

*Board's Statement and  
Audited Financial Statements*

***Bless Community Services***  
*(Unique Entity No. T08SS0032L)*

*For the year ended 31 March 2020*

**Bless Community Services**  
(Unique Entity No. T08SS0032L)

**General Information**

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**Board**

Chairman	:	Mr. Shi Pau Soon
Vice Chairman	:	Mr. Toh Tze Keong
Hon Secretary	:	Ms. Sylvia Kam Pei-Rong
Hon Treasurer	:	Mr. Quek Siew Ping
Ordinary Board Member	:	Mr. Lum Weng Kiong
Ordinary Board Member	:	Mr. Ronald Wong Jian Jie
Ordinary Board Member	:	Mr. Sun Pei Sen
Ordinary Board Member	:	Mdm. Yap Soo Ten
Ordinary Board Member	:	Ms. Ng Ai Zhen

**Independent Auditor**

HLB Atrede LLP

The independent auditor, HLB Atrede LLP has expressed its willingness to accept re-appointment as auditor.

**Contents**

	<b>Page</b>
Statement by the Board	1
Independent Auditor's Report	2
Balance Sheet	6
Statement of Comprehensive Income	7
Statement of Changes in Fund	8
Cash Flow Statement	9
Notes to the Financial Statements	10

**Bless Community Services**  
(Unique Entity No T08SS0032L)

**Statement by the Board**

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We, Shi Pau Soon and Quek Siew Ping, being board members of Bless Community Services (the “Society”), do hereby state that, in the opinion of the Board of Governors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Society as at 31 March 2020 and the financial performance, changes in funds and cash flows of the Society for the year ended on that date in accordance with the provisions of the Societies Act, Chapter 311, the Charities Act, Chapter 37 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.
- (c) the total fund-raising expenses for the financial year does not exceed 30% of the total gross receipts from fund-raising.

On behalf of the Board,



Shi Pau Soon  
Chairman



Quek Siew Ping  
Honorary Treasurer

Singapore  
6 July 2020

**Independent Auditor's Report  
to the members of Bless Community Services  
(Unique Entity No. T08SS0032L)**

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**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of Bless Community Services (the "Society"), which comprise the balance sheet as at 31 March 2020, and the statement of comprehensive income, statement of changes in fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of Societies Act, Chapter 311, Singapore Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulatory) (the Acts) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Society as at 31 March 2020 and of the financial performance, changes in fund and cash flows of the Society for the year ended on that date.

*Basis for Opinion*

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

*Other Information*

Management is responsible for the other information. The other information comprises the Statement by 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 and will not express any form of assurance conclusion thereon.

**Independent Auditor's Report  
to the members of Bless Community Services – continued**  
(Unique Entity No. T08SS0032L)

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*Other Information (continued)*

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.

*Responsibilities of the Board for the Financial Statements*

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

In preparing the financial statements, management is responsible for assessing the 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.

The Board's responsibilities include 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 Bless Community Services – continued**  
(Unique Entity No. T08SS0032L)

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*Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board 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.

**Independent Auditor's Report  
to the members of Bless Community Services – continued  
(Unique Entity No. T08SS0032L)**

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**Report on Other Legal and Regulatory Requirements**

In our opinion:

- (a) the accounting and other records required by the Act to be kept by the Society have been properly kept in accordance with the provisions of the Societies Act and the Charities Act and Regulations.
- (b) the fund raising appeal held during the reporting year has 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 for the fund-raising appeal.

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 monies 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.

A handwritten signature in black ink, appearing to read 'MB J. Fredrickson'.

HLB Atrede LLP  
Public Accountants and  
Chartered Accountants

Singapore  
6 July 2020

**Bless Community Services**  
(Unique Entity No. T08SS0032L)

**Balance Sheet as at 31 March 2020**

	Note	2020 \$	2019 \$
<b>Non-current asset</b>			
Plant and equipment	4	1,947	1,434
		<u>1,947</u>	<u>1,434</u>
<b>Current assets</b>			
Other receivables	5	100	9,036
Cash and cash equivalents		359,293	51,039
		<u>359,393</u>	<u>60,075</u>
<b>Current liability</b>			
Other payables	6	8,535	3,476
		<u>8,535</u>	<u>3,476</u>
<b>Net current assets</b>		350,858	56,599
<b>Net assets</b>		<u>352,805</u>	<u>58,033</u>
<b>Funds</b>			
<i>Unrestricted funds</i>			
Accumulated funds		226,266	52,273
<i>Restricted funds</i>			
Services and programmes fund	7	121,250	–
Neighbourhood assistance fund	8	3,700	3,800
Tuition program and bursary award fund	9	1,589	1,960
<b>Total funds</b>		<u>352,805</u>	<u>58,033</u>

