

THE HELPING HAND

[UEN. S88SS0058F]

[IPC No. IPC000344]

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

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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Fiducia LLP

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Public Accountants and
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STATEMENT BY GOVERNING BOARD

In the opinion of the Governing Board,

- a) the financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of The Helping Hand (the "Society") as at 31 December 2019, and the results, changes in funds and cash flows of the Society for the financial year then ended;
- b) 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 Governing Board, comprising the following, authorised the issue of these financial statements on 01 May 2020.


Rev. Dr Yap Kim Sin
May Loh Bee Bee
Ang Sze Wee Erik
Chew Yew Kuen Michael

Chairman
Vice-Chairman
Honorary Secretary
Honorary Treasurer

On behalf of the Governing Board,


Rev. Dr Yap Kim Sin
Chairman


Ang Sze Wee Erik
Honorary Secretary


Chew Yew Kuen Michael
Honorary Treasurer

Singapore, 01 May 2020.

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Independent auditor's report to the members of:

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **The Helping Hand** (the "Society"), which comprise the statement of financial position as at 31 December 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Society for the financial 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 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 2019 and the results, changes in funds and cash flows of the Society for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for other information. The other information comprises the Statement by Governing Board 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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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

Report on other Legal and Regulatory Requirements

In our opinion,

- (a) 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; and
- (b) the fund raising appeals held during the financial year ended 31 December 2019 have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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Report on Other Legal and Regulatory Requirements (Cont'd)

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

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



Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore, 01 May 2020.

Partner-in-charge: Soo Hon Weng
PAB. No.: 01089

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

	Note	Unrestricted Fund S\$	Restricted Funds S\$	Total Funds S\$
INCOME				
Income from generating funds				
- Voluntary income	4	1,708,447	272,480	1,980,927
- Fund raising income	4	135,335	0	135,335
Income from charitable activities	4	2,955,365	0	2,955,365
Other income	4	206,156	0	206,156
Total income		5,005,303	272,480	5,277,783
EXPENDITURE				
Costs of generating funds	5	48,889	0	48,889
Cost of charitable activities	5	2,109,768	0	2,109,768
Governance and other administrative costs	5	2,941,086	75,232	3,016,318
Total expenditure		5,099,743	75,232	5,174,975
Net (expenditure)/ income		(94,440)	197,248	102,808
Add: Singapore Prison service 2018 grant	4.1	549,123	0	549,123
Net income after 2018 grant		454,683	197,248	651,931
<u>Reconciliation of funds</u>				
Total funds brought forward at 01.01.2019		5,409,099	1,392	5,410,491
Effect of adopting FRS 116 Leases		(564)	0	(564)
Total funds restated at 01.01.2019		5,408,535	1,392	5,409,927
Total funds carried forward		5,863,218	198,640	6,061,858

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	Unrestricted Fund S\$	Restricted Fund S\$	Total Funds S\$
INCOME				
Income from generating funds				
- Voluntary income	4	1,430,806	3,479	1,434,285
- Fund raising income	4	132,641	0	132,641
Income from charitable activities	4	3,457,469	0	3,457,469
Other income	4	78,862	0	78,862
Total income		<u>5,099,778</u>	<u>3,479</u>	<u>5,103,257</u>
EXPENDITURE				
Costs of generating funds	5	34,886	0	34,886
Cost of charitable activities	5	2,429,707	3,912	2,433,619
Governance and other administrative costs	5	2,601,097	90,578	2,691,675
Total expenditure		<u>5,065,690</u>	<u>94,490</u>	<u>5,160,180</u>
Net income/(expenditure)		34,088	(91,011)	(56,923)
Add: Singapore Prison service 2017 grant	4.1	146,533	0	146,533
Net income after 2017 grant		<u>180,621</u>	<u>(91,011)</u>	<u>89,610</u>
<u>Reconciliation of funds</u>				
Total funds brought forward		<u>5,228,478</u>	<u>92,403</u>	<u>5,320,881</u>
Total funds carried forward		<u>5,409,099</u>	<u>1,392</u>	<u>5,410,491</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 S\$	2018 S\$
ASSETS			
Current assets			
Cash and cash equivalents	10	4,892,117	4,450,355
Trade and other receivables	11	674,865	377,169
Inventories	12	185,136	311,658
		<u>5,752,118</u>	<u>5,139,182</u>
Non-current assets			
Property, plant and equipment	13	<u>2,441,655</u>	<u>1,573,906</u>
Total assets		<u>8,193,773</u>	<u>6,713,088</u>
LIABILITIES			
Current liabilities			
Other payables	15	405,150	636,062
Deferred income	16	161,492	136,492
Deferred grant	17	21,545	0
Borrowings	18	<u>210,226</u>	<u>0</u>
		<u>798,413</u>	<u>772,554</u>
Non-current liabilities			
Deferred income	16	393,551	530,043
Borrowings	18	<u>939,951</u>	<u>0</u>
		<u>1,333,502</u>	<u>530,043</u>
Total liabilities		<u>2,131,915</u>	<u>1,302,597</u>
NET ASSETS		<u>6,061,858</u>	<u>5,410,491</u>
FUNDS			
Unrestricted			
- General fund	19	<u>5,863,218</u>	<u>5,409,099</u>
Restricted funds			
- Care and Share Matching fund	19	143,991	1,392
- President's Challenge fund	19	<u>54,649</u>	<u>0</u>
		<u>198,640</u>	<u>1,392</u>
TOTAL FUNDS		<u>6,061,858</u>	<u>5,410,491</u>

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

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

2019	Note	Unrestricted Fund S\$	Restricted Funds S\$	Total Funds S\$
Balance as at 01 January 2019, as previously reported		5,409,099	1,392	5,410,491
Effect of adopting FRS 116 Leases	2.1	(564)	0	(564)
Balance as at 01 January 2019, after adopting FRS 116		5,408,535	1,392	5,409,927
Net (expenditure) / income		(94,440)	197,248	102,808
Add: Singapore Prison Service's grant 2018	4.1	549,123	0	549,123
Net income with grant 2018		454,683	197,248	651,931
Balance as at 31 December 2019		5,863,218	198,640	6,061,858
2018		Unrestricted Fund S\$	Restricted Fund S\$	Total Funds S\$
Balance as at 01 January 2018		5,228,478	92,403	5,320,881
Net income / (expenditure)		34,088	(91,011)	(56,923)
Add: Singapore Prison Service's grant 2017	4.1	146,533	0	146,533
Net income / (expenditure) with grant 2017		180,621	(91,011)	89,610
Balance as at 31 December 2018		5,409,099	1,392	5,410,491

