

Pertapis Education & Welfare Centre

[UEN. S71SS0014H]

[A Society registered under the Societies Act
(Chapter 311) in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

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Suhaimi Salleh & Associates

[UEN. S88PF0247L]

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre #08-01
Singapore 408571
T: (65) 6846.8376
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STATEMENT BY THE EXECUTIVE COMMITTEE

In the opinion of the Executive Committee, the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of the Pertapis Education & Welfare Centre (the "Society") as at 31 March 2019, and the financial results, changes in funds and cash flows of the Society for the financial year then ended.

At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Executive Committee, comprising the following, authorised the issue of these financial statements on **06 SEP 2019**

President	Hussaini Abdullah
Vice President I:	Abdul Rahim Abdul Khan
Vice President II:	Ahmad Ishak Ismail
Secretary-General	Mohd Maser Mansor
Finance Secretary	Ja'afar Mohd Kamari
Committee Member	Mahmood Abdullah Bamadhaj
Committee Member	Mokssin Saujaji
Committee Member	Amasha Mohamed Yusof
Committee Member	Abdul Samad Haron
Committee Member	Abdul Latiff Omar
Committee Member	Dr. Muhammad Fadzli Hassan
Committee Member	Muhd Hasyim Mohd Azmi
Committee Member	Dr. Mohamed Elmie Nekmat

For and on behalf of the Executive Committee,



Hussaini Abdullah
President



Mohd Maser Mansor
Secretary-General



Ja'afar Mohd Kamari
Finance Secretary

Singapore, **06 SEP 2019**

Suhaimi Salleh & Associates

Public Accountants and
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Independent auditor's report to the members of:

Pertapis Education & Welfare Centre

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Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Pertapis Education & Welfare Centre (the "Society"), which comprise the statement of financial position of the Society as at 31 March 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Society for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard in Singapore ("CAS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2019, and of the financial results, changes in funds and cash flows of the Society for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Executive Committee but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Suhaimi Salleh & Associates

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(CONT'D)

Independent auditor's report to the members of:

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Other Information (Cont'd)

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 Executive Committee and Those Charged with Governance for the Financial Statements

Executive Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, the Charities Act and Regulations and CAS, 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, Executive Committee is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Suhaimi Salleh & Associates

Public Accountants and
Chartered Accountants of Singapore

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Independent auditor's report to the members of:

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

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

Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) the fundraising appeals held during the financial year ended 31 March 2019 have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund raising appeals.

Suhaimi Salleh & Associates

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

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



Suhaimi Salleh & Associates
Public Accountants and
Chartered Accountants

Singapore, **06 SEP 2019**

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	2019		2018		Total funds S\$
	Unrestricted funds S\$	Restricted funds S\$ (Note 13)	Unrestricted funds S\$	Restricted funds S\$ (Note 13)	
INCOME					
Income from generating funds					
Voluntary income	1,617,482	1,463,459	1,201,553	1,474,073	2,675,626
Grants and subsidies	209,795	0	171,189	0	171,189
Activities income	1,746,065	41,904	1,886,968	41,010	1,927,978
Investment income	133,138	0	48,208	0	48,208
Other income	232,596	0	217,136	0	217,136
	<u>3,939,076</u>	<u>1,505,363</u>	<u>3,525,054</u>	<u>1,515,083</u>	<u>5,040,137</u>
Administrative fees	888,000	0	942,000	0	942,000
Income from charitable activities					
Grants & subsidies	0	7,575,418	0	9,752,999	9,752,999
Amortisation of grants	0	466,624	0	324,369	324,369
Activities income	0	105,406	0	75,125	75,125
Miscellaneous income	0	93,627	0	53,919	53,919
Gain on disposal of property, plant and equipment	0	0	0	186	186
	<u>0</u>	<u>8,241,075</u>	<u>0</u>	<u>10,206,598</u>	<u>10,206,598</u>
Total income	<u>4,827,076</u>	<u>9,746,438</u>	<u>4,467,054</u>	<u>11,721,681</u>	<u>16,188,735</u>
LESS: EXPENDITURES					
Cost of generating funds					
Advertisements	0	1,185	0	0	0
Amortisation of capital grants	0	55,685	0	53,900	53,900
Depreciation of property, plant and equipment	91,174	0	93,993	0	93,993
Fundraising expenses	224,844	0	163,266	0	163,266
Salaries and related costs	686,821	0	889,353	0	889,353
Staff employer CPF and SDL	75,927	0	89,887	0	89,887
Staff training	251	15,896	0	0	0
Residents and students expenses	109,869	0	87,582	0	87,582
Miscellaneous expenses	162,770	6,258	137,729	0	137,729
	<u>1,351,656</u>	<u>79,024</u>	<u>1,461,810</u>	<u>53,900</u>	<u>1,515,710</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)**