*The accompanying accounting policies and explanatory notes form an integral part of financial statements.*



**Bless Community Services**  
(Unique Entity No. T08SS0032L)

**Statement of Comprehensive Income for the financial year ended 31 March 2020**

	Note	2020 \$	2019 \$
Income	10	296,189	121,390
Expenditure	11	(126,466)	(122,718)
Other operating income	12	4,270	5,794
<b>Surplus before tax</b>		173,993	4,466
Income tax expense	13	—	—
<b>Surplus for the year</b>		173,993	4,466
Other comprehensive income		—	—
<b>Total comprehensive surplus for the year</b>		173,993	4,466

*The accompanying accounting policies and explanatory notes form an integral part of financial statements.*

**Bless Community Services**  
(Unique Entity No. T08SS0032L)

**Statement of Changes in Fund for the financial year ended 31 March 2020**

	Unrestricted funds	Restricted funds		Total
	Accumulated funds	Services and programmes fund	Neighbourhood assistance fund	
	\$	\$	\$	\$
Balance at 1 April 2018	47,807	-	-	47,807
Total comprehensive surplus for the year	4,466	-	-	4,466
Donations received during the year	-	-	3,800	5,760
Balance at 31 March 2019	52,273	-	3,800	58,033
Total comprehensive surplus for the year	173,993	-	-	173,993
Donations received during the year:				
- Tax deductible donations	-	123,080	-	123,080
- Non-tax deductible donations	-	30,750	-	30,750
Income received during the year	-	6,582	-	6,582
Grants received during the year	-	6,770	-	6,770
Utilisation of funds	-	(45,932)	(100)	(46,403)
Balance at 31 March 2020	226,266	121,250	3,700	352,805

*The accompanying accounting policies and explanatory notes form an integral part of financial statements.*

**Bless Community Services**  
(Unique Entity No. T08SS0032L)

**Cash Flow Statement for the financial year ended 31 March 2020**

	<b>2020</b>	<b>2019</b>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus before tax	173,993	4,466
Adjustments for:		
Depreciation	1,374	1,395
Interest income	(78)	(22)
<b>Operating surplus before working capital changes</b>	<u>175,289</u>	<u>5,839</u>
Decrease/(increase) in other receivables	8,936	(2,103)
Increase in other payables	5,059	845
Receipts for services and programmes fund	167,182	–
Utilisation of services and programmes fund	(45,932)	–
Utilisation of neighbourhood assistance fund	(100)	3,800
Utilisation of tuition program and bursary award fund	(371)	1,960
<b>Cash generated from operations</b>	<u>310,063</u>	<u>10,341</u>
Interest received	78	22
<b>Net cash flows from operating activities</b>	<u>310,141</u>	<u>10,363</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of plant and equipment	(1,887)	(2,058)
<b>Net cash flows used in investing activity</b>	<u>(1,887)</u>	<u>(2,058)</u>
Net increase in cash and cash equivalents	308,254	8,305
Cash and cash equivalents at beginning of the year	51,039	42,734
<b>Cash and cash equivalents at end of year</b>	<u>359,293</u>	<u>51,039</u>

*The accompanying accounting policies and explanatory notes form an integral part of financial statements.*

**Notes to the Financial Statements – 31 March 2020**

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

**1. GENERAL INFORMATION**

Bless Community Services is a society constituted under the provisions of the Societies Act, Chapter 311 and registered under the Singapore Charities Act, Chapter 37 on 1 December 2008.

The registered office of the Society is located at 242 Yio Chu Kang Road, Singapore 545671.

The principal activities of the Society are those of provision of services to youths, seniors and the community that will help develop the potential of individuals, strengthen families and foster communal bonding to enrich the Society.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRSs) and the provisions of the Societies Act, Chapter 311, and the Singapore Charities Act, Chapter 37.

The financial statements have been prepared on the historical cost basis except where otherwise described in the accounting policies below.

The financial statements are presented in Singapore Dollar (SGD or \$) and all values are rounded to the nearest one-dollar unless otherwise stated.