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

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

	Note	2019 S\$	2018 S\$
Cash flows from operating activities			
Net income		651,931	89,610
Adjustment for:			
- Amortisation of deferred income	16	(136,492)	(21,382)
- Depreciation	13	615,171	237,742
- Loss on disposal of property, plant and equipment		19,703	0
- Finance lease interest		61,714	0
- Interest on fixed deposits		(68,524)	(48,541)
- Interest on auto-saved accounts		(248)	(248)
Operating cash flow before working capital changes		1,143,255	257,181
Changes in working capital:			
- Inventories		126,522	(76,808)
- Trade and other receivables		(296,625)	(308,481)
- Other payables		(209,367)	915,052
- Deferred income		25,000	0
Net cash generated from operating activities		788,785	786,944
Cash flows from investing activities			
Interest received		67,701	45,306
Proceeds from disposal of property, plant and equipment		9,000	0
Purchases of property, plant and equipment	13	(161,505)	(795,996)
Net cash used in investing activities		(84,804)	(750,690)
Cash flows from financing activities			
Interest paid		(61,714)	0
Payment of principal portion of lease liabilities		(200,505)	0
Net cash used in financing activities		(262,219)	0
Net increase in cash and cash equivalents		441,762	36,254
Cash and cash equivalents at beginning of financial year		4,450,355	4,414,101
Cash and cash equivalents at end of financial year	10	4,892,117	4,450,355

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

1. General information

The Helping Hand (the "Society") was registered on 03 August 1988 under the Societies Act, Chapter 311 and on 20 July 1989 under the Charities Act, Chapter 37. The sector administrator of the Society is Ministry of Social and Family Development.

The Society's registered office and principal place of business is at 819 Upper Serangoon Road, Singapore 534678.

The objective of the Society is to promote social concern in the community and to establish halfway house programmes based on Christian principles to help recovering addicts and ex-offenders rehabilitate and re-integrate into society.

The Society has been accorded an Institution of a Public Character ("IPC") status for the period from 1 January 2018 to 30 September 2020.

In prior years, the Temporary Occupation Licence fee in respect of the premises occupied by the Society was directly paid by Singapore Corporation of Rehabilitative Enterprises to the Singapore Land Authority. In 2019, The Society paid the Temporary Occupation Licence fee directly to the Singapore Land Authority and Singapore Corporation of Rehabilitative Enterprises in turn provides a grant to cover the fee.

From 2020 onwards, Singapore Prison Service will directly pay the Temporary Occupation Licence fee to Singapore Land Authority.

2. Significant accounting policies

2.1 Basis of preparation

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

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

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

Interpretations and amendments to published standards effective in 2019

On 01 January 2019, the Society adopted the new or amended FRSs and Interpretations of FRSs ("INT FRSs") that are relevant and mandatory to its operations and effective on 1 January 2019. Changes to the Society's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

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

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Adoption of FRS 116 Leases

When the Society is the lessee

Prior to the adoption of FRS 116, non-cancellable operating lease payments were not recognised as liabilities in the statement of financial position. These payments were recognised as rental expenses over the lease term on a straight-line basis.

The Society's accounting policy on leases after the adoption of FRS 116 is as disclosed in Note 2.16.

On initial application of FRS 116, the Society has elected to apply the following practical expedients:

- i) For all contracts entered into before 1 January 2019 and that were previously identified as leases under FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, the Society has not reassessed if such contracts contain leases under FRS 116; and
- ii) On a lease-by-lease basis, the Society has:
 - a) applied a single discount rate to a portfolio of leases with reasonably similar characteristics;
 - b) relied on previous assessments on whether leases are onerous as an alternative to performing an impairment review;
 - c) accounted for operating leases with a remaining lease term of less than 12 months as at 1 January 2019 as short-term leases;
 - d) excluded initial direct costs in the measurement of the right-of-use ("ROU") asset at the date of initial application; and
 - e) used hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

There were no onerous contracts as at 1 January 2019.

For leases previously classified as operating leases on 1 January 2019, the Society has applied the following transition provisions:

- (i) On a lease-by-lease basis, the Society chose to measure its ROU assets (except for ROU assets which meet the definition of investment property) at a carrying amount as if FRS 116 had been applied since the commencement of the lease but discounted using the incremental borrowing rate at 1 January 2019.
- (ii) Recognised its lease liabilities by discounting the remaining lease payments as at 1 January 2019 using the incremental borrowing rate for each individual lease or, if applicable, the incremental borrowing rate for each portfolio of leases with reasonably similar characteristic.
- (iii) The difference between the carrying amounts of the ROU assets and lease liabilities as at 1 January 2019 is adjusted directly to opening retained profits. Comparative information is not restated.
- (iv) For leases previously classified as finance leases, the carrying amount of the leased asset and finance lease liabilities as at 1 January 2019 are determined as the carrying amount of the ROU assets and lease liabilities.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Adoption of FRS 116 Leases (Cont'd)

The effects of adoption of FRS 116 on the Society's financial statements as at 1 January 2019 are as follows:

	1 January 2019 S\$ (As previously reported)	FRS 116 adjustments S\$	1 January 2019 S\$ (As restated)
<u>Statement of financial position</u>			
<u>Non-current assets</u>			
Property, plant and equipment	1,573,906	9,164	1,583,070
<u>Current liabilities</u>			
Lease liabilities	0	(4,097)	(4,097)
<u>Non-current liabilities</u>			
Lease liabilities	0	(5,631)	(5,631)
<u>Unrestricted fund</u>			
General fund	(5,409,099)	564	(5,408,535)

An explanation of the differences between the operating lease commitments previously disclosed in the Society's financial statements as at 31 December 2018 and the lease liabilities recognised in the statement of financial position as at 1 January 2019 are as follows :

	S\$
Operating lease commitment disclosed as at 31 December 2018	10,322
Less: Discounting effect using weighted average prime lending rate of 5.00%	(594)
Lease liabilities recognised as at 1 January 2019	9,728

Standards issued but not effective

The Society will adopt the following relevant new/ revised FRSs INT FRSs and amendments to FRSs when they become effective:

Descriptions	Annual periods commencing on
Amendments to: - References to the Conceptual Framework in FRS Standards - FRS 103 : Definition of a Business - FRS 1 and FRS 8: Definition of Material - FRS 109, FRS 39 and FRS 107: Interest Rate Benchmark Reform	1 January 2020
FRS 117 Insurance contracts	1 January 2021
Amendments to: - FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

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

Revenue 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.

Revenue is recognised when the Society satisfies a performance obligation by transferring a promised good or 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. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2.2.1 Sale of goods

Revenue from the sale of goods is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the estimated transaction price, which comprises the contractual price.

2.2.2 Rendering of services – Contract revenue

Revenue from services is recognised upon rendering of services, in accordance with the relevant agreement.

