

## **THE HELPING HAND**

(UEN No: S88SS0058F)

### **Statement by Governing Board and Financial Statements**

Reporting Year Ended 31 December 2020

#### **RSM Chio Lim LLP**

8 Wilkie Road, #03-08  
Wilkie Edge, Singapore 228095

T +65 6533 7600

F +65 6594 7811

[Audit@RSMSingapore.sg](mailto:Audit@RSMSingapore.sg)

[www.RSMSingapore.sg](http://www.RSMSingapore.sg)

UEN: T09LL0008J

RSM Chio Lim LLP is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

**Business Advisors to Growing Businesses**



**THE HELPING HAND**

**Statement by Governing Board and Financial Statements**

<b>Contents</b>	<b>Page</b>
Statement by Governing Board.....	1
Independent Auditor's Report.....	3
Statement of Financial Activities .....	7
Statement of Financial Position.....	8
Statement of Changes in Funds.....	9
Statement of Cash Flows .....	10
Notes to the Financial Statements .....	11



## THE HELPING HAND

### Statement by Governing Board

In the opinion of the Governing Board,

- (a) the accompanying financial statements are drawn up in accordance with the Societies Act, Chapter 311 (the "Societies Act") and the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations"), and Financial Reporting Standards ("FRS"), so as to present fairly, in all material respects, the state of affairs of The Helping Hand (the "Society") as at 31 December 2020 and the results, changes in funds and cash flows of the Society for the reporting year 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 approved and authorised these financial statements for issue.

On behalf of the Governing Board,



Rev. Dr. Yap Kim Sin  
Chairman



Dr. Ang Sze Wee Erik  
Honorary Secretary



Mr. Chew Yew Kuen Michael  
Honorary Treasurer

12 April 2021

*This page is intentionally left blank*

**RSM Chio Lim LLP**

8 Wilkie Road, #03-08  
Wilkie Edge, Singapore 228095

T +65 6533 7600

F +65 6594 7811

Audit@RSMSingapore.sg

www.RSMSingapore.sg

## **Independent Auditor's Report to the Members of THE HELPING HAND**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the accompanying financial statements of The Helping Hand (the "Society"), which comprise the statement of financial position as at 31 December 2020, and the statement of financial activities, statement of changes in funds and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the 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 the Financial Reporting Standards ("FRS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2020 and the results, changes in funds and cash flows of the Society for the reporting year ended on that date.

#### **Basis for opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Other matter**

The financial statements of the Society for the reporting year ended 31 December 2019 were audited by another independent auditor who expressed an unqualified opinion on those financial statements on 1 May 2020.

## **Independent Auditor's Report to the Members of THE HELPING HAND**

### **Other information**

Management is responsible for the other information. The other information comprises the information included in the statement by Governing Board and annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

### **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 FRS, 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.



## **Independent Auditor's Report to the Members of THE HELPING HAND**

### **Auditor's responsibilities for the audit of the financial statements (cont'd)**

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

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (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.
- (e) 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.

We also provide the Governing Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Independent Auditor's Report to the Members of  
THE HELPING HAND**

**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 reporting year 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 appeals.

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

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

The engagement partner on the audit resulting in this independent auditor's report is Woo E-Sah.



RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

12 April 2021  
Effective from reporting year ended 31 December 2020

THE HELPING HAND

Statement of Financial Activities  
Reporting Year Ended 31 December 2020

	<u>Notes</u>	<u>2020</u> S\$	<u>2019</u> S\$ Restated
<b>Incoming resources</b>			
Voluntary income	4	3,504,973	2,530,050
Fund-raising income	5	99,734	135,335
Income from charitable activities	6	1,699,469	2,955,365
Other income	7	68,893	69,664
<b>Total incoming resources</b>		<u>5,373,069</u>	<u>5,690,414</u>
<b>Resources expended</b>			
Expenditure of fund-raising activities	5	8,106	48,889
Expenditure of charitable activities	6	1,998,563	2,489,506
Governance and other administrative costs	9	2,838,035	2,636,580
<b>Total resources expended</b>		<u>4,844,704</u>	<u>5,174,975</u>
<b>Surplus for the year</b>		528,365	515,439
Other comprehensive income		-	-
<b>Total comprehensive income</b>		<u>528,365</u>	<u>515,439</u>

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

## THE HELPING HAND

### Statement of Financial Position As at 31 December 2020

	Notes	31.12.2020 S\$	31.12.2019 S\$ Restated	01.01.2019 S\$ Restated
<b>ASSETS</b>				
<b><u>Non-current assets</u></b>				
Plant and equipment	11	1,900,185	2,441,655	1,573,906
<b><u>Current assets</u></b>				
Inventories	12	60,033	185,136	311,658
Trade and other receivables	13	612,472	634,623	81,328
Other assets	14	45,919	40,242	295,841
Cash and cash equivalents	15	6,199,252	4,892,117	4,450,355
<b>Total current assets</b>		<b>6,917,676</b>	<b>5,752,118</b>	<b>5,139,182</b>
<b>Total assets</b>		<b>8,817,861</b>	<b>8,193,773</b>	<b>6,713,088</b>
<b>FUNDS AND LIABILITIES</b>				
<b><u>Funds</u></b>				
Unrestricted fund	16	6,552,422	5,863,218	5,409,099
Restricted funds	16	567,844	728,683	667,927
<b>Total funds</b>		<b>7,120,266</b>	<b>6,591,901</b>	<b>6,077,026</b>
<b><u>Non-current liabilities</u></b>				
Lease liabilities	17	719,814	939,951	–
<b>Total non-current liabilities</b>		<b>719,814</b>	<b>939,951</b>	<b>–</b>
<b><u>Current liabilities</u></b>				
Lease liabilities	17	220,136	210,226	–
Other liabilities	18	113,774	46,545	–
Trade and other payables	19	643,871	405,150	636,062
<b>Total current liabilities</b>		<b>977,781</b>	<b>661,921</b>	<b>636,062</b>
<b>Total liabilities</b>		<b>1,697,595</b>	<b>1,601,872</b>	<b>636,062</b>
<b>Total funds and liabilities</b>		<b>8,817,861</b>	<b>8,193,773</b>	<b>6,713,088</b>

