented in the statement of financial position as:		
Current	132,480	132,480
Non-current	2,905,402	3,037,882
	3,037,882	3,170,362

This refers to the government grant received by the Company for the purpose of the construction of the children's block at Good Shepherd Place. This is amortised over the useful life of the children's block. The grant transferred from Marymount Centre (UEN: 84CC0054G) is the net amount after deducting an amount of S$1,522,875 that was returned to the government during the previous years. The reason for the partial return of the grant was due to the Company's decision not to proceed with a certain programme that was initially to be housed on the second level of the children's block.

11. OTHER PAYABLES

	Note	2019 S$	2018 S$
Accruals		50,598	28,669
Contact liabilities	a	15,910	15,660
Refundable deposits	b	57,040	50,660
Other payables		127,541	161,354
Interest-free loan	c	222,875	522,875
		473,964	779,218

a. Contract liabilities

Contract liabilities represent programme fees received in advance from the parents of student residents. Contract liabilities are recognised as revenue when the Company fulfils its performance obligations.

b. Refundable deposits

Refundable deposits are those collected by GSSC upon registration of the children in the Centre. These will be refunded when the children withdraw from the student care centre.

11. OTHER PAYABLES

c. Interest-free loan

This refer to a loan granted to the Company for the construction of the children's block at Good Shepherd Place in Toa Payoh. The amount is unsecured, interest-free and repayable over 4 years with 2 annual instalments of S$500,000, an annual instalment of S$300,000 and a final instalment of S$222,875. The carrying amount of the interest-free loan on amortised cost method is as follows:

	2019 S$	2018 S$
Face value of loan	222,875	522,875
Add: Accumulated amortisation of fair value discount		
Balance at beginning of the financial year	-	(32,942)
Amortisation during the year	-	32,942
Balance at end of the financial year	-	-
Carrying amount of loan at end of the year	222,875	522,875

12. VOLUNTARY INCOME - TAX EXEMPT RECEIPT

The Company enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times double tax deduction for the donations made to the Company. This status was renewed from 1 October 2017 to 30 June 2020.

	2019 S$	2018 S$
Donations for which tax exempt receipts were issued	398,484	361,833

13. OTHER INCOME

	Unrestricted funds S$	Restricted funds S$	Total S$
2019			
Amortisation of deferred capital grant	132,480	-	132,480
Government grant	50,361	1,290	51,651
Rental income	3,579	2,243	5,822
	186,420	3,533	189,953

13. OTHER INCOME (CONT'D)

	Unrestricted funds S$	Restricted funds S$	Total S$
2018			
Amortisation of deferred capital grant	132,480	-	132,480
Government grant	27,755	1,831	29,586
Rental income	6,070	3,813	9,883
	166,305	5,644	171,949

14. MANPOWER COSTS

2019	Unrestricted funds S$	Restricted funds S$	Total S$
Cost of charitable activities			
Salaries	368,456	1,882,794	2,251,250
Contributions to defined contribution plans	52,856	296,560	349,416
Other short term benefits	24,394	126,105	150,499
	445,706	2,305,459	2,751,165
Governance costs			
Salaries	41,840	-	41,840
Contributions to defined contribution plans	3,868	-	3,868
Other short term benefits	2,852	-	2,852
	48,560	-	48,560

2018	Unrestricted funds S$	Restricted funds S$	Total S$
Cost of charitable activities			
Salaries	334,599	1,823,832	2,158,431
Contributions to defined contribution plans	47,515	298,100	345,615
Other short term benefits	7,699	94,283	101,982
	389,813	2,216,215	2,606,028
Governance costs			
Salaries	29,387	-	29,387
Contributions to defined contribution plans	3,042	-	3,042
Other short term benefits	477	-	477
	32,906	-	32,906