2.2.3 Donations

Donations are taken up and accrued as and when they are committed. Those income from charity events and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.4 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.3 Government grant

Grants from the Government are recognised at their fair value where there is a reasonable assurance that the grants will be received and the Society will comply with all attached conditions. Government grants, relating to costs are deferred and recognised in statement of financial activities over the period necessary to match them with the costs they are intended to compensate.

2.4 Expenditure recognition

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

2.4.1 Cost of generating funds are those costs attributable to generating income for the Society, other than those costs incurred in undertaking charitable activities in furtherance of the Society's objects.

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

2 Significant accounting policies (Cont'd)**2.4 Expenditure recognition (Cont'd)**

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

2.5 Property, plant and equipment**2.5.1 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 initially recognised 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.

2.5.2 Depreciation

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

	Useful lives
Computer equipment	3 years
Electrical equipment	3 years
Furniture and fittings	5 years
Motor vehicles	5-10 years
Office equipment	3 years
Renovation	5 years
Right of use asset - Premises	6 years
Right of use asset - Copier	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the statement of financial activities in the financial year in which the changes arise.

2.5.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that have 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 statement of financial activities during the financial year in which it is incurred.

2.5.4 Disposal

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

2. Significant accounting policies (Cont'd)**2.6 Impairment of non-financial assets**

Property, plant and equipment, right-of-use assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the 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 difference between the carrying amount and recoverable amount is recognised as an impairment loss in statement of financial activities, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this 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 any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in statement of financial activities, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense, a reversal of that impairment is also recognised in statement of financial activities.

2.7 Financial assets

The Society classifies its financial assets into the measurement category of amortised cost.

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 asset.

Financial assets with embedded derivatives 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 asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in statement of financial activities.

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

Debt instruments of the Society mainly comprise of cash and cash equivalents trade 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 groups of financial assets by collecting the contractual cash flow and these cash flows represented solely payment of principal and interest. Accordingly, these groups of financial assets are measured at amortised cost subsequent to initial recognition.

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

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

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

For trade receivables, the Society applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short term deposits with financial institutions that are readily convertible to known amount of cash and are subject to an insignificant risk of changes in values.

2.9 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of inventories comprises other direct costs. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and applicable variable selling expenses.

2.10 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.

2. Significant accounting policies (Cont'd)**2.10 Financial liabilities (Cont'd)**

Financial liabilities is derecognised when the obligations under the liability is discharged or cancelled or expires. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability 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.

2.11 Other payables

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

2.12 Provisions for other liabilities and charges

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

2.13 Fair value estimation of financial assets and liabilities

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values due to their short-term nature.

2.14 Borrowing costs

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

2.15 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Governing Board. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Governing Board retains full control over the use of unrestricted funds for any of the Society's purposes.

2.16 Leases

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

When the Society is the lessee:

The Society leases office unit under operating leases from non-related parties.

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating lease (net of any incentives received from the lessors) are recognised in statement of financial activities on a straight-line basis over the period of the lease.

Contingent rents are recognised as expense in statement of financial activities when incurred.

2. Significant accounting policies (Cont'd)**2.16 Leases (Cont'd)**

(b) The accounting policy for leases from 1 January 2019 are as follows:

When the Society is the 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.

At the inception of the contract, the Society assesses if the contract contains a lease. A contract 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. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use ("ROU") assets

The Society recognised a right-of-use asset and lease liabilities at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted of any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meet the definition of an investment property) are presented within "Property, plant and equipment".

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Society shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Society exercising that option.

For contract that contain both lease and non-lease components, the Society allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Society has elected to not separate lease and non-lease component for property lease and account these as one single lease component.

2. Significant accounting policies (Cont'd)**2.16 Leases (Cont'd)**

(b) The accounting policy for leases from 1 January 2019 are as follows: (Cont'd)

When the Society is the lessee: (Cont'd)

- Lease liabilities (Cont'd)

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a changes in the Society's assessment of whether it will exercise an extension option; or
- There are modifications in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in statement of financial activities if the carrying amount of the right-of-use asset has been reduced to zero.

The Society's lease liabilities are disclosed in note 18.

- Short-term and low-value leases

The Society has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease term of 12 months or less from the commencement date and do not contain a purchase option and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to statement of financial activities 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 statement of financial activities in the periods that triggered those lease payments.

2.17 Employee compensation

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.

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 statement of financial position date.

2. Significant accounting policies (Cont'd)**2.18 Currency translation**

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the statement of financial position date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

3. Critical accounting estimates, assumptions and judgments

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

Critical accounting estimates and assumptions

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

Estimated useful lives of property, plant and equipment

The Society reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. The carrying amount of property, plant and equipment and the depreciation charge for the year are disclosed in Note 12.

Critical judgments in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Valuation of inventories

At each reporting date, the management assess whether there is any objective evidence that certain inventories are stated at cost which are above their net realisable value. If so, these inventories are written down to their net realisable value. To determine whether there is such objective evidence, the management considers factors such as customer preferences and customer purchasing trends. Management assessment is performed periodically to ensure that inventories are fairly stated. The carrying amount of inventories is disclosed in Note 12.

Government grants

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

3. Critical accounting estimates, assumptions and judgments (Cont'd)

Critical judgement over the lease term

As at 31 December 2019, the Society's lease liabilities, which are measured with reference to an estimate of the lease term, amounted to S\$1,133,033 of which S\$713,416 arose from extension option. Extension option is included in the lease term if the lease is reasonably certain to be extended. In determining the lease term, management considers all the facts and circumstances that create an economic incentive to exercise the extension option.

For leases of office space, the Society typically includes the extension option with the following factors being considered:

- the leasehold improvement is expected to have a significant remaining value or
- premise is located in strategic location that will contribute to the continued profitability of the Society.

The Society will not consider including the extension option in lease liabilities if it can replace the assets without significant cost or business disruption.

The assessment of reasonable certainty to exercise extension option is only revised if a significant change in circumstances occurs which affects this assessment, and is within the control of the lessee.