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

**THE HELPING HAND**

**Statement of Changes in Funds  
Reporting Year Ended 31 December 2020**

	Unrestricted Fund	Restricted Funds							Total restricted funds	Total Funds
		General Fund	Care and Share Matching Fund	President's Challenge	CDC Bless Our City Grant	Invictus Fund	Donation-in-kind	SCORE Grant		
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
<b>Current year:</b>										
Opening balance at 1 January 2020	5,863,218	143,991	54,649	-	-	-	-	-	198,640	6,061,858
Adjustments to beginning balance (Note 24)	-	-	-	-	-	38,210	491,833	530,043	530,043	530,043
Restated opening balance at 1 January 2020	5,863,218	143,991	54,649	-	-	38,210	491,833	728,683	6,591,901	6,591,901
<b>Changes in funds:</b>										
Surplus / (deficit) for the year	689,204	(40,548)	(13,953)	-	30,154	(10,917)	(125,575)	(160,839)	528,365	528,365
<b>Closing balance at 31 December 2020</b>	<b>6,552,422</b>	<b>103,443</b>	<b>40,696</b>	<b>-</b>	<b>30,154</b>	<b>27,293</b>	<b>366,258</b>	<b>567,844</b>	<b>7,120,266</b>	<b>7,120,266</b>
<b>Previous year:</b>										
Opening balance at 1 January 2019	5,409,099	1,392	-	-	-	-	-	-	1,392	5,410,491
Effect of adopting FRS 116 Leases	(564)	-	-	-	-	-	-	-	-	(564)
Balance as at 1 January 2019, after adopting FRS 116	5,408,535	1,392	-	-	-	-	-	-	1,392	5,409,927
Adjustments to beginning balance (Note 24)	-	-	-	-	-	49,127	617,408	666,535	666,535	666,535
Restated opening balance at 1 January 2019	5,408,535	1,392	-	-	-	49,127	617,408	667,927	6,076,462	6,076,462
<b>Changes in funds:</b>										
Surplus / (deficit) for the year	454,683	142,599	54,649	-	-	(10,917)	(125,575)	60,756	515,439	515,439
<b>Closing balance at 31 December 2019</b>	<b>5,863,218</b>	<b>143,991</b>	<b>54,649</b>	<b>-</b>	<b>-</b>	<b>38,210</b>	<b>491,833</b>	<b>728,683</b>	<b>6,591,901</b>	<b>6,591,901</b>

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

## THE HELPING HAND

### Statement of Cash Flows Reporting Year Ended 31 December 2020

	<u>2020</u> S\$	<u>2019</u> S\$ Restated
<b><u>Cash flows from operating activities</u></b>		
Surplus for the year	528,365	515,439
Adjustments for:		
Depreciation of plant and equipment	623,073	615,171
Loss on disposal of plant and equipment	–	19,703
Plant and equipment written off	1,991	–
Interest expense on lease liabilities	51,643	61,714
Interest income	<u>(68,243)</u>	<u>(68,772)</u>
<b>Operating surplus before changes in working capital</b>	1,136,829	1,143,255
Inventories	125,103	126,522
Trade and other receivables	12,794	(552,224)
Other assets	(5,677)	255,599
Trade and other payables	238,721	(230,912)
Other liabilities	67,229	46,545
Cash restricted in use	<u>(18,064)</u>	<u>(21,545)</u>
<b>Net cash flows from operating activities</b>	<u>1,556,935</u>	<u>767,240</u>
<b><u>Cash flows from investing activities</u></b>		
Interest received	77,600	67,701
Proceeds from disposal of plant and equipment	–	9,000
Purchase of plant and equipment	<u>(83,594)</u>	<u>(161,505)</u>
<b>Net cash flows used in investing activities</b>	<u>(5,994)</u>	<u>(84,804)</u>
<b><u>Cash flows from financing activities</u></b>		
Interest paid	(51,643)	(61,714)
Payment of principal portion of lease liabilities	<u>(210,227)</u>	<u>(200,505)</u>
<b>Net cash flows used in financing activities</b>	<u>(261,870)</u>	<u>(262,219)</u>
<b>Net increase in cash and cash equivalents</b>	1,289,071	420,217
Cash and cash equivalents, beginning balance	<u>4,870,572</u>	<u>4,450,355</u>
<b>Cash and cash equivalents, ending balance (Note 15A)</b>	<u>6,159,643</u>	<u>4,870,572</u>

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

## THE HELPING HAND

### Notes to the Financial Statements 31 December 2020

#### 1. General

The Helping Hand (the "Society") is a society registered in Singapore under the Societies Act, Chapter 311. It was granted the status of an Institution of a Public Character (IPC Registration No. IPC000344) under the Charities Act, Chapter 37 until 30 September 2023 subject to renewal. The financial statements are presented in Singapore Dollars.

The Governing Board approved and authorised these financial statements for issue on the date of statement by the Governing Board.

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 registered office is located at 819 Upper Serangoon Road, Singapore 534678. The Society is situated in Singapore.

#### **Covid-19 pandemic and the aftermath**

The Covid-19 pandemic and the aftermath of the pandemic globally have caused disruptions to the Society's operations during the reporting year, and the aftermath is expected for the foreseeable period ahead. Measures were taken by the government to contain the spread of Covid-19, including travels, social distancing and closure of non-essential services. This has resulted in an economic slowdown, which impacted income from charitable activities. Management expects this trend to continue in next reporting year based on the current economic climate. It is reasonably possible, based on existing knowledge that outcomes within the next reporting year are unlikely to be different from the current assumptions as the outlook remains uncertain. The Society will continually assess the donations, income from charitable activities and operating costs in the next reporting year.

#### **Statement of compliance with financial reporting standards**

These financial statements have been prepared in accordance with the Financial Reporting Standards ("FRS") and the related interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council.

#### **Accounting convention**

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

## THE HELPING HAND

### 1. General (cont'd)

#### **Basis of preparation of the financial statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C below, where applicable.

### 2. Significant accounting policies and other explanatory information

#### 2A. Significant accounting policies

##### **Incoming resources**

##### (i) Government grants and similar non-government grants

Government grants and similar non-government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is recognised as income when such assets are used in the project subsidised by the grant. The relevant fund will then be reduced over the useful life of the asset in line with its depreciation. The deferred grants recognised in the Statement of Financial Position represent grants received not yet utilised.

##### (ii) Donations and sponsorships

Income from donations and sponsorships are recognised at a point in time when received, except for committed donations and sponsorships that are rewarded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations and sponsorships. Income from any fund raising event is recognised when the event has occurred.

##### (iii) Sale of merchandise

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer on delivery of the goods.

##### (iv) Interest income

Interest revenue is recognised on a time-proportion basis using the effective interest rate.



## THE HELPING HAND

### 2. Significant accounting policies and other explanatory information (cont'd)

#### 2A. Significant accounting policies (cont'd)

##### **Gifts-in-kind**

A gift-in-kind (if any) is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is certainty that it will be received. Gifts-in-kind received for some events that are deemed not of substantial values though can be reasonably quantified, are not recorded as income of the Society. No value is ascribed to volunteer services.

##### **Employee benefits**

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The Society's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

##### **Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the lease liabilities and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

##### **Income tax**

As an approved charity under the Charities Act, Chapter 37, the Society is exempted from income tax under section 13(1)(zm) of the Income Tax Act, Chapter 134.

##### **Foreign currency transactions**

The functional currency is the Singapore Dollar as it reflects the primary economic environment in which the Society operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in the statement of financial activities. The presentation is in the functional currency.

## THE HELPING HAND

### 2. Significant accounting policies and other explanatory information (cont'd)

#### 2A. Significant accounting policies (cont'd)

##### Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The useful lives are as follows:

Computer equipment	3 years
Electrical equipment	3 years
Furniture and fittings	5 years
Motor vehicles	5 to 10 years
Office equipment	3 years
Renovation	5 years
Right of use asset – premises	6 years
Right of use asset – copier	4 to 5 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in the statement of financial activities. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of financial activities when they are incurred.