15. PROPERTY RELATED COSTS

	Unrestricted funds	Restricted funds	Total
2019	S$	S$	S$
Cost of charitable activities			
Maintenance of land and building	713	55,378	56,091
Maintenance of equipment and furnishings	1,115	6,528	7,643
Maintenance of motor vehicles	-	3,812	3,812
Rental	-	19,838	19,838
Purchase of computer equipment	-	14,207	14,207
	1,828	99,763	101,591
Governance costs			
Maintenance of land and building	28,501	-	28,501
Maintenance of equipment and furnishings	938	-	938
	29,439	-	29,439
2018			
Cost of charitable activities			
Maintenance of land and building	739	68,819	69,558
Maintenance of equipment and furnishings	180	7,430	7,610
Maintenance of motor vehicles	-	4,988	4,988
Rental	-	19,827	19,827
Purchase of computer equipment	-	899	899
	919	101,963	102,882
Governance costs			
Maintenance of land and building	20,965	-	20,965
Maintenance of equipment and furnishings	1,303	-	1,303
	22,268	-	22,268

16. OPERATING COSTS

	Unrestricted funds	Restricted funds	Total
2019	S$	S$	S$
Cost of charitable activities			
Clients assistance	9,494	20,396	29,890
Enrichment programme costs	4,647	38,218	42,865
Food and refreshments	15,248	42,609	57,857
Professional fees	2,579	26,075	28,654
	31,968	127,298	159,266
Governance costs			
Professional fees	4,429	-	4,429

16. OPERATING COSTS (CONT'D)

2018	Unrestricted funds S$	Restricted funds S$	Total S$
Cost of charitable activities			
Clients assistance	913	21,252	22,165
Enrichment programme costs	3,865	31,264	35,129
Food and refreshments	11,932	45,128	57,060
Professional fees	-	8,000	8,000
	16,710	105,644	122,354
Governance costs			
Professional fees	5,882	-	5,882

17. ADMINSTRATIVE COSTS

2019	Unrestricted funds S$	Restricted funds S$	Total S$
Cost of charitable activities			
Household supplies	382	5,014	5,396
Insurance	4,350	17,733	22,083
Postage and communications	2,316	5,497	7,813
Printing and stationery	1,432	5,903	7,335
Rental of office equipment	1,004	2,035	3,039
Transportation	7	29,869	29,876
Utilities	7,382	47,188	54,570
Others	3,413	5,552	8,965
	20,286	118,791	139,077
Governance costs			
Household supplies	178	-	178
Insurance	2,357	-	2,357
Postage and communications	5,587	-	5,587
Printing and stationery	2,993	-	2,993
Rental of office equipment	1,711	-	1,711
Utilities	14,411	-	14,411
Others	13,187	-	13,187
	40,424	-	40,424

17. ADMINSTRATIVE COSTS (CONT'D)

2018	Unrestricted funds S$	Restricted funds S$	Total S$
Cost of charitable activities			
Household supplies	420	4,376	4,796
Insurance	4,036	17,608	21,644
Postage and communications	2,799	5,342	8,141
Printing and stationery	609	1,202	1,811
Rental of office equipment	1,091	1,836	2,927
Transportation	-	26,627	26,627
Utilities	3,544	46,516	50,060
Others	3,085	15,631	18,716
	15,584	119,138	134,722
Governance costs			
Household supplies	20	-	20
Insurance	1,996	-	1,996
Postage and communications	5,187	-	5,187
Printing and stationery	2,328	-	2,328
Rental of office equipment	1,850	-	1,850
Utilities	13,695	-	13,695
Effective interest expense	32,942	-	32,942
Others	7,071	-	7,071
	65,089	-	65,089

18. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

	2019 S$	2018 S$
Salaries and bonus	150,150	149,875
Contributions to defined contribution plans	8,654	9,181

Key management of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The directors are also considered as key management of the Company.

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole business of the Company. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

No derivatives shall be undertaken except for use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The key financial risks include credit risk and liquidity risk. The following provide details regarding the Company's exposure to the risks and the objectives, policies and processes for the management of these risks.