4. Income

2019		Unrestricted Fund	Restricted Funds			Total Funds
	Note	General Fund S\$	Care and Share Matching Fund S\$	President's Challenge S\$	Total Restricted Funds S\$	S\$
Voluntary income						
Donations						
- Tax exempt	7	219,471	0	0	0	219,471
- Non-tax exempt		70,863	0	0	0	70,863
Government and other grants		<u>1,418,113</u>	<u>190,025</u>	<u>82,455</u>	<u>272,480</u>	<u>1,690,593</u>
		<u>1,708,447</u>	<u>190,025</u>	<u>82,455</u>	<u>272,480</u>	<u>1,980,927</u>
Fund raising income						
Annual magazine advertisement revenue		68,785	0	0	0	68,785
Charity golf		<u>66,550</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>66,550</u>
	8	<u>135,335</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>135,335</u>
Income from charitable activities						
General work projects		1,710,221	0	0	0	1,710,221
Sale of furniture, vases, gallery items and fishing tackle		1,244,621	0	0	0	1,244,621
Others (mainly string tie)		<u>523</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>523</u>
		<u>2,955,365</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,955,365</u>
Other income						
Amortisation of deferred income	16	136,492	0	0	0	136,492
Interest on auto-saved accounts		248	0	0	0	248
Interest on fixed deposits		68,524	0	0	0	68,524
Others (mainly from field trips)		892	0	0	0	892
		<u>206,156</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>206,156</u>
Total income		<u>5,005,303</u>	<u>190,025</u>	<u>82,455</u>	<u>272,480</u>	<u>5,277,783</u>

4. Income (Cont'd)

2018	Note	Unrestricted Fund	Restricted Fund	Total funds
		General Fund S\$	Care and Share Matching Fund S\$	
Voluntary income				
Donations				
- Tax exempt	7	251,447	0	251,447
- Non-tax exempt		65,278	0	65,278
Government and other grants		1,114,081	3,479	1,117,560
		<u>1,430,806</u>	<u>3,479</u>	<u>1,434,285</u>
Fund raising income				
Annual magazine advertisement revenue		34,346	0	34,346
Charity golf		81,500	0	81,500
Ride to restore		16,795	0	16,795
	8	<u>132,641</u>	<u>0</u>	<u>132,641</u>
Income from charitable activities				
General work projects		1,641,705	0	1,641,705
Sale of furniture, vases, gallery items and fishing tackle		1,738,077	0	1,738,077
Services rendered*		77,500	0	77,500
Others		187	0	187
		<u>3,457,469</u>	<u>0</u>	<u>3,457,469</u>
Other income				
Amortisation of deferred income	16	21,382	0	21,382
Interest on auto-saved accounts		248	0	248
Interest on fixed deposits		48,541	0	48,541
Others (mainly insurance claims and unclaimed deposits)		8,691	0	8,691
		<u>78,862</u>	<u>0</u>	<u>78,862</u>
Total income		<u>5,099,778</u>	<u>3,479</u>	<u>5,103,257</u>

*Services rendered refers to refrigerated truck delivery services which ceased operations in November 2018.

4.1 Singapore Prison Service's Grant relating to 2018/2017

The amount of S\$ 549,123 (2018: S\$ 146,533) is an adjustment by Singapore Prison Service to an estimate of the projected annual operating grant which can only be confirmed after the financial year.

5. Expenditure

2019		Unrestricted Fund	Restricted Funds			Total Funds
			Care and Share Matching Fund	President's Challenge	Total Restricted Funds	
	Note	General Fund S\$	S\$	S\$	S\$	S\$
Cost of generating fund						
Annual magazine printing cost						
- current year	8	13,003	0	0	0	13,003
- prior year	8	4,900	0	0	0	4,900
Fundraising cost - charity golf	8	30,986	0	0	0	30,986
		<u>48,889</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>48,889</u>
Cost of charitable activities						
- Advertisement		5,518	0	0	0	5,518
- Containers transport and freight		17,807	0	0	0	17,807
- Cost of furniture, vases, gallery items and fishing tackle		512,747	0	0	0	512,747
- Cost of general work projects		130,028	0	0	0	130,028
- Overseas shipping fee		3,940	0	0	0	3,940
- Rental fees for tentage		31,088	0	0	0	31,088
- Staff costs	6	<u>1,408,640</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,408,640</u>
		<u>2,109,768</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,109,768</u>
Governance and other administrative costs						
Accounting services		24,000	0	0	0	24,000
Audit fee		12,616	0	0	0	12,616
Bank charges		7,682	0	0	0	7,682
Computers		2,357	0	0	0	2,357
Condolences and gifts		1,358	0	0	0	1,358
Depreciation of property, plant and equipment	13	564,108	35,948	15,115	51,063	615,171
Donation		1,419	0	0	0	1,419
Equipment		4,058	0	0	0	4,058
Event expenses		15,416	0	0	0	15,416
Furniture and fittings		381	0	0	0	381
General expenses		4,041	0	0	0	4,041
GST expensed off		11,750	0	0	0	11,750
Interest expenses on lease liabilities		61,714	0	0	0	61,714
Loss on disposal of fixed asset		19,703	0	0	0	19,703
Membership fee/ licence fee (utilities)		100	0	0	0	100
Other expenses		8,769	0	0	0	8,769
Postage		2,001	0	0	0	2,001
Printing and stationery		9,249	0	0	0	9,249
Removal repairs		6,482	0	0	0	6,482
Repairs and maintenance		45,191	11,478	12,691	24,169	69,360
Small value office expenses		2,297	0	0	0	2,297
Speakers' honorarium		14,900	0	0	0	14,900
Staff costs	6	<u>1,546,960</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,546,960</u>
Stock written off		14,919	0	0	0	14,919
Telecommunication		23,494	0	0	0	23,494
Testing kits		5,593	0	0	0	5,593
Travelling and transport expenses		2,882	0	0	0	2,882
Upkeep of kitchen		239,615	0	0	0	239,615
Upkeep of motor vehicles		202,630	0	0	0	202,630
Utilities		83,671	0	0	0	83,671
Visitation expenses		<u>1,730</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,730</u>
		<u>2,941,086</u>	<u>47,426</u>	<u>27,806</u>	<u>75,232</u>	<u>3,016,318</u>
Total expenditure		<u>5,099,743</u>	<u>47,426</u>	<u>27,806</u>	<u>75,232</u>	<u>5,174,975</u>