##### Leases of lessee

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentive received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

## THE HELPING HAND

### 2. Significant accounting policies and other explanatory information (cont'd)

#### 2A. Significant accounting policies (cont'd)

##### Leases of lessee (cont'd)

A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). Short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard whereby the lease payments are expensed to statement of financial activities as incurred on a straight line basis over the remaining lease term.

##### Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

##### Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through statement of financial activities to its estimated recoverable amount.

The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in statement of financial activities unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

At the end of each reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. 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 measured, net of depreciation or amortisation, if no impairment loss had been recognised.

## THE HELPING HAND

### 2. Significant accounting policies and other explanatory information (cont'd)

#### 2A. Significant accounting policies (cont'd)

##### Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Society becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised 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 Society neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through the statement of financial activities, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

## THE HELPING HAND

### 2. Significant accounting policies and other explanatory information (cont'd)

#### 2A. Significant accounting policies (cont'd)

##### Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on-demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

##### Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The Society's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

## **THE HELPING HAND**

### **2. Significant accounting policies and other explanatory information (cont'd)**

#### **2B. Other explanatory information**

##### **Provisions**

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

##### **Funds**

Funds balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated for specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes 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 institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so.

#### **2C. Critical judgements, assumptions and estimation uncertainties**

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

##### **Estimation of useful lives of plant and equipment**

The estimates for the useful lives and related depreciation charges for plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption is \$1,900,185.

## THE HELPING HAND

### 2. Significant accounting policies and other explanatory information (cont'd)

#### 2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

##### Government grants

Government grants to meet expenses and/or assets are recognised as income in the statement of financial activities on the accrual basis in the financial year these expenses and/or assets were incurred and there is reasonable assurance that the Society will comply with the conditions attached to them. 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. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

A related party includes the committee members and key management of the Society. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. Key management personnel include the Chief Executive Officer ("CEO"), Executive Director ("ED") and the direct reporting senior members.

All members of the Governing Board, sub-committees and staff members of the Society are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships that could potentially result in a conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The members of the Governing Board and sub-committees are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any claimed.

There are no paid staff who are close members of the family of the Governing Board, and whose remuneration each exceeds \$50,000 during the year.

#### 3A. Related party transactions:

There are transactions and arrangements between the Society and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

	<u>2020</u> S\$	<u>2019</u> S\$
Insurance expenses paid to a company in which the Managing Director is also a board member	<u>108,340</u>	<u>103,821</u>

## THE HELPING HAND

### 3. Related party relationships and transactions (cont'd)

#### 3B. Key management compensation:

	<u>2020</u> S\$	<u>2019</u> S\$
Short-term employee benefits	519,430	330,677
Defined contribution plan	<u>51,220</u>	<u>44,177</u>
	<u>570,650</u>	<u>374,854</u>

The above amounts are included under employee benefit expense and other administrative expense.

Number of key management in remuneration bands:	<u>2020</u>	<u>2019</u>
S\$100,001 – S\$150,000	2	1
S\$50,001 – S\$100,000	4	3
Below S\$50,000	<u>1</u>	<u>2</u>

Key management personnel comprise CEO, ED and the direct reporting senior members.

### 4. Voluntary income

	<u>2020</u> \$	<u>2019</u> \$
Donations	452,378	290,334
Government and other grants (Note 4A)	1,573,594	753,935
Singapore Prison Service Grant (Note 4B)	<u>1,479,001</u>	<u>1,485,781</u>
	<u>3,504,973</u>	<u>2,530,050</u>

#### 4A. Government and other grants

	<u>2020</u> \$	<u>2019</u> \$
Jobs Support Scheme (i)	614,791	–
Bicentennial Matching Grant	400,000	–
Special employment and wage credit	112,910	88,631
Premises Rental Grant (ii)	255,516	255,516
Other grants	<u>190,377</u>	<u>409,788</u>
	<u>1,573,594</u>	<u>753,935</u>

(i) The purpose of the Jobs Support Scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19 for 17 months from April 2020 to August 2021.

(ii) The purpose of the premises rental grant is to provide rental support to the Society for the rental of rehabilitation home by Singapore Prison Service.



## THE HELPING HAND

### 4. Voluntary income (cont'd)

#### 4B. Singapore Prison Service Grant

Included in the Singapore Prison Service Grant, \$505,292 (2019: \$549,123) 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. Fund-raising income

	<u>2020</u>	<u>2019</u>
	\$	\$
Income resources from fund-raising activities:		
Annual magazine advertisement revenue	99,734	68,785
Charity golf	–	66,550
Total	<u>99,734</u>	<u>135,335</u>
Expenditure of fund-raising activities:		
Annual magazine printing cost		
– current year	8,000	13,003
– prior year	106	4,900
Charity golf	–	30,986
Total	<u>8,106</u>	<u>48,889</u>
Net proceeds	<u>91,628</u>	<u>86,446</u>

In accordance with the Charities (Institutions of a Public Character) Regulations, the Society is required to disclose fund-raising appeals with gross receipts of more than \$1 million.

There were no fund-raising appeals with gross receipts of more than \$1 million during the financial year.

## THE HELPING HAND

### 6. Income from charitable activities

	<u>2020</u> S\$	<u>2019</u> S\$
Income resources from charitable activities:		
Sale of furniture	493,236	1,113,609
Revenue from removal services	1,205,970	1,710,221
Fishing tackle	–	131,012
Others	263	523
Total	<u>1,699,469</u>	<u>2,955,365</u>
Expenditure of charitable activities:		
Advertisement	11,952	5,518
Containers transport and freight	11,539	17,807
Cost of furniture	166,509	512,747
Cost of removal services	106,198	130,028
Depreciation of vehicles	172,903	177,108
Upkeep of vehicles	177,946	202,630
Overseas shipping fee	2,798	3,940
Rental fees for tentage	–	31,088
Employee benefits expense (Note 10)	1,348,718	1,408,640
Total	<u>1,998,563</u>	<u>2,489,506</u>
Net proceeds	<u>(299,094)</u>	<u>465,859</u>

### 7. Other income

	<u>2020</u> S\$	<u>2019</u> S\$
Interest on auto-save accounts	163	248
Interest on fixed deposits	68,080	68,524
Others	650	892
	<u>68,893</u>	<u>69,664</u>

### 8. Tax exempt receipts

Qualifying donors are granted tax deduction for donations made to the Society. The quantum of the tax deduction for each calendar year may vary as announced in the Singapore budget. The Institution of a Public Character status granted to the Society is for the period from 1 October 2020 to 30 September 2023.