	Note	2019		2018		Total funds S\$	Unrestricted funds S\$	Restricted funds S\$ (Note 13)	Total funds S\$
		Unrestricted funds S\$	Restricted funds S\$ (Note 13)	Unrestricted funds S\$	Restricted funds S\$ (Note 13)				
LESS: EXPENDITURES (CONT'D)									
Cost of charitable activities									
Amortisation of capital grants		0	599,197	0	599,197	599,197	0	435,825	435,825
Depreciation of property, plant and equipment	10	0	515,753	0	515,753	515,753	0	485,838	485,838
Donations		0	453,704	0	453,704	453,704	0	443,516	443,516
Salaries and related costs		0	2,712,434	0	2,712,434	2,712,434	0	2,690,639	2,690,639
Staff employer CPF and SDL		0	479,946	0	479,946	479,946	0	412,861	412,861
Residents programme		0	233,654	0	233,654	233,654	0	292,858	292,858
Residents and students expenses		0	949,289	0	949,289	949,289	0	844,320	844,320
Miscellaneous expenses		0	1,741,146	0	1,741,146	1,741,146	0	1,687,055	1,687,055
Property, plant and equipment written off	10	0	81,878	0	81,878	81,878	0	1	1
		0	7,767,001	0	7,767,001	7,767,001	0	7,292,913	7,292,913
Governance and other administrative costs									
Administrative fees charged		150,000	738,000	0	738,000	888,000	204,000	738,000	942,000
Advertisements		54,955	939	0	939	55,894	65,563	6,874	72,437
Audit fees		17,600	16,000	0	16,000	33,600	16,756	23,621	40,377
Bank charges		1,502	33	0	33	1,535	1,720	0	1,720
Depreciation of property, plant and equipment	10	125,584	0	0	0	125,584	120,777	0	120,777
Depreciation of investment properties	9	0	0	0	0	0	63,238	0	63,238
General donations		7,400	0	0	0	7,400	10,650	0	10,650
General expenses		10,042	1,315	0	1,315	11,357	48,377	397	48,774
Gifts and souvenirs		17,906	59	0	59	17,965	19,717	0	19,717
Insurance		12,563	0	0	0	12,563	7,725	0	7,725
Low value assets		2,311	5,198	0	5,198	7,509	1,183	0	1,183
Property, plant and equipment written off	10	28,152	0	0	0	28,152	485	0	485
Meals and entertainment		16,974	4,213	0	4,213	21,187	3,435	35,580	39,015
Meeting, function and seminar expenses		118,725	31,667	0	31,667	150,392	94,885	13,718	108,603
Miscellaneous expenses		6,902	50,528	0	50,528	57,430	10,176	0	10,176
Newspapers and periodicals		583	0	0	0	583	936	0	936
Printing, postage and stationery		104,210	103	0	103	104,313	101,144	0	101,144
Professional and legal fees		10,627	0	0	0	10,627	4,103	0	4,103
Property tax		9,076	0	0	0	9,076	10,914	0	10,914
Recruitments		0	0	0	0	0	1,463	0	1,463
Repairs and maintenance		31,422	64,217	0	64,217	95,639	48,283	0	48,283
Balance carried forward		726,534	912,272	0	912,272	1,638,806	835,530	818,190	1,653,720

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)**

	Note	2019		Total funds S\$	2018		Total funds S\$
		Unrestricted funds S\$	Restricted funds S\$ (Note 13)		Unrestricted funds S\$	Restricted funds S\$ (Note 13)	
LESS: EXPENDITURES (CONT'D)							
Governance and other administrative costs (Cont'd)							
Balance brought forward		726,534	912,272	1,638,806	835,530	818,190	1,653,720
Rental of premises		193,094	0	193,094	193,244	0	193,244
Salaries and related costs		1,037,433	43,000	1,080,433	1,059,546	39,729	1,099,275
Staff employer CPF and SDL		143,545	0	143,545	155,726	0	155,726
Staff medical expenses		1,266	0	1,266	638	0	638
Staff welfare		53,583	0	53,583	43,114	0	43,114
Staff training		17,180	8,567	25,747	12,000	0	12,000
Subscriptions		950	0	950	140	0	140
Transport		5,646	7,104	12,750	4,548	24	4,572
Utilities		23,720	0	23,720	23,284	0	23,284
		<u>2,202,951</u>	<u>970,943</u>	<u>3,173,894</u>	<u>2,327,770</u>	<u>857,943</u>	<u>3,185,713</u>
Total expenditure		<u>3,554,607</u>	<u>8,816,968</u>	<u>12,371,575</u>	<u>3,789,580</u>	<u>8,204,756</u>	<u>11,994,336</u>
Net income for the financial year		<u>1,272,469</u>	<u>929,470</u>	<u>2,201,939</u>	<u>677,474</u>	<u>3,516,925</u>	<u>4,194,399</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 S\$	2018 S\$
ASSETS			
Current assets			
Cash and bank balances	7	13,883,160	12,430,774
Fees and other receivables	8	715,165	296,242
		<u>14,598,325</u>	<u>12,727,016</u>
Non-current assets			
Investment properties	9	4,608,762	4,608,762
Property, plant and equipment	10	3,115,442	2,281,232
		<u>7,724,204</u>	<u>6,889,994</u>
Total assets		<u>22,322,529</u>	<u>19,617,010</u>
LIABILITIES			
Current liability			
Other payables	11	1,340,199	836,619
Total liability		<u>1,340,199</u>	<u>836,619</u>
NET ASSETS		<u>20,982,330</u>	<u>18,780,391</u>
FUNDS			
Unrestricted funds	12	16,035,110	14,750,020
Restricted funds	13	4,947,220	4,030,371
TOTAL FUNDS		<u>20,982,330</u>	<u>18,780,391</u>