5. Expenditure (Cont'd)

2018	Note	Unrestricted Fund	Restricted Fund	Total funds
		General Fund S\$	Care and Share Matching Fund S\$	
Cost of generating fund				
Annual magazine printing cost	8	4,441	0	4,441
Fundraising cost - charity golf	8	29,138	0	29,138
Fundraising cost - ride to restore	8	1,307	0	1,307
		<u>34,886</u>	<u>0</u>	<u>34,886</u>
Cost of charitable activities				
- Advertisement		29,474	0	29,474
- Containers transport and freight		46,423	0	46,423
- Cost of furniture, vases, gallery items and fishing tackle		789,843	0	789,843
- Cost of general work projects		145,622	0	145,622
- Overseas shipping fee		10,436	0	10,436
- Rental fees for tentage		31,051	0	31,051
- Staff costs	6	1,376,858	3,912	1,380,770
		<u>2,429,707</u>	<u>3,912</u>	<u>2,433,619</u>
Governance and other administrative costs				
Accounting services		24,000	0	24,000
Audit fee		7,490	0	7,490
Bank charges		19,500	0	19,500
Banners-Fundraising event		390	0	390
Computers		0	14,784	14,784
Condolences and gifts		900	0	900
Depreciation of property, plant and equipment	13	215,559	22,183	237,742
Donation		1,750	0	1,750
Equipment		788	466	1,254
Event expenses		22,225	0	22,225
General expenses		18,632	0	18,632
GST expensed off		11,098	0	11,098
Membership fee/ license fee (utilities)		976	0	976
Other expenses		32,458	0	32,458
Postage		1,722	0	1,722
Printing and stationery		9,575	0	9,575
Removal repairs		1,010	0	1,010
Rental of equipment		6,653	0	6,653
Repairs and maintenance		87,783	0	87,783
Small value office expenses		6,838	0	6,838
Speakers' honorarium		14,870	0	14,870
Staff costs	6	1,590,345	19,075	1,609,420
Telecommunication		23,633	0	23,633
Testing kits		7,918	0	7,918
Travelling and transport expenses		1,140	0	1,140
Upkeep of kitchen		232,990	5,566	238,556
Upkeep of motor vehicles		215,237	0	215,237
Utilities		43,949	28,504	72,453
Visitation expenses		1,668	0	1,668
		<u>2,601,097</u>	<u>90,578</u>	<u>2,691,675</u>
Total expenditure		<u>5,065,690</u>	<u>94,490</u>	<u>5,160,180</u>

6. Staff costs

Included in the expenses expended are the following staff costs:

2019	Note	Unrestricted Fund	Restricted Fund	Total funds
		General Fund S\$	Care and Share Matching Fund S\$	
CPF and SDF contributions		274,375	0	274,375
Residents costs		527,726	0	527,726
Staff incentive		92,970	0	92,970
Staff insurance		70,745	0	70,745
Staff medical expenses		17,999	0	17,999
Staff salaries and bonus		1,928,989	0	1,928,989
Staff training expenses		15,235	0	15,235
Staff uniforms		1,683	0	1,683
Staff unutilised leave		(8,754)	0	(8,754)
Staff welfare/benefits		34,632	0	34,632
		<u>2,955,600</u>	<u>0</u>	<u>2,955,600</u>

The staff costs were allocated as follows:

▪ Cost of charitable activities	5	1,408,640	0	1,408,640
▪ Administration	5	1,546,960	0	1,546,960
		<u>2,955,600</u>	<u>0</u>	<u>2,955,600</u>

2018	Note	Unrestricted Fund	Restricted Fund	Total funds
		General Fund S\$	Care and Share Matching Fund S\$	
CPF and SDF contributions		278,741	0	278,741
Residents costs		470,466	9,639	480,105
Staff incentive		80,325	0	80,325
Staff insurance		59,823	0	59,823
Staff medical expenses		17,868	0	17,868
Staff salaries and bonus		1,967,041	0	1,967,041
Staff training expenses		990	13,348	14,338
Staff uniforms		377	0	377
Staff unutilised leave		30,602	0	30,602
Staff welfare/benefits		60,970	0	60,970
		<u>2,967,203</u>	<u>22,987</u>	<u>2,990,190</u>

The staff costs were allocated as follows:

▪ Cost of charitable activities	5	1,376,858	3,912	1,380,770
▪ Administration	5	1,590,345	19,075	1,609,420
		<u>2,967,203</u>	<u>22,987</u>	<u>2,990,190</u>

7. Tax deductible receipts

During the financial year, the Society issued tax-exempt receipts for donations collected amounting to S\$308,721 (2018: S\$330,392) pursuant to its Institution of a Public Character ("IPC") status. They are recorded as follows:

<u>Statement of financial activities</u>	Note	2019 S\$	2018 S\$
General fund			
• Donations	4	219,471	251,447
• Fund raising : charity golf	8	64,250	76,500
• Fund raising : ride to restore	8	0	2,445
		<u>283,721</u>	<u>330,392</u>
<u>Statement of financial activities</u>			
General fund			
• Deferred income (donations for charity golf 2020)	16	<u>25,000</u>	<u>0</u>
Total		<u>308,721</u>	<u>330,392</u>

8. Fund raising events

	Note	2019 S\$	2018 S\$
<i>Income from fund-raising event:</i>			
Annual magazine advertisement revenue		68,785	34,346
Donations - Tax exempt	7	64,250	78,945
Donations - Non tax exempt		2,300	5,050
Registration fee		0	14,300
	4	<u>135,335</u>	<u>132,641</u>
<i>Costs of fund raising expenses:</i>			
Annual magazine printing cost			
- current year	5	13,003	4,441
- prior year	5	4,900	0
Charity golf	5	30,986	29,138
Ride to restore	5	0	1,307
		<u>48,889</u>	<u>34,886</u>
Net proceeds		<u>86,446</u>	<u>97,755</u>
Percentage of fund raising expenses over income from fund raising event		<u>32.5%*</u>	<u>26%</u>

* The percentage excludes 2018 annual magazine printing cost of S\$4,900.

9. Income tax

The Society is a registered charity under the Charities Act and is exempted from income tax under Section 13 of the Income Tax Act, Chapter 34.

10. Cash and cash equivalents

	2019 S\$	2018 S\$
Cash and bank balances	822,244	676,416
Fixed deposits	<u>4,069,873</u>	<u>3,773,939</u>
	<u>4,892,117</u>	<u>4,450,355</u>

10. Cash and cash equivalents (Cont'd)

As at the end of the reporting date, the tenures of the fixed deposits are as follows:

	2019 S\$	2018 S\$
Within 1 year	<u>4,069,873</u>	<u>3,773,939</u>

Fixed deposits at the reporting date have an average maturity of 8 months (2018: 8 months) from the end of the financial year with weighted average effective interest rate of 1.68% (2018: 1.73%). The fixed deposits may be uplifted by the Society prior to maturity date if necessary.

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

11. Trade and other receivables

	Note	2019 S\$	2018 S\$
Trade receivables		<u>21,258</u>	<u>15,947</u>
Other receivables:			
- Grant receivables – Singapore Prison Service	4.1	549,123	0
- Grant receivables – Care and Share		47,506	0
- Grant receivables – Cyclical Maintenance		0	53,424
- Grant receivables – VCF fund		5,085	1,377
- Deposits		6,870	6,870
- Interest receivable		11,651	10,580
- Prepayment		<u>33,372</u>	<u>288,971</u>
		<u>653,607</u>	<u>361,222</u>
Total		<u>674,865</u>	<u>377,169</u>

Trade receivables are denominated in Singapore Dollar and non-interest bearing with the average credit period of between 30 to 60 days (2018: 30 to 60 days). The grant receivables from Singapore Prison Service was subsequently received on 05 March 2020.

At the reporting date, the carrying amounts of trade and other receivables approximated their fair values.