	<u>2020</u> \$	<u>2019</u> \$
Tax-exempt receipts issued for donations collected	<u>409,710</u>	<u>308,721</u>

## THE HELPING HAND

### 9. Governance and other administrative costs

	<u>2020</u> S\$	<u>2019</u> S\$
Depreciation of plant and equipment	450,170	438,063
Employee benefits expense (Note 10)	1,653,246	1,546,960
NCSS secondment fee	116,814	–
Finance cost	51,643	61,714
Upkeep of equipment	207,312	239,615
Others	358,850	350,228
	<u>2,838,035</u>	<u>2,636,580</u>

### 10. Employee benefits expense

	<u>2020</u> S\$	<u>2019</u> S\$
CPF and SDL contributions	292,740	274,375
Residents costs	416,709	527,726
Staff incentive	71,440	92,970
Staff insurance	74,174	70,745
Staff medical expenses	17,682	17,999
Staff salaries and bonus	2,071,179	1,928,989
Staff training expenses	13,909	15,235
Staff uniforms	3,398	1,683
Staff unutilised leave	35,000	(8,754)
Staff welfare / benefits	5,733	34,632
	<u>3,001,964</u>	<u>2,955,600</u>

The staff costs were allocated as follows:

Expenditure of charitable activities (Note 6)	1,348,718	1,408,640
Governance and other administration costs (Note 9)	1,653,246	1,546,960
	<u>3,001,964</u>	<u>2,955,600</u>

THE HELPING HAND

11. Plant and equipment

	Computer Equipment S\$	Electrical Equipment S\$	Furniture and Fittings S\$	Motor Vehicles S\$	Office Equipment S\$	Renovation S\$	Right-of- use Premise S\$	Right of- use Copiers S\$	Total S\$
<u>Cost:</u>									
At 1 January 2019	16,606	108,421	35,120	1,887,764	17,693	792,160	-	-	2,857,764
Effect of adopting FRS116 leases	-	-	-	-	-	-	-	28,418	28,418
Additions	19,162	33,015	41,666	14,132	-	53,530	1,327,650	13,304	1,502,459
Disposals	-	-	-	(39,590)	-	-	-	-	(39,590)
At 31 December 2019	35,768	141,436	76,786	1,862,306	17,693	845,690	1,327,650	41,722	4,349,051
Additions	15,788	18,498	12,571	26,243	10,494	-	-	-	83,594
Written off	(12,404)	(14,105)	(26,800)	-	(7,528)	-	-	(13,548)	(74,385)
At 31 December 2020	39,152	145,829	62,557	1,888,549	20,659	845,690	1,327,650	28,174	4,358,260
<u>Accumulated depreciation:</u>									
At 1 January 2019	13,104	58,250	27,258	1,111,769	12,991	60,486	-	-	1,283,858
Effect of adopting FRS116 leases	-	-	-	-	-	-	-	19,254	19,254
Depreciation for the year	4,245	29,573	7,740	177,108	4,598	164,677	221,275	5,955	615,171
Disposals	-	-	-	(10,887)	-	-	-	-	(10,887)
At 31 December 2019	17,349	87,823	34,998	1,277,990	17,589	225,163	221,275	25,209	1,907,396
Depreciation for the year	9,104	32,339	10,569	172,903	3,424	167,824	221,275	5,635	623,073
Written off	(12,404)	(14,105)	(24,809)	-	(7,528)	-	-	(13,548)	(72,394)
At 31 December 2020	14,049	106,057	20,758	1,450,893	13,485	392,987	442,550	17,296	2,458,075
<u>Carrying value:</u>									
At 1 January 2019	3,502	50,171	7,862	775,995	4,702	731,674	-	-	1,573,906
At 31 December 2019	18,419	53,613	41,788	584,316	104	620,527	1,106,375	16,513	2,441,655
At 31 December 2020	25,103	39,772	41,799	437,656	7,174	452,703	885,100	10,878	1,900,185

## THE HELPING HAND

### 11. Plant and equipment (cont'd)

The depreciation expense is charged to Statement of Financial Activities under:

	<u>2020</u>	<u>2019</u>
	\$	\$
Administrative expenses	429,596	427,616
Care and Share Matching Fund	40,548	35,948
President's Challenge	13,953	15,115
Invictus Fund	2,484	–
Donation-in-kind	10,917	10,917
SCORE	125,575	125,575
Total	<u>623,073</u>	<u>615,171</u>

### 12. Inventories

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Furniture at cost	<u>60,033</u>	<u>185,136</u>

### 13. Trade and other receivables

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<u>Trade receivables</u>		
Outside parties (Note 13A)	<u>15,698</u>	<u>21,258</u>
<u>Other receivables</u>		
Grant receivables – Singapore Prison Service (Note 4C)	505,292	549,123
Grant receivables – Care and Share Matching Fund	–	47,506
Grant receivables – Pass it on	60,003	–
Grant receivables – VCF fund	16	5,085
Grant receivables – JSS Grant	28,873	–
Interest receivable	2,294	11,651
Other receivables	296	–
Total other receivables (Note 13B)	<u>596,774</u>	<u>613,365</u>
Total	<u>612,472</u>	<u>634,623</u>

### 13A. Trade receivables

Trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. These amounts have been settled after the end of reporting year.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivables customer is about 30 days (2019: 30 days).

## THE HELPING HAND

### 13. Trade and other receivables (cont'd)

#### 13B. Other receivables

Other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. Other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. No loss allowance is necessary.

#### 14. Other assets

	<u>2020</u> S\$	<u>2019</u> S\$
Deposits to secure services	19,368	6,870
Prepayments	<u>26,551</u>	<u>33,372</u>
	<u>45,919</u>	<u>40,242</u>

#### 15. Cash and cash equivalents

	<u>2020</u> S\$	<u>2019</u> S\$
Cash and bank balances	821,252	822,244
Fixed deposits with financial institutions	<u>5,378,000</u>	<u>4,069,873</u>
	<u>6,199,252</u>	<u>4,892,117</u>

The fixed deposits earn interest at 0.30% (2019: 1.68%) per annum.

#### 15A. Cash and cash equivalents in the statement of cash flows

	<u>2020</u> S\$	<u>2019</u> S\$
Amount as shown above	6,199,252	4,892,117
Less: Cash restricted in use (a)	<u>(39,609)</u>	<u>(21,545)</u>
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>6,159,643</u>	<u>4,870,572</u>

(a) Cash restricted in use comprise the following:

	<u>2020</u> S\$	<u>2019</u> S\$
President's Challenge fund	12,629	21,545
CDC Bless Our City Grant	512	-
Invictus Fund	16,468	-
Fixed deposit (security deposit for e-commerce DBS payment gateway)	<u>10,000</u>	<u>-</u>
	<u>39,609</u>	<u>21,545</u>