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

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

	Note	At beginning of financial year S\$	Net income / (expenditure) for the year S\$	Transfer of funds (Note 14) S\$	At end of financial year S\$
2019					
Unrestricted funds					
General fund	12	15,341,185	1,351,235	(12,735)	16,679,685
Childcare fund	12	(591,165)	(78,766)	25,356	(644,575)
		<u>14,750,020</u>	<u>1,272,469</u>	<u>12,621</u>	<u>16,035,110</u>
Restricted funds					
Designated Capital Grant fund	13	1,937,119	(654,882)	229,489	1,511,726
Community Silver Trust fund	13	48,856	165,749	0	214,605
Care & Share Grant fund	13	672,822	(102,804)	(334,585)	235,433
HR & Corporate Development fund	13	(12,735)	0	12,735	0
The Rising Star Project Grant fund	13	2,730	10,000	0	12,730
Yellow Ribbon Grant fund	13	27,000	2,700	0	29,700
President Challenge fund	13	0	64,175	0	64,175
Welfare Trust and Zakat fund	13	322,931	310,448	0	633,379
Women and Girls Home fund	13	7,766	155,943	14,629	178,338
Halfway House fund	13	2,034,670	1,071,159	37,784	3,143,613
Children Home fund	13	(55,726)	57,916	24,239	26,429
Senior Citizen Fellowship Home fund	13	(955,062)	(150,934)	3,088	(1,102,908)
		<u>4,030,371</u>	<u>929,470</u>	<u>(12,621)</u>	<u>4,947,220</u>
TOTAL FUNDS		<u>18,780,391</u>	<u>2,201,939</u>	<u>0</u>	<u>20,982,330</u>

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)**

	Note	At beginning of financial year S\$	Net income / (expenditure) for the year S\$	Transfer of funds (Note 14) S\$	At end of financial year S\$
2018					
Unrestricted funds					
General fund	12	14,156,104	924,995	260,086	15,341,185
Childcare fund	12	(358,234)	(247,521)	14,590	(591,165)
		<u>13,797,870</u>	<u>677,474</u>	<u>274,676</u>	<u>14,750,020</u>
Restricted funds					
Designated Capital Grant fund	13	774,363	(489,725)	1,652,481	1,937,119
Community Silver Trust fund	13	20,718	28,138	0	48,856
Care & Share Grant fund	13	(22,279)	1,185,000	(489,899)	672,822
HR & Corporate Development fund	13	885	205,260	(218,880)	(12,735)
The Rising Star Project Grant fund	13	31,261	(28,531)	0	2,730
Yellow Ribbon Grant fund	13	6,750	20,250	0	27,000
President Challenge fund	13	9,577	50,000	(59,577)	0
Welfare Trust and Zakat fund	13	539,235	(253,950)	37,646	322,931
Women and Girls Home fund	13	(79,933)	49,269	38,430	7,766
Halfway House fund	13	704,637	1,368,872	(38,839)	2,034,670
Children Home fund	13	(186,915)	1,334,205	(1,203,016)	(55,726)
Senior Citizen Fellowship Home fund	13	(1,010,177)	48,137	6,978	(955,062)
		<u>788,122</u>	<u>3,516,925</u>	<u>(274,676)</u>	<u>4,030,371</u>
TOTAL FUNDS		<u>14,585,992</u>	<u>4,194,399</u>	<u>0</u>	<u>18,780,391</u>