12. Inventories

	2019 S\$	2018 S\$
Furniture, vases and gallery items, at cost	185,136	162,676
Fishing tackle, at cost	<u>0</u>	<u>148,982</u>
	<u>185,136</u>	<u>311,658</u>

Part of the inventories totalling S\$116,296 is stocks kept in location of Indonesia.

The cost of inventories recognised as an expense and included in 'cost of sales' amounted to S\$512,747 (2018: S\$789,843).

12. Inventories (Cont'd)

On 20 April 2019, the Society discontinued its operation of fishing tackle upon the disposal of all its inventories.

13. Property, plant and equipment**2019**

At cost	Balance at beginning of year S\$	Effect of adopting FRS 116 Leases S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
Computer equipment	16,606	0	19,162	0	35,768
Electrical equipment	108,421	0	33,015	0	141,436
Furniture & fittings	35,120	0	41,666	0	76,786
Motor vehicles	1,887,764	0	14,132	(39,590)	1,862,306
Office equipment	17,693	0	0	0	17,693
Renovation	792,160	0	53,530	0	845,690
Right-of-use – premises	0	0	1,327,650	0	1,327,650
Right-of-use – copiers	0	28,418	13,304	0	41,722
	<u>2,857,764</u>	<u>28,418</u>	<u>1,502,459</u>	<u>(39,590)</u>	<u>4,349,051</u>
Accumulated depreciation	Balance at beginning of year S\$	Effect of adopting FRS 116 Leases S\$	Depreciation charge S\$	(Disposals) S\$	Balance at end of Year S\$
Computer equipment	13,104	0	4,245	0	17,349
Electrical equipment	58,250	0	29,573	0	87,823
Furniture & fittings	27,258	0	7,740	0	34,998
Motor vehicles	1,111,769	0	177,108	(10,887)	1,277,990
Office equipment	12,991	0	4,598	0	17,589
Renovation	60,486	0	164,677	0	225,163
Right-of-use – premises	0	0	221,275	0	221,275
Right-of-use – copiers	0	19,254	5,955	0	25,209
	<u>1,283,858</u>	<u>19,254</u>	<u>615,171</u>	<u>(10,887)</u>	<u>1,907,396</u>
Net carrying amount	Balance at beginning of year S\$				Balance at end of Year S\$
Computer equipment	3,502				18,419
Electrical equipment	50,171				53,613
Furniture & fittings	7,862				41,788
Motor vehicles	775,995				584,316
Office equipment	4,702				104
Renovation	731,674				620,527
Right-of-use – premises	0				1,106,375
Right-of-use – copiers	0				16,513
	<u>1,573,906</u>				<u>2,441,655</u>

13. Property, plant and equipment (Cont'd)**2018**

At cost	Balance at beginning of year S\$	Additions S\$	(Disposals) S\$	Balance at end of year S\$
Computer equipment	12,404	4,202	0	16,606
Electrical equipment	55,466	52,955	0	108,421
Furniture & fittings	27,500	7,620	0	35,120
Motor vehicles	1,869,899	17,865	0	1,887,764
Office equipment	17,693	0	0	17,693
Renovation	78,806	713,354	0	792,160
	<u>2,061,768</u>	<u>795,996</u>	<u>0</u>	<u>2,857,764</u>
Accumulated depreciation	Balance at beginning of year S\$	Depreciation charge S\$	(Disposals) S\$	Balance at end of Year S\$
Computer equipment	12,103	1,001	0	13,104
Electrical equipment	38,185	20,065	0	58,250
Furniture & fittings	26,139	1,119	0	27,258
Motor vehicles	929,410	182,359	0	1,111,769
Office equipment	7,443	5,548	0	12,991
Renovation	32,836	27,650	0	60,486
	<u>1,046,116</u>	<u>237,742</u>	<u>0</u>	<u>1,283,858</u>
Net carrying amount	Balance at beginning of year S\$			Balance at end of Year S\$
Computer equipment	301			3,502
Electrical equipment	17,281			50,171
Furniture & fittings	1,361			7,862
Motor vehicles	940,489			775,995
Office equipment	10,250			4,702
Renovation	45,970			731,674
	<u>1,015,652</u>			<u>1,573,906</u>

13. Property, plant and equipment (Cont'd)

The following property, plant and equipment were purchased through the Care and Share Matching Fund as disclosed in Note 19.

2019

At cost	Balance at beginning of year S\$	Additions S\$	Balance at end of year S\$
Computers	4,201	10,660	14,861
Electrical equipment	59,560	0	59,560
Furniture & fittings	0	45,445	45,445
Motor vehicles	92,100	0	92,100
	<u>155,861</u>	<u>56,105</u>	<u>211,966</u>

Accumulated depreciation	Balance at beginning of year S\$	Depreciation charge S\$	Balance at end of Year S\$
Computers	700	2,446	3,146
Electrical equipment	17,195	17,637	34,832
Furniture & fittings	0	6,652	6,652
Motor vehicles	14,135	9,210	23,345
	<u>32,030</u>	<u>35,945</u>	<u>67,975</u>

Net carrying amount	Balance at beginning of year S\$		Balance at end of Year S\$
Computers	3,501		11,715
Electrical equipment	42,365		24,728
Furniture & fittings	0		38,793
Motor vehicles	77,965		68,755
	<u>123,831</u>		<u>143,991</u>

2018	Balance at beginning of year S\$	Additions S\$	Balance at end of year S\$
At cost			
Computers	0	4,201	4,201
Electrical equipment	10,150	49,410	59,560
Motor vehicles	92,100	0	92,100
	<u>102,250</u>	<u>53,611</u>	<u>155,861</u>

Accumulated depreciation	Balance at beginning of year S\$	Depreciation charge S\$	Balance at end of Year S\$
Computers	0	700	700
Electrical equipment	4,922	12,273	17,195
Motor vehicles	4,925	9,210	14,135
	<u>9,847</u>	<u>22,183</u>	<u>32,030</u>

Net carrying amount	Balance at beginning of year S\$		Balance at end of Year S\$
Computers	0		3,501
Electrical equipment	5,228		42,365
Motor vehicles	87,175		77,965
	<u>92,403</u>		<u>123,831</u>

13. Property, plant and equipment (Cont'd)

The following property, plant and equipment were purchased through the President's Challenge Fund as disclosed in Note 19.

2019			
At cost	Balance at beginning of year S\$	Additions S\$	Balance at end of year S\$
Renovation	0	69,764	69,764
Accumulated depreciation	Balance at beginning of year S\$	Depreciation charge S\$	Balance at end of Year S\$
Renovation	0	15,115	15,115
Net carrying amount	Balance at beginning of year S\$		Balance at end of Year S\$
Renovation	0		54,649

14. Leases – The Society as a lessee

Nature of the Society's leasing activities

Premises

Copier machines

The Society leases premises and copier machines for the purpose of its operations.