THE HELPING HAND

16. Fund account transactions and balances

	Unrestricted Fund	Restricted Funds							Total Restricted Funds	Total Funds S\$
		Care and Share Matching Fund S\$ (ii)	President's Challenge S\$ (iii)	CDC Bless Our City Grant S\$ (iv)	Invictus Fund S\$ (v)	Donation-in-kind S\$ (vi)	SCORE S\$ (vii)	Total Restricted Funds S\$		
<b>2020</b>										
<b>Voluntary Income</b>										
Donations	452,378	-	-	-	-	-	-	-	-	452,378
Government and other grants	1,494,686	-	8,916	9,488	60,504	-	-	-	78,908	1,573,594
Singapore Prison Service Grant	1,479,001	-	-	-	-	-	-	-	-	1,479,001
	<u>3,426,065</u>	<u>-</u>	<u>8,916</u>	<u>9,488</u>	<u>60,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,908</u>	<u>3,504,973</u>
<b>Fund-raising income</b>										
Annual magazine advertising revenue	99,734	-	-	-	-	-	-	-	-	99,734
	<u>99,734</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,734</u>
<b>Income from charitable activities</b>										
Revenue from removal services	1,205,970	-	-	-	-	-	-	-	-	1,205,970
Sale of furniture	493,236	-	-	-	-	-	-	-	-	493,236
Others	263	-	-	-	-	-	-	-	-	263
	<u>1,699,469</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,699,469</u>
<b>Other income</b>										
Interest on auto save accounts	163	-	-	-	-	-	-	-	-	163
Interest on fixed deposits	68,080	-	-	-	-	-	-	-	-	68,080
Others	650	-	-	-	-	-	-	-	-	650
	<u>68,893</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,893</u>
<b>Total incoming resources</b>	<u>5,294,161</u>	<u>-</u>	<u>8,916</u>	<u>9,488</u>	<u>60,504</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>78,908</u>	<u>5,373,069</u>

**THE HELPING HAND**

**16. Fund account transactions and balances (cont'd)**

	Unrestricted Fund	Restricted Funds							Total Restricted Funds	Total Funds
		General Fund	Care and Share Matching Fund	President's Challenge	CDC Bless Our City Grant	Invictus Fund	Donation-in-kind	SCORE		
	S\$ (i)	S\$ (ii)	S\$ (iii)	S\$ (iv)	S\$ (v)	S\$ (vi)	S\$ (vii)	S\$	S\$	
<b>2020</b>										
<b>Expenditure of fund-raising activities</b>										
Annual magazine printing cost										
- Current year	8,000	-	-	-	-	-	-	-	8,000	
- Prior year	106	-	-	-	-	-	-	-	106	
	<u>8,106</u>	-	-	-	-	-	-	-	<u>8,106</u>	
<b>Expenditure of charitable activities</b>										
Advertisement	11,952	-	-	-	-	-	-	-	11,952	
Containers transport and freight	11,539	-	-	-	-	-	-	-	11,539	
Cost of furniture	166,509	-	-	-	-	-	-	-	166,509	
Cost of removal services	106,198	-	-	-	-	-	-	-	106,198	
Depreciation of vehicles	161,986	-	-	-	-	10,917	-	10,917	172,903	
Upkeep of vehicles	177,946	-	-	-	-	-	-	-	177,946	
Overseas shipping fee	2,798	-	-	-	-	-	-	-	2,798	
Employee benefits expense	1,348,718	-	-	-	-	-	-	-	1,348,718	
	<u>1,987,646</u>	-	-	-	-	<u>10,917</u>	-	<u>10,917</u>	<u>1,998,563</u>	
<b>Governance and other administrative costs</b>										
Accounting services	28,201	-	-	-	-	-	-	-	28,201	
Audit fee	19,267	-	-	-	-	-	-	-	19,267	
Bank charges	5,284	-	-	-	-	-	-	-	5,284	
Computers	1,114	-	-	-	-	14,927	-	14,927	16,041	
Condolences and gifts	368	-	-	-	-	-	-	-	368	
Cost of urban farming	-	-	-	9,488	-	-	-	9,488	9,488	
Depreciation of plant and equipment	267,610	40,548	13,953	-	2,484	-	125,575	182,560	450,170	
Donation	200	-	-	-	-	-	-	-	200	
Equipment	5,659	-	-	-	-	-	-	-	5,659	
Event expenses	5,966	-	-	-	-	-	-	-	5,966	
Furniture and fittings	650	-	-	-	-	-	-	-	650	



THE HELPING HAND

16. Fund account transactions and balances (cont'd)

	Unrestricted Fund	Restricted Funds							Total Restricted Funds	Total Funds S\$
		General Fund S\$ (i)	Care and Share Matching Fund S\$ (ii)	President's Challenge S\$ (iii)	CDC Bless Our City Grant S\$ (iv)	Invictus Fund S\$ (v)	Donation-in-kind S\$ (vi)	SCORE S\$ (vii)		
<b>Governance and other administrative costs (cont'd)</b>										
GST expensed off	16,499	-	-	-	-	-	-	-	-	16,499
Interest expenses on lease liabilities	51,643	-	-	-	-	-	-	-	-	51,643
Loss on disposal of fixed assets	1,991	-	-	-	-	-	-	-	-	1,991
Membership fee / licence fee (utilities)	716	-	-	-	-	-	-	-	-	716
NCSS Secondment fee	116,814	-	-	-	-	-	-	-	-	116,814
Other expenses	1,715	-	-	-	-	-	-	-	-	1,715
Other professional fee	20,519	-	-	-	-	-	-	-	-	20,519
Purchases using pass it on donations	257	-	-	-	-	-	-	-	-	257
Postage	1,830	-	-	-	-	-	-	-	-	1,830
Printing and stationery	10,281	-	-	-	-	-	-	-	-	10,281
Removal repairs	343	-	-	-	-	-	-	-	-	343
Repairs and maintenance	65,529	-	-	8,916	-	11,011	-	-	-	85,456
Small value office expenses	1,850	-	-	-	-	653	-	-	-	2,503
Speaker's honorarium	2,229	-	-	-	-	-	-	-	-	2,229
Employee benefits expense	1,653,246	-	-	-	-	-	-	-	-	1,653,246
Stock written off	4,356	-	-	-	-	-	-	-	-	4,356
Telecommunication	27,189	-	-	-	-	-	-	-	-	27,189
Testing kits	10,183	-	-	-	-	1,275	-	-	-	11,458
Upkeep of kitchen	207,312	-	-	-	-	-	-	-	-	207,312
Utilities	80,384	-	-	-	-	-	-	-	-	80,384
<b>Total resources expended</b>	<b>2,609,205</b>	<b>40,548</b>	<b>22,869</b>	<b>9,488</b>	<b>30,350</b>	<b>11,011</b>	<b>10,917</b>	<b>125,575</b>	<b>228,830</b>	<b>2,838,035</b>
	<b>4,604,957</b>	<b>40,548</b>	<b>22,869</b>	<b>9,488</b>	<b>30,350</b>	<b>10,917</b>	<b>125,575</b>	<b>239,747</b>	<b>4,844,704</b>	
<b>Surplus / (deficit) for the year</b>	<b>689,204</b>	<b>(40,548)</b>	<b>(13,953)</b>	<b>-</b>	<b>30,154</b>	<b>(10,917)</b>	<b>(125,575)</b>	<b>(160,839)</b>	<b>528,365</b>	