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

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

	Note	2019 S\$	2018 S\$
Cash flows from operating activities			
Net income for the financial year		2,201,939	4,194,399
Adjustments for:			
- Depreciation of property, plant and equipment	10	732,511	700,608
- Depreciation of investment properties	9	0	63,238
- Property, plant and equipment written off	10	110,030	0
- Loss on disposal of property, plant and equipment	10	0	300
- Interest income		(48,577)	(48,208)
Operating cash flow before working capital changes		<u>2,995,903</u>	<u>4,910,337</u>
Changes in operating assets and liabilities:			
- Other receivables		(418,923)	649,811
- Other payables		<u>503,580</u>	<u>28,749</u>
Cash generated from operating activities		3,080,560	5,588,897
Interest received		<u>48,577</u>	<u>48,208</u>
Net cash generated from operating activities		<u>3,129,137</u>	<u>5,637,105</u>
Cash flows from investing activities			
Increased in fixed deposits pledged		(2,543)	(1,142)
Payment for purchase of investment properties	9	0	(1,636,000)
Payment for cyclical maintenance - renovations		0	(22,773)
Purchase of property, plant and equipment	10	<u>(1,676,751)</u>	<u>(1,194,952)</u>
Net cash used in investing activities		<u>(1,679,294)</u>	<u>(2,854,867)</u>
Net increase in cash and cash equivalents		1,449,843	2,782,238
Cash and cash equivalents at beginning of financial year		<u>12,201,708</u>	<u>9,419,470</u>
Cash and cash equivalents at end of financial year	7	<u>13,651,551</u>	<u>12,201,708</u>

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

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

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

1. General information

Pertapis Education & Welfare Centre (the "Society") was registered on 15 March 1971 under the Societies Act, Chapter 311 and is a charity registered under the Charities Act, Chapter 37 since 17 February 1984.

The Society's has been accorded the Institutions of a Public Character ("IPC") status until 31 December 2019.

The principal activities of the Society are to engage in self-help projects for the betterment of the community welfare in Singapore.

The Society's registered office and principal place of business is located at Blk 1 Joo Chiat Road, #04-1001 Joo Chiat Complex, Singapore 420001.

The Society is comprised of four (4) welfare centres and one (1) education centre as follows:

Welfare centres

1. Pertapis Children's Home
2. Pertapis Centre for Women and Girls
3. Pertapis Halfway House
4. Pertapis Senior Citizens' Fellowship Home

Education centres

1. Pertapis Childcare Centres

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") and the disclosure requirements of the Societies Act and the Charities Act, Chapter 37. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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

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

2.2 Income recognition

Income is recognised to the extent that it is probable that the economic benefits will flow to the Society and the revenue can be reliably measured, regardless of when the payment is made. Income is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.1 Cash donations

Cash donations which are still in collection containers at public and other premises or are in transit to the Society are not recognised as income until they have been received by the Society. Donations are recognised on a receipt basis. No value is ascribed to volunteer services, donated services, assets donated for continuing use or similar donations-in-kind, unless the benefit to the Society is reasonably quantifiable and measurable in which case an equivalent amount is recorded in expenditure, or capitalised as appropriate.

2.2.2 Donations-in-kind

Donations-in-kind received for continuing use are capitalised and included in the statement of financial position at a reasonable estimate or in the event that it is not practicable to do so, a nominal value of S\$1 is assigned to capitalise the useable assets.

Items received which are donated for resale, distribution or consumption are not recorded when received as it is usually not practical to ascertain the value of the items involved.

2.2.3 Grants and donations

The recognition of a promised grant or donation is evidence of entitlement which normally exists when the grant is formally expressed in writing. Where the entitlement is demonstrable, and no conditions are attached, such promises are recognised as income once the criteria or certainty and measurability are met. When conditions are attached, they must be fulfilled before the Society has unconditional entitlement to the income. Income is deferred as a liability where uncertainty exists as to whether the Society can meet the conditions and is recognised as income when there is sufficient evidence that the conditions imposed can be met.

2.2.4 Allocation of Zakat and income from fund-raising projects

Allocation of Zakat and income from fund-raising projects are taken up in the financial statements as income on receipt basis.

2.2.5 School fees

School fees are recognised over the school term.

2.2.6 Registration fees

Registration fees are recognised when received.

2.2.7 Sales of books

Revenue from the sale of books is recognised when the significant risks and rewards of ownership of the goods to the customer. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.8 Rental income

Rental income arising from operating leases on investment property is accounted for on a straight-line basis over the lease term.

2.2.9 Other income

Other income is recognised when received.

2.3 Expenditure recognition

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

2.3.1 Cost of generating funds

Cost of generating funds comprises all directly attributable costs incurred in the generating voluntary income and fundraising activities. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.3.2 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Society. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure. The total costs of charitable activities are apportionment of overhead and shared costs.

2.3.3 Governance and administrative costs

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

2.4 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment loss, if any.

An investment property is derecognised when either it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gain or loss arising on the retirement or disposal of an investment property is recognised in the statement of financial activities in the financial year of retirement or disposal.

2. Significant accounting policies (Cont'd)

2.4 Investment properties (Cont'd)

Freehold properties have an unlimited useful life and therefore is not depreciated.

The estimated useful lives, residual values and depreciation method of the investment properties are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the carrying value at the date of change in use. For a transfer from owner occupied property to investment property, the property is accounted for in accordance with the accounting policy for fixed assets as set out in Note 2.5 up to the date of the change in use.