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year, the Society has adopted all applicable new and revised FRSs and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for the current financial year. The adoption of these FRSs and INT FRS did not have any material effect on the financial position or performance of the Society for the current or prior financial years.

*Standards issued but not yet effective*

The Society has not adopted the following standards and interpretations that are potentially relevant to the Society that has been issued but not yet effective:

	Effective date (Annual periods beginning on or after)
Amendments to FRS 1 and FRS 8: <i>Definition of Material</i>	1 January 2020
Amendments to References to the Conceptual Framework in FRS Standards, illustrative examples, implementation guidance and FRS Practice Statements	1 January 2020
Revised Conceptual Framework	1 January 2020

**Notes to the Financial Statements – 31 March 2020**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(a) *Basis of preparation (continued)*

*Standards issued but not yet effective (continued)*

The Board expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

(b) *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of plant and equipment is recognised as an asset if, and only if, 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.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Computer	–	3 years
Furniture and fittings	–	10 years

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

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(c) *Financial instruments*

(i) *Financial assets*

*Initial recognition and measurement*

Financial assets are recognised when, and only when the Society becomes party to the contractual provisions of the instruments.

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 asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(c) *Financial instruments (continued)*

(i) *Financial assets (continued)*

*Initial recognition and measurement (continued)*

Trade receivables are measured at the amount of 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 party, if the trade receivables do not contain a significant financing component at initial recognition.

*Subsequent measurement*

The Society's financial assets comprise of cash and cash equivalents and other receivables. These financial assets are subsequently measured at amortised cost.

*Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

*Derecognition*

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(ii) *Financial liabilities*

*Initial recognition and measurement*

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(c) *Financial instruments (continued)*

(ii) *Financial liabilities (continued)*

*Subsequent measurement*

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

*Derecognition*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(i) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(d) *Impairment of financial assets*

The Society recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Society considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**Notes to the Financial Statements – 31 March 2020**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(d) *Impairment of financial assets (continued)*

*Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- (i) significant financial difficulty of the issuer or the borrower;
- (ii) a breach of contract, such as a default or past due event;
- (iii) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- (iv) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- (v) the disappearance of an active market for that financial asset because of financial difficulties.

*Write-off*

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

(e) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank.

(f) *Other payables*

Other payables are non-interest bearing and have an average term of six months.

(g) *Provisions*

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



**Notes to the Financial Statements – 31 March 2020**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(h) *Employee benefits*

(i) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

In particular, the Society makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(i) *Revenue*

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 or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(i) *Activities collections*

The Society organises activities to support the well-being of children, youth, adults, elderly and families in the community.

Revenue from events and activities collections are recognised when services are completed.

(ii) *Donations*

Donations are recognised when received.

**Notes to the Financial Statements – 31 March 2020**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(j) *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Society if that person:
  - (i) Has control or joint control over the Society;
  - (ii) Has significant influence over the Society; or
  - (iii) Is a member of the key management personnel of the Society or of a parent of the Society.
  
- (b) An entity is related to the Society if any of the following conditions applies:
  - (i) The entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(k) *Government grant*

Cash grant received from the government are recognised as income upon receipt.

**Notes to the Financial Statements – 31 March 2020**

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**3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES**

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

(i) *Judgement made in applying accounting policies*

There were no material judgements made by management in the process of applying the Society's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(ii) *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

▪ *Useful lives of plant and equipment*

The cost of plant and equipment is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. The committee estimates the useful lives of these plant and equipment to be within 3 to 10 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of the plant and equipment at the end of each reporting period is disclosed in Note 4 to the financial statements.

**Notes to the Financial Statements – 31 March 2020**

**4. PLANT AND EQUIPMENT**

	<b>Computer</b>	<b>Furniture and fitting</b>	<b>Total</b>
	\$	\$	\$
<b>Cost:</b>			
At 1 April 2018	1,938	621	2,559
Additions	2,058	–	2,058
At 31 March 2019 and 1 April 2019	3,996	621	4,617
Additions	1,887	–	1,887
At 31 March 2020	5,883	621	6,504
<b>Accumulated depreciation:</b>			
At 1 April 2018	1,292	496	1,788
Charge for the year	1,332	63	1,395
At 31 March 2019 and 1 April 2019	2,624	559	3,183
Charge for the year	1,313	61	1,374
At 31 March 2020	3,937	620	4,557
<b>Net carrying amount:</b>			
At 31 March 2019	1,372	62	1,434
At 31 March 2020	1,946	1	1,947

**5. OTHER RECEIVABLES**

	<b>2020</b>	<b>2019</b>
	\$	\$
Deposits	100	100
Prepayment	–	5,114
Sundry receivable	–	3,822
	100	9,036

**6. OTHER PAYABLES**

Accrued liabilities	2,500	800
CPF payable	3,098	2,095
Sundry payables	2,937	581
	8,535	3,476

**7. SERVICES AND PROGRAMMES FUND**

The services and programmes fund was set up to finance all the direct services and programmes expenditure of the Society which are broadly categorised in three Connect activities, namely Community Connect, Senior Connect and Youth Connect.