THE HELPING HAND

16. Fund account transactions and balances (cont'd)

	Unrestricted Fund	Restricted Funds					Total Restricted Funds S\$	Total Funds S\$
		Care and Share Matching Fund S\$ (ii)	President's Challenge S\$ (iii)	Donation-in-kind S\$ (vi)	SCORE S\$ (vii)			
<b>2019</b>								
<b>Voluntary Income</b>								
Donations	290,334	—	—	—	—	—	290,334	
Government and other grants	481,455	190,025	82,455	—	—	272,480	753,935	
Singapore Prison Service Grant (Note 4A)	1,485,781	—	—	—	—	—	1,485,781	
	<u>2,257,570</u>	<u>190,025</u>	<u>82,455</u>	<u>—</u>	<u>—</u>	<u>272,480</u>	<u>2,530,050</u>	
<b>Fund-raising income</b>								
Annual magazine advertising revenue	68,785	—	—	—	—	—	68,785	
Charity golf	66,550	—	—	—	—	—	66,550	
	<u>135,335</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>135,335</u>	
<b>Income from charitable activities</b>								
Revenue from removal services	1,710,221	—	—	—	—	—	1,710,221	
Sale of furniture and fishing tackle	1,244,621	—	—	—	—	—	1,244,621	
Others	523	—	—	—	—	—	523	
	<u>2,955,365</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,955,365</u>	
<b>Other income</b>								
Interest on auto save accounts	248	—	—	—	—	—	248	
Interest on fixed deposits	68,524	—	—	—	—	—	68,524	
Others	892	—	—	—	—	—	892	
	<u>69,664</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>69,664</u>	
<b>Total incoming resources</b>	<u>5,417,934</u>	<u>190,025</u>	<u>82,455</u>	<u>—</u>	<u>—</u>	<u>272,480</u>	<u>5,690,414</u>	

**THE HELPING HAND**

**16. Fund account transactions and balances (cont'd)**

	Unrestricted Fund	Restricted Funds				Total Restricted Funds S\$	Total Funds S\$
		Care and Share Matching Fund S\$ (ii)	President's Challenge S\$ (iii)	Donation-in-kind S\$ (vi)	SCORE S\$ (vii)		
<b>2019</b>							
<b>Expenditure of fund-raising activities</b>							
Annual magazine printing cost							
- Current year	13,003	-	-	-	-	13,003	
- Prior year	4,900	-	-	-	-	4,900	
Fundraising cost – charity golf	30,986	-	-	-	-	30,986	
	<u>48,889</u>	-	-	-	-	<u>48,889</u>	
<b>Expenditure of charitable activities</b>							
Advertisement	5,518	-	-	-	-	5,518	
Containers transport and freight	17,807	-	-	-	-	17,807	
Cost of furniture and fishing tackle	512,747	-	-	-	-	512,747	
Cost of removal services	130,028	-	-	-	-	130,028	
Depreciation of vehicles	166,191	-	-	10,917	-	177,108	
Upkeep of vehicles	202,630	-	-	-	-	202,630	
Overseas shipping fee	3,940	-	-	-	-	3,940	
Rental fees for tentage	31,088	-	-	-	-	31,088	
Employee benefits expense	1,408,640	-	-	-	-	1,408,640	
	<u>2,478,589</u>	-	-	<u>10,917</u>	-	<u>2,489,506</u>	
<b>Governance and other administrative costs</b>							
Accounting services	24,000	-	-	-	-	24,000	
Audit fee	12,616	-	-	-	-	12,616	
Bank charges	7,682	-	-	-	-	7,682	
Computers	2,357	-	-	-	-	2,357	
Condolences and gifts	1,358	-	-	-	-	1,358	
Depreciation of plant and equipment	261,425	35,948	15,115	-	125,575	438,063	
Donation	1,419	-	-	-	-	1,419	
Equipment	4,058	-	-	-	-	4,058	
Event expenses	15,416	-	-	-	-	15,416	
Furniture and fittings	381	-	-	-	-	381	

**THE HELPING HAND**

**16. Fund account transactions and balances (cont'd)**

	Unrestricted Fund	Restricted Funds					Total Restricted Funds S\$	Total Funds S\$
	General Fund S\$ (i)	Care and Share Matching Fund S\$ (ii)	President's Challenge S\$ (iii)	Donation-in-kind S\$ (vi)	SCORE S\$ (vii)			
<b>2019</b>								
<b>Governance and other administrative costs (cont'd)</b>								
General expenses	4,041	-	-	-	-	-	4,041	
GST expensed off	11,750	-	-	-	-	-	11,750	
Interest expenses on lease liabilities	61,714	-	-	-	-	-	61,714	
Loss on disposal of fixed assets	19,703	-	-	-	-	-	19,703	
Membership fee / licence fee (utilities)	100	-	-	-	-	-	100	
Other expenses	8,769	-	-	-	-	-	8,769	
Postage	2,001	-	-	-	-	-	2,001	
Printing and stationery	9,249	-	-	-	-	-	9,249	
Removal repairs	6,482	-	-	-	-	-	6,482	
Repairs and maintenance	45,191	11,478	12,691	-	-	24,169	69,360	
Small value office expenses	2,297	-	-	-	-	-	2,297	
Speaker's honorarium	14,900	-	-	-	-	-	14,900	
Employee benefits expense	1,546,960	-	-	-	-	-	1,546,960	
Stock written off	14,919	-	-	-	-	-	14,919	
Telecommunication	23,494	-	-	-	-	-	23,494	
Testing kits	5,593	-	-	-	-	-	5,593	
Travelling and transport expenses	2,882	-	-	-	-	-	2,882	
Upkeep of kitchen	239,615	-	-	-	-	-	239,615	
Utilities	83,671	-	-	-	-	-	83,671	
Visitation expenses	1,730	-	-	-	-	-	1,730	
<b>Total resources expended</b>	<b>2,435,773</b>	<b>47,426</b>	<b>27,806</b>	<b>-</b>	<b>125,575</b>	<b>200,807</b>	<b>2,636,580</b>	
	<b>4,963,251</b>	<b>47,426</b>	<b>27,806</b>	<b>10,917</b>	<b>125,575</b>	<b>211,724</b>	<b>5,174,975</b>	
<b>Surplus / (deficit) for the year</b>	<b>454,683</b>	<b>142,599</b>	<b>54,649</b>	<b>(10,917)</b>	<b>(125,575)</b>	<b>60,756</b>	<b>515,439</b>	