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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

	Useful lives
Computers	3 years
Furniture and fittings	5 years
Gymnastics equipment	5 years
Office equipment	5 years
Motor vehicles	5 years
Renovation	5 years

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in statement of financial activities in the year the asset is derecognised.

Fully depreciated assets still in use are retained in the financial statements.

2. Significant accounting policies (Cont'd)

2.6 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

2.7 Financial assets

2.7.1 Recognition and measurement

Receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

Receivables in financial assets are subsequently measured at cost less accumulated impairment losses.

2.7.2 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

2.7.3 Impairment

The Society assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

2. Significant accounting policies (Cont'd)

2.7 Financial assets (Cont'd)

2.7.3 Impairment (Cont'd)

An allowance for impairment of other receivables is recognised when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities within "Cost of generating funds", "Cost of charitable activities" and "Governance and other administrative costs".

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed. The reversal will not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

2.8 Cash and cash equivalents

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

2.9 Financial liabilities

Financial liabilities are recognised when the Society becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities includes "Other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

2.10 Other payables

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

2.11 Provisions for other liabilities and charges

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

2. Significant accounting policies (Cont'd)

2.12 Leases

2.12.1 As lessor

The Society leases out the investment property under operating leases to non-related parties.

Leases of an investment property where the Society retains substantially all risks and rewards incidental to ownership is classified as operating leases. Initial direct costs incurred by the Society in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the statement of financial activities over the lease term on the same basis as the rental income.

The accounting policy for rental income is set out in Note 2.2.8.

2.12.2 As lessee

Finance leases which transfer to the Society substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to statement of financial activities. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Society will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.13 Employee compensation

2.13.1 Defined contribution plans

The Society makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.13.2 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Society has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2. Significant accounting policies (Cont'd)

2.14 Funds

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

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

2.15 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future 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 discussed below.

Government grants

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

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

3.2 Key sources of estimation uncertainty

Management is of the opinion that there are no key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income tax

Pertapis Education and Welfare Centre (the "Society") is a charity registered under the Charities Act since 17 February 1984. Consequently, the income of the Society is exempted from tax under the provision of Section 13 of the Income Tax Act Cap. 134.

5. Tax exempt receipts

Tax exempt receipts issued by the Society for the financial year for these donations received amounted to S\$1,644,167 (2018: S\$1,565,533).

6. Income from generating funds

	2019 S\$	2018 S\$
Under the unrestricted funds:		
<u>Voluntary income</u>		
Non-tax exempt donations	65,892	282,899
Tax exempt donations	1,551,590	918,654
	<u>1,617,482</u>	<u>1,201,553</u>
<u>Grants and subsidies</u>		
Grant received	21,537	5,833
Amortisation of grants	188,258	165,356
	<u>209,795</u>	<u>171,189</u>
<u>Activities income</u>		
Childcare school fees	1,067,563	1,168,629
Registration fees	2,994	2,617
Sales of books	6,144	3,097
Fundraising income	669,364	712,625
	<u>1,746,065</u>	<u>1,886,968</u>
<u>Investment income</u>		
Interest income	48,577	48,208
Islamic deposit profit	34,750	0
Rental income	49,811	0
	<u>133,138</u>	<u>48,208</u>
<u>Other income</u>		
Special employment credit	29,278	32,109
Temporary employment credit	11,071	29,614
Wage credit scheme	100,014	97,149
Membership fees	2,717	5,161
Miscellaneous income	89,516	53,103
	<u>232,596</u>	<u>217,136</u>

7. Cash and bank balances

	2019 S\$	2018 S\$
Cash on hand	27,322	15,370
Cash at bank	8,624,229	9,686,338
Fixed deposits	5,231,609	2,729,066
	<u>13,883,160</u>	<u>12,430,774</u>

The fixed deposits mature within 12 months (2018: 12 months) from the financial year end and earn interest at rate of 1.11% to 1.85% (2018: 1.11% to 1.30%) per annum.

For the purpose of the statement of cash flows, cash and cash equivalents, comprise the following at the reporting date:

	2019 S\$	2018 S\$
Cash and bank balances (as above)	13,883,160	12,430,774
Less: fixed deposits pledged (Note 15)	(231,609)	(229,066)
Cash and cash equivalents	<u>13,651,551</u>	<u>12,201,708</u>

7. Cash and bank balances (Cont'd)

Fixed deposit of S\$231,609 (2018: S\$229,066) are held as collateral for letters of guarantees issued by the bank in respect of rental deposits for Halfway House, Children's Home and Centre for Women and Girls.

Pledged fixed deposits are not included in the determination of cash and cash equivalents in the statement of cash flows because of restriction in use.