(a) Carrying amount

Right-of-use ("ROU") assets classified within Property, plant and equipment

	31.12.2019 S\$	01.01.2019 S\$
Premises	1,106,375	0
Copier machines	16,513	9,164
	<u>1,122,888</u>	<u>9,164</u>

(b) Depreciation charged during the financial year

	2019 S\$
Premises	221,275
Copier machines	5,955
	<u>227,230</u>

14. Leases – The Society as a lessee (Cont'd)Nature of the Society's leasing activities (Cont'd)

The Society leases premises and copier machines for the purpose of operation. (Cont'd)

(c) Interest expense on lease liabilities

	2019 S\$
Premises	60,898
Copier machines	816
	<u>61,714</u>

(d) Total cash outflow for all the leases in 2019 was \$262,219.

(e) Premises at 819 Upper Serangoon Road relate to the tenancy agreement between Society and Singapore Land Authority, which has been capitalised under FRS 116.

15. Other payables

	2019 S\$	2018 S\$
Other payables		
-Accruals	194,507	269,589
-Deposits received from customers	23,944	40,069
-General	9,533	52
-GST payables	39,022	40,234
-Overseas inventories	116,296	0
-Provision for unutilised leave	21,848	30,602
-Subsidised advance rental	0	255,516
	<u>405,150</u>	<u>636,062</u>

At the reporting date, the carrying amounts of trade and other payables approximated their fair values and were denominated in the following currencies:

	2019 S\$	2018 S\$
Singapore Dollar	288,854	636,062
Indonesian Rupiah	116,296	0
	<u>405,150</u>	<u>636,062</u>

16. Deferred income

	Note	Motor Vehicle S\$	Cyclical Maintenance S\$	Donations for Charity golf 2020 S\$	Total S\$
2019					
Cost					
Balance at beginning of financial year		109,172	627,873	0	737,045
Addition		0	0	25,000	25,000
Balance at end of financial year		109,172	627,873	25,000	762,045
Accumulated amortisation					
Beginning of financial year		(60,045)	(10,465)	0	(70,510)
Amortisation for the year	4	(10,917)	(125,575)	0	(136,492)
End of financial year		(70,962)	(136,040)	0	(207,002)
Carrying amount at end of financial year					
Current		10,917	125,575	25,000	161,492
Non-current		27,293	366,258	0	393,551
		38,210	491,833	25,000	555,043
2018					
Cost					
Balance at beginning of financial year		109,172	0	109,172	
Addition		0	627,873	627,873	
Balance at end of financial year		109,172	627,873	737,045	
Accumulated amortisation					
Beginning of financial year		(49,128)	0	(49,128)	
Amortisation for the year	4	(10,917)	(10,465)	(21,382)	
End of financial year		(60,045)	(10,465)	(70,510)	
Carrying amount at end of financial year					
Current		10,917	125,575	136,492	
Non-current		38,210	491,833	530,043	
		49,127	617,408	666,535	

Deferred income comprised:

- Donations of capital items, namely, motor vehicle, YN4062A in 2013 and cyclical maintenance fund granted by SCORE in 2017 in which SCORE will bear 90% of cyclical maintenance cost performed at the premise of The Helping Hand. Donations related to depreciable assets are recognised as income over the periods and in the proportion in which depreciation expense on those assets is recognised; and
- Donations for charity golf 2020.

17. Deferred grant

	Note	2019 S\$	2018 S\$
President's Challenge grant	19	<u>21,545</u>	<u>0</u>

The deferred grant consists of the following:

	2019 S\$	2018 S\$
Add: grant received in 2019	<u>104,000</u>	<u>0</u>
Less: utilisation		
- Expenses incurred	(27,806)	0
- Renovation at net carrying amount	<u>(54,649)</u>	<u>0</u>
	<u>(82,455)</u>	<u>0</u>
Balance at end of the year	<u>21,545</u>	<u>0</u>

18. Borrowings

	2019 S\$	2018 S\$
Lease liabilities		
Current	210,226	0
Non-current	<u>939,951</u>	<u>0</u>
	<u>1,150,177</u>	<u>0</u>

The breakdown of the lease liabilities is as follows

	2019 S\$	2018 S\$
Lease liabilities		
Premises	1,133,033	0
Copier machines	<u>17,144</u>	<u>0</u>
	<u>1,150,177</u>	<u>0</u>

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

	Non-cash changes					
	01.01.2019 S\$	Additions S\$	Cash flows S\$	Accretion of interests S\$	Other S\$	31.12.2019 S\$
Liabilities						
Lease liabilities						
- current	4,097	196,408	(262,219)	61,714	210,226	210,226
- non-current	<u>5,631</u>	<u>1,144,546</u>	<u>0</u>	<u>0</u>	<u>(210,226)</u>	<u>939,951</u>
	<u>9,728</u>	<u>1,340,954</u>	<u>(262,219)</u>	<u>61,714</u>	<u>0</u>	<u>1,150,177</u>

19. Funds

Funds comprise unrestricted and restricted fund.

Unrestricted fund

This fund represents accumulated surplus and is for the purpose of meeting operating expenses incurred by the Society.

Restricted funds

Fund balances restricted by outside sources are indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purpose established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its society purposes.

Restricted funds comprise Care and Share Matching Fund and President Challenge 2018.

Care and Share Matching Fund

Care and Share Grant is a grant from Ministry of Social and Family Development ("MSF"), based on qualifying donations, to develop the charitable society's capabilities and capacity in the provision of social services and programmes for its beneficiaries. The unused funds for projects that are withdrawn or terminated prematurely may be clawed back if the new proposed projects were not being approved by MSF.

The Care and Share Grant is restricted and is to be utilised for the following purposes:

(a) Capability building

i. Organisational development:

Examples include engaging consultants or developing training in areas of strategic planning, business contingency planning, business process re-design, workplace health, research, improving organisation models to ensure financial viability and fund raising capacity.

ii. Manpower development:

Examples include the awarding of scholarships to the Society's staff, manpower training, human resource management and development like leadership management, learning needs analysis for Society staff and talent development.

(b) Capacity building

Examples include the purchase of additional equipment to enhance social service delivery (E.g. wheelchairs), investment in technology (E.g. the purchase of electronic devices for staff to boost productivity so as to better serve the Society's beneficiaries) and physical infrastructure developments (e.g. renovation of the Society's premises, expansion of physical space).

(c) New programmes to meet emerging or unmet needs and enhancements/ expansion of existing services. Examples include inter-agency projects to meet specific needs in the community or enhanced services to provide more upstream intervention.