THE HELPING HAND

16. Fund account transactions and balances (cont'd)

2020	Unrestricted Fund	Restricted Funds							Total Restricted Funds S\$	Total S\$
	General Fund S\$ (i)	Care and Share Matching Fund S\$ (ii)	President's Challenge S\$ (iii)	CDC Bless Our City Grant S\$ (iv)	Invictus Fund S\$ (v)	Donation-in-kind S\$ (vi)	SCORE S\$ (vii)			
<b>ASSETS</b>										
<b>Non-current assets</b>										
Plant and equipment	1,332,341	103,443	40,696	-	30,154	27,292	366,259	567,844	1,900,185	
<b>Current assets</b>										
Inventories	60,033	-	-	-	-	-	-	-	60,033	
Trade and other receivables	612,472	-	-	-	-	-	-	-	612,472	
Other assets	45,919	-	-	-	-	-	-	-	45,919	
Cash and cash equivalents	6,169,643	-	12,629	512	16,468	-	-	29,609	6,199,252	
<b>Total current assets</b>	<b>6,888,067</b>	<b>-</b>	<b>12,629</b>	<b>512</b>	<b>16,468</b>	<b>-</b>	<b>-</b>	<b>29,609</b>	<b>6,917,676</b>	
<b>Total assets</b>	<b>8,220,408</b>	<b>103,443</b>	<b>53,325</b>	<b>512</b>	<b>46,622</b>	<b>27,292</b>	<b>366,259</b>	<b>597,453</b>	<b>8,817,861</b>	
<b>Non-current liabilities</b>										
Lease liabilities	719,814	-	-	-	-	-	-	-	719,814	
<b>Total non-current liabilities</b>	<b>719,814</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>719,814</b>	
<b>Current liabilities</b>										
Lease liabilities	220,136	-	-	-	-	-	-	-	220,136	
Other liabilities	84,165	-	12,629	512	16,468	-	-	29,609	113,774	
Trade and other payables	643,871	-	-	-	-	-	-	-	643,871	
<b>Total current liabilities</b>	<b>948,172</b>	<b>-</b>	<b>12,629</b>	<b>512</b>	<b>16,468</b>	<b>-</b>	<b>-</b>	<b>29,609</b>	<b>977,781</b>	
<b>Total liabilities</b>	<b>1,667,986</b>	<b>-</b>	<b>12,629</b>	<b>512</b>	<b>16,468</b>	<b>-</b>	<b>-</b>	<b>29,609</b>	<b>1,697,595</b>	
<b>Net assets</b>	<b>6,552,422</b>	<b>103,443</b>	<b>40,696</b>	<b>-</b>	<b>30,154</b>	<b>27,292</b>	<b>366,259</b>	<b>567,844</b>	<b>7,120,266</b>	

THE HELPING HAND

16. Fund account transactions and balances (cont'd)

2019	Unrestricted Fund	Restricted Funds							Total Restricted Funds S\$	Total S\$
		General Fund S\$ (i)	Care and Share Matching Fund S\$ (ii)	President's Challenge S\$ (iii)	CDC Bless Our City Grant S\$ (iv)	Invictus Fund S\$ (v)	Donation-in-kind S\$ (vi)	SCORE S\$ (vii)		
<b>ASSETS</b>										
<b>Non-current assets</b>										
Plant and equipment	1,712,972	143,991	54,649	-	-	-	38,210	491,833	728,683	2,441,655
<b>Current assets</b>										
Inventories	185,136	-	-	-	-	-	-	-	-	185,136
Trade and other receivables	634,623	-	-	-	-	-	-	-	-	634,623
Other assets	40,242	-	-	-	-	-	-	-	-	40,242
Cash and cash equivalents	4,870,572	-	21,545	-	-	-	-	-	21,545	4,892,117
<b>Total current assets</b>	<b>5,730,573</b>	<b>143,991</b>	<b>21,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,545</b>	<b>5,752,118</b>
<b>Total assets</b>	<b>7,443,545</b>	<b>143,991</b>	<b>76,194</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,210</b>	<b>491,833</b>	<b>750,227</b>	<b>8,193,773</b>
<b>Non-current liabilities</b>										
Lease liabilities	939,951	-	-	-	-	-	-	-	-	939,951
<b>Total non-current liabilities</b>	<b>939,951</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>939,951</b>
<b>Current liabilities</b>										
Lease liabilities	210,226	-	-	-	-	-	-	-	-	210,226
Other liabilities	25,000	-	21,545	-	-	-	-	-	21,545	46,545
Trade and other payables	405,150	-	-	-	-	-	-	-	-	405,150
<b>Total current liabilities</b>	<b>640,376</b>	<b>-</b>	<b>21,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,545</b>	<b>661,921</b>
<b>Total liabilities</b>	<b>1,580,327</b>	<b>-</b>	<b>21,545</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>21,545</b>	<b>1,601,872</b>
<b>Net asset</b>	<b>5,863,218</b>	<b>143,991</b>	<b>54,649</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>38,210</b>	<b>491,833</b>	<b>728,683</b>	<b>6,591,901</b>

## THE HELPING HAND

### 16. Fund account transactions and balances (cont'd)

- (i) General fund - this represents cumulative surpluses available for general use for the furtherance of the Society's objectives.
- (ii) Care and Share Matching Fund

Care and Share Matching Fund 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 society services and programmes for its beneficiaries. The unused funds for projects that are withdrawn or terminated prematurely may be clawed back if the proposed projects were not being approved by MSF.

The Care and Share Matching Fund 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 find 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 (eg: wheelchairs). Investment in technology (eg: the purchase of electronic devices for staff to boost productivity so as to better serve the Society's beneficiaries) and physical infrastructure developments (eg: renovation of the Society's premises, expansion of physical space)

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

#### (d) Critical existing needs

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

## THE HELPING HAND

### 16. Fund account transactions and balances (cont'd)

(iii) President's Challenge

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.

(iv) CDC Bless Our City Grant

CDC Bless Our City Grant aims to provide assistance to communities in need. The grant is limited to supported expenditure items only.

(v) Invictus Fund

The Invictus Fund supports Social Service Agencies in their transformation of service delivery and operations through digital solutions and business continuity plans incorporating safe management measures.

(vi) Donation-in-kind

Donation-in-kind relates to donation of plant and equipment.

(vii) Singapore Corporation of Rehabilitative Enterprises ("SCORE")

Funding from SCORE is based on programme cost for the contracted caseload and outcomes achieved. Programme-based funding is meant to help the Halfway House (HWH) to meet the operating expenditure based on the service model while the outcome-based funding component would serve as an impetus for HWHs to achieve the specified targets from the outset, thus leading to improvements in service standards.

### 17. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	<u>2020</u> S\$	<u>2019</u> S\$
Lease liabilities, current	220,136	210,226
Lease liabilities, non-current	719,814	939,951
	<u>939,950</u>	<u>1,150,177</u>



## THE HELPING HAND

### 17. Lease liabilities (cont'd)

Movements of lease liabilities for the reporting year are as follows:

	<u>2020</u> S\$	<u>2019</u> S\$
At beginning of the year	1,150,177	1,350,682
Accretion of interest	51,643	61,714
Lease payments – principal portion paid (a)	(210,227)	(200,505)
Interest expense paid	<u>(51,643)</u>	<u>(61,714)</u>
At end of the period	<u>939,950</u>	<u>1,150,177</u>

(a) This amount have been paid by Singapore Prison Service and recorded under Voluntary income.

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

	<u>Premise</u>	<u>Copier</u>
Number of right-of-use assets	1	3

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets. The right-of-use assets are disclosed in Note 11.