**Notes to the Financial Statements – 31 March 2020**

**8. NEIGHBOURHOOD ASSISTANCE FUND**

The neighbourhood assistance fund was set up to provide short term emergency relief for residents and to buy goodwill gifts for residents who require visitations.

**9. TUITION PROGRAM AND BURSARY AWARD FUND**

The tuition program and bursary award fund was set up to help students improve academically and encourage their holistic development and to support students from low-income to lower middle-income families with educational expenses to encourage their hard work and efforts.

**10. INCOME**

	<b>2020</b>	<b>2019</b>
	\$	\$
Donations received:		
– Tax deductible donations	251,611	–
– Non-tax deductible donations	44,578	114,928
	<u>296,189</u>	<u>114,928</u>
Activities collections	–	6,462
	<u>296,189</u>	<u>121,390</u>

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the Society.

**11. EXPENDITURE**

Auditor's remuneration	2,500	800
Bank charges	140	144
Central Provident Board	14,714	10,709
Connect activities	–	36,134
Depreciation	1,374	1,395
Equipping and resource	2,526	2,767
Fund raising expenses	1,695	–
General expenses	1,211	1,006
Insurance	401	401
Internship and admin support	3,238	1,008
Medical fee	1,717	763
Printing and stationery	690	1,169
Publicity	2,371	–
Salaries and bonuses	93,335	66,042
Skill development levy	210	143
Telecommunications	344	237
	<u>126,466</u>	<u>122,718</u>

**Notes to the Financial Statements – 31 March 2020**

**12. OTHER OPERATING INCOME**

	2020	2019
	\$	\$
Government grants – Council For Third Age	–	588
– Special employment credit	825	162
– Wage credit scheme	2,867	3,822
– VCF Info-Communication Technology	–	1,200
Interest income	78	22
Sundry income	500	–
	<u>4,270</u>	<u>5,794</u>

**13. INCOME TAX EXPENSE**

The income of the Society registered under the Singapore Charities Act, Chapter 37 is exempt from income tax.

**14. EMPLOYEE BENEFITS**

Salaries and bonuses	93,335	66,042
Central provident fund contributions	14,714	10,709
	<u>108,049</u>	<u>76,751</u>

**15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

The Society's financial assets and liabilities are stated at nominal values and are not subject to significant risk of changes in values as there are no significant financial risks involved. As a result, financial risk policy is not considered necessary.

**16. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES**

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting period by FRS 109 categories:

*Financial assets at amortised cost*

Other receivables	100	3,922
Cash and bank balances	359,293	51,039
	<u>359,393</u>	<u>54,961</u>

*Financial liabilities at amortised cost*

Other payables	8,535	3,476
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**17. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values due to the relative short-term maturity of these financial instruments.

**Notes to the Financial Statements – 31 March 2020**

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**18. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

COVID-19 pandemic outbreak

The Coronavirus Disease (COVID-19) outbreak and the measures taken to contain the spread of COVID-19 has created a high level of uncertainty to the near-term global economic prospects and caused disruptions to various businesses. A series of measures to curb the COVID-19 outbreak have been and continue to be implemented in Singapore, including requirements to limit or suspend business operations, travel restrictions and quarantine measures. The Society is taking precautionary measures to deal with the COVID-19 outbreak in accordance with guidelines provided by the Government.

As the situation relating to the spread remains dynamic, it is currently not possible to ascertain the full financial impact it may have on the financial performance of the Society for the next financial reporting period.

The Society is closely monitoring the development of the COVID-19 outbreak and its related impact on the businesses. As at the date of these financial statements, the Society is not aware of any material adverse effects on the financial statements arising from the COVID-19 outbreak.

**19. AUTHORISATION OF FINANCIAL STATEMENTS**

The financial statements for the year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Board on 6 July 2020.