19. Funds (Cont'd)Care and Share Matching Fund (Cont'd)**(d) Critical existing needs**

Examples include the Society's recurring operating costs and costs that are crucial to the continued operations of the Society.

Care and share matching fund's utilisation has been extended to 31 May 2021 by National Council of Social Service ("NCSS").

The net assets of the Care and Share Matching fund is as follows:

	Note	2019 S\$	2018 S\$
Total restricted fund		143,991	1,392
Represented by:			
Cash and bank balances		(47,506)	(122,439)
Grant receivable		47,506	0
Property, plant and equipment	13	143,991	123,831
		143,991	1,392

President's Challenge Fund

President's Challenge is a movement supported by the kindness and generosity of the people from all walks of life, regardless of culture, religion or family background, to help those less fortunate. The main bodies involved in the organisation and administration of President's Challenge are the President's Office, Ministry of Social and Family Development ("MSF") and National Council of Social Service ("NCSS"). The Society has been selected as one of the beneficiaries for the funding of its cyclical maintenance works by NCSS. This fund has to be utilised within 2 years upon receipt of the monies, or risk being revoked.

The net assets of the President's Challenge fund are as follows:

	Note	2019 S\$	2018 S\$
Total restricted fund		54,649	0
Represented by:			
Cash and bank balances		21,545	0
Deferred grant	17	(21,545)	0
Property, plant and equipment	13	54,649	0
		54,649	0

20. Operating lease commitments

At the reporting date, the Society has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2019 S\$	2018 S\$
Not later than one year	<u>0</u>	<u>10,322</u>

As disclosed in Note 2.1, the Society has adopted FRS 116 Leases on 1 January 2019. These lease payments have been recognised as ROU assets and lease liabilities on the statement of financial positions as at 31 December 2019.

21. Related party transactions

The Society has significant related party transactions with a related party on terms agreed with the parties as follows:

	2019 S\$	2018 S\$
Insurance expenses paid to a company in which the Managing Director is also a board member	<u>103,821</u>	<u>92,943</u>

Remuneration of key employees/executives

Key management personnel compensation for the financial year was as follows:

	2019 S\$	2018 S\$
Salaries, allowance and bonuses	330,677	387,650
CPF and SDL contributions	<u>44,177</u>	<u>50,000</u>
	<u>374,854</u>	<u>437,650</u>

	2019 No. of key management personnel	2018 No. of key management personnel
Remuneration band (S\$)		
S\$100,001 to S\$150,000	1	1
S\$50,001 to S\$100,000	3	4
Below S\$50,000	<u>2</u>	<u>0</u>

The remuneration of key employees/executives is determined by the Governing Board.

22. Conflict of interest

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 Governing Board member may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

23. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2019 is as follows:

		2019	2018	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	5,863	5,409	8%
B	Restricted or Designated Funds			
	Designated Funds	0	0	NA
	Restricted Funds	199	1	100%
C	Endowment Funds	0	0	NA
D	Total Funds	6,062	5,410	12%
E	Total Annual Operating Expenditure	5,175	5,160	(1%)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.13	1.04	

Reference:

- C. An endowment fund consists of assets, funds or properties, which 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 expenses related to Cost of Charitable Activities and Governance and Other Administrative Costs.

The reserves that we have set aside provide financial stability and the means for the development of our principal activity. We intend to establish our reserves at a level equivalent to 2 years of operating expenditure. The Board reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil our continuing obligations.

24. Financial instruments

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

	2019 S\$	2018 S\$
Financial assets at amortised cost		
<i>Loan and receivables:</i>		
Cash and cash equivalents	4,892,117	4,450,355
Trade and other receivables (excluding prepayment)	<u>641,493</u>	<u>88,198</u>
	<u>5,533,610</u>	<u>4,538,553</u>
Financial Liabilities at amortised cost		
Other payable (excluding GST payables)	366,128	340,312
Borrowings	<u>1,150,177</u>	<u>0</u>
	<u>1,516,305</u>	<u>340,312</u>

25. Financial risk management

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Governing Board on an informal basis.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss the Society. The Society's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Society minimises credit risk by dealing exclusively with high credit rating counterparties.

The Society has adopted a policy of only dealing with creditworthy counterparties. The Society performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Society considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Society has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Society has developed and maintained the Society's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Society's own trading records to rate its major customers and other debtors. The Society considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

25. Financial risk management (Cont'd)

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Society determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Society categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Society's current credit risk grading framework comprises the following categories:

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses (ECL)
I	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

Exposure to credit risk

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

Aging of trade receivables are as follows:

	2019 S\$	2018 S\$
Current	12,258	11,853
31 days to 60 days	7,500	3,464
Over 60 days	1,500	630
	<u>21,258</u>	<u>15,947</u>

Liquidity risk

Liquidity risk reflects the risk that the Society will have insufficient resources to meet its financial liabilities as and when they fall due.

The Society manages its liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate by the Governing Board to fund the Society's activities. It places its cash with creditworthy institutions.

25. Financial risk management (Cont'd)*Interest rate risk*

Interest rate risk is the risk that the fair value of future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rates.

Changes in interest rates do not have a material impact on the Society as it does not have any interest-bearing liabilities.

Foreign exchange risk

Foreign currency risk occurs as a result of the Society's transactions that are not denominated in its functional currency.

The Society transacts inventories in various foreign currencies and is therefore exposed to foreign exchange risk. The Society currently does not have a foreign hedging policy.

At 31 December 2019, a 10% strengthening of the foreign currencies against functional currency at the reporting date would increase profit by SGD 11,630. This analysis assumes that all other variables, in particular the interest rate, remain constant.

A 10% weakening of the foreign currencies against functional currency would have had the equal but opposite effect on the foreign currencies to the amounts shown above, on the basis that all other variables remain constant.

The responsibility for managing the above risks is vested in the Governing Board.

Fair value

As at 31 December 2019, the carrying amounts of all financial assets and liabilities approximated their fair values.

26. Comparative figures

Certain comparatives have been reclassified and represented to comply with current year presentation.

The following reflects the net changes as a result of restatement:

	As previously stated S\$	Adjustments S\$	As restated S\$
2018			
Statement of financial activities			
Income from generating funds			
- Voluntary income	1,664,813	(230,528)	1,434,285
- Fund raising income	34,346	98,295	132,641
Income from charitable activities	3,457,282	187	3,457,469
Other income	93,349	(14,487)	78,862
Costs of generating funds	0	34,886	34,886
Cost of charitable activities	2,541,134	(107,515)	2,433,619
Governance and other administrative costs	2,619,046	72,629	2,691,675
Singapore Prison service 2017 grant	0	146,533	146,533

27. Authorisation of financial statements

These financial statements for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Governing Board on 01 May 2020.