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

	<u>Minimum payments</u> \$	<u>Finance charges</u> \$	<u>Present value</u> \$
<u>2020</u>			
Minimum lease payments payable:			
Not later than one year	261,031	(40,895)	220,136
Between 2 and 5 years	<u>773,298</u>	<u>(53,484)</u>	<u>719,814</u>
Total	<u>1,034,329</u>	<u>(94,379)</u>	<u>939,950</u>
<u>2019</u>			
Minimum lease payments payable:			
Not later than one year	261,869	(51,643)	210,226
Between 2 and 5 years	1,034,330	(94,379)	939,951
Total	<u>1,296,199</u>	<u>(146,022)</u>	<u>1,150,177</u>
		<u>2020</u> S\$	<u>2019</u> S\$
Net book value of right-of-use assets under lease liabilities		<u>895,978</u>	<u>1,122,888</u>

## THE HELPING HAND

### 18. Other liabilities

	<u>31.12.2020</u> S\$	<u>31.12.2019</u> S\$ Restated	<u>01.01.2019</u> S\$ Restated
<u>Deferred income</u>			
Donation received for Charity Golf 2020	—	25,000	—
	—	25,000	—
<u>Deferred grant</u>			
Deferred grant – Jobs Support Scheme <sup>(a)</sup>	84,165	—	—
President’s Challenge	12,629	21,545	—
CDC Bless Our City Grant	512	—	—
Invictus Fund	16,468	—	—
Total other liabilities	<u>113,774</u>	<u>46,545</u>	<u>—</u>

(a) Deferred grant relates to the estimated government income given under the Jobs Support Scheme that the Society is expecting to recognise in 2021. The Jobs Support Scheme is introduced by the government under the Stabilisation and Support Package that was announced during Budget 2020, with the intention of providing greater assurance and support to workers and enterprises during the COVID-19 pandemic.

### 19. Trade and other payables

	<u>2020</u> S\$	<u>2019</u> S\$
<u>Trade payables</u>		
Outside parties and accrued liabilities	40,132	—
<u>Other payables</u>		
Outside parties	603,739	405,150
Total trade and other payables	<u>643,871</u>	<u>405,150</u>

## THE HELPING HAND

### 20. Reserve policy

The primary objective of the Society's reserves management policy is to ensure that it maintains a strong and healthy fund ratio in order to support its operations and potential initiatives.

The reserves that the Society has set aside provide financial stability and the means for the development of the Society's principal activity. The Board intends to establish its reserves at a level equivalent to 2 years of operating expenditure. This excludes restricted funds. The Board reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil our continuing obligations.

	<u>2020</u>	<u>2019</u>
	\$	\$
		Restated
Unrestricted Fund	6,552,422	5,863,218
Annual operating expenditure (unrestricted)	4,604,957	4,963,251
Number of years of reserves to annual operating expenditure	<u>1.42</u>	<u>1.18</u>

The Governing Board closely monitors the investment of surplus funds and reserves of the Society. The Finance and HR Sub-Committee oversees the management of all fund investment activities of the Society and provides advice to the Governing Board relating to these matters. They will be guided by the Investment Policy Framework approved by the Governing Board.

The Society is not subject to externally imposed capital requirements.

There were no changes to the Society's approach to reserves management during the year.

### 21. Financial instruments: information on financial risks

#### 21A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and financial liabilities recorded at the end of the reporting year:

	<u>2020</u>	<u>2019</u>
	S\$	S\$
<u>Financial assets:</u>		
At amortised cost	<u>6,811,724</u>	<u>5,526,740</u>
<u>Financial liabilities:</u>		
At amortised cost	<u>1,583,821</u>	<u>1,555,327</u>

Further quantitative disclosures are included throughout these financial statements.

## THE HELPING HAND

### 21 Financial instruments: information on financial risks (cont'd)

#### 21B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Society's operating, investing and financing activities. There are exposure to the financial risks on the financial instruments such as credit risk and liquidity risk. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no change to the exposures to risk, the objectives, policies and processes for managing the risk and methods used to measure the risk.

#### 21C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

#### 21D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents balances as disclosed in Note 15 represent balances with less than 90 days maturity. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

## THE HELPING HAND

### 21 Financial instruments: information on financial risks (cont'd)

#### 21E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 60 days (2019: 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than <u>1 year</u> S\$	2 to 5 <u>years</u> S\$	<u>Total</u> S\$
<u>2020:</u>			
Lease liabilities	261,031	773,298	1,034,329
Trade and other payables	643,871	–	643,871
At end of the year	<u>904,902</u>	<u>773,298</u>	<u>1,678,200</u>
<u>2019:</u>			
Lease liabilities	261,869	1,034,330	1,296,199
Trade and other payables	405,150	–	405,150
At end of the year	<u>667,019</u>	<u>1,034,330</u>	<u>1,701,349</u>

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

#### 21F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed interest rates and floating interest rates. The interest from financial assets including cash balances is not significant.

#### 21G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The Society is not exposed to significant foreign currency risks.

## THE HELPING HAND

### 22. Changes and adoption of financial reporting standards

For the current reporting year, new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the Society are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>FRS No.</u>	<u>Title</u>
FRS 1 and 8	Definition of Material - Amendments
FRS P2	FRS Practice Statement 2 Making Materiality Judgements
FRS 116	Covid-19 related rent concessions – Amendments (effective from 1 June 2020)

### 23. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the Society for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the Society's financial statements in the period of initial application.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments	1 Jan 2022
FRS 37	Onerous Contracts – Costs of Fulfilling a Contract – Amendments	1 Jan 2022
FRS 109	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)	1 Jan 2022
FRS 116	Covid-19 Related Rent Concessions – Amendments	1 Jan 2022
Various	Annual Improvements to FRS 2018-2020	1 Jan 2022
FRS 1	Classification of Liabilities as Current or Non-current – Amendments	1 Jan 2023

## THE HELPING HAND

### 24. Restatements and reclassifications of comparative figures

During the reporting year, management has changed its accounting policy in the recognition of government grants and similar non-government grants. As a result, the cumulative amount have been adjusted in the earliest period presented in the table below.

	<u>After</u> S\$	<u>Before</u> S\$	<u>Difference</u> S\$
<u>2019 Statement of financial position</u>			
Restricted fund	728,683	198,640	530,043
Other liabilities (Non-current)	–	393,551	(393,551)
Other liabilities (Current)	46,545	183,037	(136,492)
<u>2019 Statement of Changes in Funds</u>			
Restricted fund at 31 December 2019	728,683	198,640	530,043
Restricted fund at 1 January 2019	667,927	1,392	666,535
<u>2019 Statement of Financial Activities</u>			
Other income	69,664	206,156	(136,492)
Total comprehensive income	515,439	651,931	(136,492)

#### 2019 Statement of Cash Flows

In view of the above changes, consequential reclassification were made to the statement of cash flows

As required by the financial reporting standard on the presentation of financial statements, the statement of financial position at the end of the current reporting year and the beginning and end of the preceding reporting year are presented. However notes relating to the above balances only (that were restated/reclassified in the statement of financial position) are presented. Apart from the disclosures, other balances and notes are not impacted by the restatements/reclassification.

### 25. Comparative figures

The financial statements for the reporting year ended 31 December 2019 were audited by another independent auditor who expressed an unqualified opinion on those financial statements on 1 May 2020.