19.1 Credit risk

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

At reporting date, the carrying amounts of trade and other receivables, fixed deposits, and cash and cash equivalents represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. There was no significant concentration of credit risk.

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	12-month or lifetime ECL	Gross carrying amount	Loss allowance	Net carrying amount
			S$	S$	S$
31 December 2019					
Trade receivables	(5)	Lifetime ECL (simplified)	19,265	-	19,265
Other receivables	(6)	12-month ECL	46,810	-	46,810
Fixed deposits	(7)	12-month ECL	3,676,010	-	3,676,010
Cash and bank balances	(8)	12-month ECL	2,210,987	-	2,210,987
				-	

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

19.1 Credit risk (cont'd)

	Note	12-month or lifetime ECL	Gross carrying amount S$	Loss allowance S$	Net carrying amount S$
31 December 2018					
Trade receivables	(5)	Lifetime ECL (simplified)	18,097	-	18,097
Other receivables	(6)	12-month ECL	38,988	-	38,988
Fixed deposits	(7)	12-month ECL	3,281,068	-	3,281,068
Cash and bank balances	(8)	12-month ECL	1,849,085	-	1,849,085
				-	

Trade receivables

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Trade receivables			
	Days past due			
	≤ 30 days S$	31 - 60 days S$	> 60 days S$	Total S$
31 December 2019				
Trade receivables	8,680	2,585	8,000	19,265
Individually impaired	-	-	-	-
Estimated total gross carrying amount at default	8,680	2,585	8,000	19,265
ECL rate	0%	0%	0%	
ECL	-	-	-	-
				19,265

19. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

19.1 Credit risk (cont'd)

Trade receivables (cont'd)

	Trade receivables			
	Days past due			
	≤ 30 days	31 - 60 days	> 60 days	Total
	S$	S$	S$	S$
31 December 2018				
Trade receivables	7,010	2,836	8,251	18,097
Individually impaired	-	-	-	-
Estimated total gross carrying amount at default	7,010	2,836	8,251	18,097
ECL rate	0%	0%	0%	
ECL	-	-	-	-
				18,097

Other non-derivative financial assets

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

19.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

To manage liquidity risk, the Company monitors its net operating cash flows and maintains an adequate level of cash and cash equivalents. Management reviews its working capital requirements regularly.

The contractual undiscounted cash flows of other payables are equivalent to their carrying amounts and are repayable within one year.

20. FINANCIAL INSTRUMENTS

Fair value
The fair value of financial assets and liabilities is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

20. FINANCIAL INSTRUMENTS (CONT'D)

Fair value (cont'd)
Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of trade and other receivables, fixed deposits, cash and bank balances, and other payables are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Financial instruments by category
The carrying amounts of financial instruments in each of the following categories are as follows:

	2019	2018
	S$	S$
Financial assets measured at amortised cost:		
- Trade receivables	19,265	18,097
- Other receivables	46,810	38,988
- Fixed deposits	3,676,010	3,281,068
- Cash and bank balances	2,210,987	1,849,085
	5,953,072	5,187,238
Financial liability measured at amortised cost:		
- Other payables	458,054	763,558

21. FUND MANAGEMENT

The board reviews the Company's unrestricted reserves annually to ensure that the Company will be able to continue as a going concern. The reserve target is established at a level equivalent to two times the amount of the Company's annual operating expenditure.

22. SUBSEQUENT EVENTS

Subsequent to the reporting date, the existence of the infectious disease COVID-19 ('Coronavirus') has become widely known, and begun to rapidly spread throughout the world. The Company considers this to be a non-adjusting event after the reporting date. Since the reporting date this has caused increasing disruption to populations, to business and economic activity. As this situation is rapidly developing, it is not yet practicable to estimate the potential impact this may have on the Company.

No other matter or circumstance has arisen since 31 December 2019 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial year.