8. Fees and other receivables

	2019 S\$	2018 S\$
School fees receivables	42,562	68,663
Movers receivables	7,137	16,768
	<u>49,699</u>	<u>85,431</u>
Less: Allowance for impairment - school fees	<u>(16,210)</u>	<u>0</u>
	<u>33,489</u>	<u>85,431</u>
Amount due to a related party	0	12,980
Grant receivables	31,326	12,828
GST receivables	22,220	110,897
Other receivables	40,897	13,909
Deposits	148,376	23,876
Prepayments	44,027	36,321
Prepaid rentals	394,830	0
	<u>681,676</u>	<u>210,811</u>
	<u>715,165</u>	<u>296,242</u>

Receivables that are past due but not impaired

The Society had fees receivables amounting to S\$32,252 (2018: S\$85,431) that were past due at the reporting date but not impaired. These receivables were unsecured and the analysis of their aging at the reporting date was as follows:

	2019 S\$	2018 S\$
Other receivables past due but not impaired:		
Lesser than 30 days	12,867	16,356
31 - 60 days	454	12,653
61 - 90 days	2,067	2,460
More than 90 days	16,864	53,962
	<u>32,252</u>	<u>85,431</u>

8. Fees and other receivables (Cont'd)

Receivables that are impaired

The Society's fees receivables that were impaired at the reporting date and the movement of the allowance for impairment was as follows:

	2019 S\$	2018 S\$
Movements in allowance for impairment:		
At beginning of financial year	0	0
Allowance made	16,210	0
At end of financial year	<u>16,210</u>	<u>0</u>

Fees receivables that were determined to be impaired at the reporting date relate to debtors that were in significant financial difficulties and had defaulted on payments. These receivables were not secured by any collateral or credit enhancements.

9. Investment properties

	2019 S\$	2018 S\$
Cost		
At beginning of financial year	4,672,000	0
Additions	0	1,636,000
Transfers from assets under construction	0	3,036,000
At end of financial year	<u>4,672,000</u>	<u>4,672,000</u>
Accumulated depreciation		
At beginning of financial year	63,238	0
Depreciation charge	0	63,238
At end of financial year	<u>63,238</u>	<u>63,238</u>
Carrying amount		
At end of financial year	<u>4,608,762</u>	<u>4,608,762</u>

Investment properties of the Society, which are registered in the names of the Trustee, are held in trust by the trustees on behalf of the Society.

Investment properties are located at 160 Changi Road, #03-05/06/07 Singapore 419728. The properties are freehold commercial office and Investment properties are leased out to non-related parties under operating leases.

The Society does not intend to dispose of this investment in the foreseeable future. The Executive Committee do not anticipate that the carrying amount of this investment will be significantly differ from its fair value.

10. Property, plant and equipment

	Computers S\$	Furniture and fittings S\$	Office equipment S\$	Motor vehicles S\$	Gymnastics Equipment S\$	Renovation S\$	Assets under construction S\$	Total S\$
Cost								
At 1 April 2017	420,560	518,153	387,296	655,444	2,477	1,018,439	0	3,002,369
Additions	20,920	73,153	12,051	143,011	0	945,817	22,773	1,217,725
Reclassified	0	0	0	0	0	445,566	0	445,566
Write-off / disposal	(1,209)	(371)	(91,591)	(30,500)	0	(51,043)	0	(174,714)
At 31 March 2018	440,271	590,935	307,756	767,955	2,477	2,358,779	22,773	4,490,946
Additions	86,511	27,730	41,963	59,000	0	0	1,461,547	1,676,751
Write-off	(289,975)	(407,013)	(184,661)	0	0	(391,699)	0	(1,273,348)
At 31 March 2019	236,807	211,652	165,058	826,955	2,477	1,967,080	1,484,320	4,894,349
Accumulated depreciation								
At 1 April 2017	214,791	262,874	225,924	406,839	0	572,902	0	1,683,330
Depreciation charge	97,761	84,492	43,298	109,612	495	364,950	0	700,608
Write-off / disposal	(1,205)	(170)	(91,308)	(30,499)	0	(51,042)	0	(174,224)
At 31 March 2018	311,347	347,196	177,914	485,952	495	886,810	0	2,209,714
Depreciation charge	91,109	89,793	44,103	98,763	495	408,248	0	732,511
Write-off	(278,488)	(345,336)	(160,561)	0	0	(378,933)	0	(1,163,318)
At 31 March 2019	123,968	91,653	61,456	584,715	990	916,125	0	1,778,907
Carrying amount								
31 March 2018	128,924	243,739	129,842	282,003	1,982	1,471,969	22,773	2,281,232
31 March 2019	112,839	119,999	103,602	242,240	1,487	1,050,955	1,484,320	3,115,442

	2019			2018		
	Unrestricted funds S\$	Restricted funds S\$	Total S\$	Unrestricted funds S\$	Restricted funds S\$	Total S\$

The breakdown of the depreciation charge as follows:

Cost of generating funds	91,174	0	91,174	93,993	0	93,993
Cost of charitable activities	0	515,753	515,753	0	485,838	485,838
Governance and other administrative costs	125,584	0	125,584	120,777	0	120,777
	216,758	515,753	732,511	214,770	485,838	700,608

The breakdown of the loss on disposal of plant and equipment are as follows:

Income from charitable activities	0	0	0	0	186	186
Cost of charitable activities	0	(81,878)	(81,878)	0	(1)	(1)
Governance and other administrative costs	(28,152)	0	(28,152)	(485)	0	(485)
	(28,152)	(81,878)	(110,030)	(485)	185	(300)

11. Other payables

	2019 S\$	2018 S\$
Accruals	548,307	693,195
Advanced receipts for rental income	3,718	0
Deposit received	22,426	0
SCORE – Rental grant received in advance	394,830	0
Residents' funds	20,661	32,600
Other payables	350,257	110,824
	1,340,199	836,619

12. Unrestricted funds

12.1 General fund

This fund is to be used for non-specific purposes at the discretion of the Executive Committee in furtherance of the Society's objects.

12.2 Childcare fund

This fund is set up to account for funds of the Division to carry on the business as operators of childcare centres.

13. Restricted funds

13.1 Designated Capital Grant fund

The Capital Grant Fund is set up to account for funds received for the purchase of plant and equipment. The fund will be subsequently amortised on a systematic basis to match the rate of depreciation of the corresponding plant and equipment.

13.2 Community Silver Trust fund

This fund is set up to account for funds received to provide direct social support services that are relevant and critical to helping the disadvantaged.

13.3 HR Development fund

This fund is set up to account for the grant received to co-fund and cover part of the salary cost of an existing or new HR staff who has at least 5 years of HR experience.

13.4 Care & Share Grant fund

Care and Share is a national fund-raising and volunteerism movement led by the Ministry of Social and Family Development ("MSF") for the social service sector. It aims to recognise the contributions made by Voluntary Welfare Organisations ("VWOs") in the social service sector. Eligible donations raised by the Society will be matched dollar-for-dollar by MSF. The matched amount will go towards building the Society's capabilities and capacities.

13.5 Corporate Development fund

Corporate Development Funding Scheme provides funding support to Voluntary Welfare Organisations (VWOs) to hire key qualified professionals in corporate functions such as strategic planning, finance, human resource and information technology.

13.6 The Rising Star Project Grant fund

This fund is set up to account for funds received for the purpose of building the capability and capacity of Malay/Muslim Community.

13.7 Yellow Ribbon Fund

This fund is set up to account for funds received from SCORE for the purpose of managing and operating the Residential Aftercare Support Programme (RASP).

13. Restricted funds (Cont'd)

13.8 President Challenge fund

This fund is set up to account for funds received from National Council of Social Service ("NCSS") for the purpose of managing and operating social service programmes.

13.9 Welfare Trust and Zakat fund

This fund is set up to account for Zakat and Fidyah receipts and their distributions.

13.10 Women and Girls Home fund

This fund is set up to account for funds of the Division catering for the welfare of young women and girls who need assistance and rehabilitation. These community services are carried out by restoring individual's confidence, organising programme of moral uplifting and counseling.

13.11 Children Home fund

This fund is set up to account for funds of the Division to provide welfare for the under-privileged children to inculcate good values in these children.

13.12 Halfway House fund

This fund is set up to account for funds of the Division to provide treatment and rehabilitative services to substance abusers to enable them to reintegrate into society. These community services are carried out by restoring the individual's confidence, organising programmes of moral uplifting and counseling.

13.13 Senior Citizen Fellowship Home fund

This fund is set up to account for funds of the Division to house destitutes without family support.

13. Restricted funds (Cont'd)

The detailed statement of financial activities for restricted funds as follows:

	Designated Capital Grant fund S\$	Community Silver Trust fund S\$	Care & Share Grant fund S\$	HR & Corporate Dev't fund S\$	The Rising Star Project Grant fund S\$	Yellow Ribbon Grant fund S\$	President Challenge fund S\$	Welfare Trust and Zakat fund S\$	Women and Girls Home fund S\$	Halfway House fund S\$	Children Home fund S\$	Senior Citizen Fellowship Home fund S\$	Total S\$
2019													
INCOME													
Income from generating funds													
Voluntary income	0	0	0	0	0	0	0	1,146,142	5,624	15,078	125,708	170,907	1,463,459
Activities income	0	0	0	0	0	0	0	0	0	41,904	0	0	41,904
	0	0	0	0	0	0	0	1,146,142	5,624	56,982	125,708	170,907	1,505,363
Income from charitable activities													
Grants and subsidies	0	240,058	0	0	10,000	29,700	90,000	0	1,899,745	3,191,813	1,717,034	397,068	7,575,418
- Grants received	0	0	0	0	0	0	0	0	40,303	82,816	298,804	44,701	466,624
- Amortisation of grants	0	0	0	0	0	0	0	0	0	105,406	0	0	105,406
Activities income	0	0	0	0	0	0	0	0	17,313	22,295	8,748	45,271	93,627
Miscellaneous income	0	240,058	0	0	10,000	29,700	90,000	0	1,957,361	3,402,330	2,024,586	487,040	8,241,075
	0	240,058	0	0	10,000	29,700	90,000	1,146,142	1,962,985	3,459,312	2,150,294	657,947	9,746,438
Total income													
	0	240,058	0	0	10,000	29,700	90,000	1,146,142	1,962,985	3,459,312	2,150,294	657,947	9,746,438
LESS: EXPENDITURES													
Cost of generating funds													
Advertisements	55,685	0	0	0	0	0	1,185	0	0	0	0	0	1,185
Amortisation of capital grants	0	0	0	0	0	0	0	0	0	0	0	0	55,685
Staff training	0	0	0	0	0	0	15,896	0	0	0	0	0	15,896
Miscellaneous expenses	0	0	0	0	0	0	6,258	0	0	0	0	0	6,258
	55,685	0	0	0	0	0	23,339	0	0	0	0	0	79,024
Cost of charitable activities													
Amortisation of capital grant	599,197	0	0	0	0	0	0	0	0	0	0	0	599,197
Depreciation of property, plant and equipment	0	0	0	0	0	0	0	0	35,400	134,681	317,017	28,655	515,753
Donations	0	0	0	0	0	0	0	453,704	0	0	0	0	453,704
Salaries and related costs	0	21,313	0	0	0	0	0	0	677,570	803,206	834,606	375,739	2,712,434
Staff employer CPF and SDL	0	3,131	0	0	0	0	0	0	117,957	124,820	171,656	62,382	479,946
Residents programme	0	18,644	0	0	0	0	0	50,851	68,275	28,512	37,837	29,535	233,654
Residents & students expenses	0	1,119	0	0	0	27,000	0	0	268,788	232,730	276,176	143,476	949,289
Miscellaneous expenses	0	30,102	0	0	0	0	2,486	0	449,849	889,944	270,564	98,201	1,741,146
Plant and equipment written off	0	0	0	0	0	0	0	0	11,903	19,760	23,422	26,793	81,878
	599,197	74,309	0	0	0	27,000	2,486	504,555	1,629,742	2,233,653	1,951,278	764,781	7,767,001
Governance and administrative costs													
Administrative expenses	0	0	0	0	0	0	0	192,000	174,000	150,000	156,000	66,000	738,000
Audit fees	0	0	0	0	0	0	0	0	3,300	4,500	5,100	3,100	16,000
Meeting, function and seminar expenses	0	0	25,006	0	0	0	0	6,661	0	0	0	0	31,667
Salaries and related costs	0	0	0	0	0	0	0	43,000	0	0	0	0	43,000
Miscellaneous expenses	0	0	77,798	0	0	0	0	64,478	0	0	0	0	142,276
	0	0	102,804	0	0	0	0	306,139	177,300	154,500	161,100	69,100	970,943
Total expenditures													
	654,882	74,309	102,804	0	0	27,000	25,825	810,694	1,807,042	2,388,153	2,092,378	833,881	8,816,968

13. Restricted funds (Cont'd)

2019 (Cont'd)	Designated Capital Grant fund S\$	Community Silver Trust fund S\$	Care & Share Grant fund S\$	HR & Corporate Dev't fund S\$	The Rising Star Project Grant fund S\$	Yellow Ribbon Grant fund S\$	President Challenge fund S\$	Welfare Trust and Zakat fund S\$	Women and Girls Home fund S\$	Halfway House fund S\$	Children Home fund S\$	Senior Citizen Fellowship Home fund S\$	Total S\$
Net income/ (expenditure) before Zakat allocation	(654,882)	165,749	(102,804)	0	10,000	2,700	64,175	335,448	155,943	1,071,159	57,916	(175,934)	929,470
Allocation of Zakat	0	0	0	0	0	0	0	(25,000)	0	0	0	25,000	0
Net income/ (expenditure) for the financial year	(654,882)	165,749	(102,804)	0	10,000	2,700	64,175	310,448	155,943	1,071,159	57,916	(150,934)	929,470

13. Restricted funds (Cont'd)

	Designated Capital Grant fund S\$	Community Silver Trust fund S\$	Care & Share Grant fund S\$	HR & Corporate Dev't fund S\$	The Rising Star Project Grant fund S\$	Yellow Ribbon Grant fund S\$	President Challenge fund S\$	Welfare Trust and Zakat fund S\$	Women and Girls Home fund S\$	Halfway House fund S\$	Children Home fund S\$	Senior Citizen Fellowship Home fund S\$	Total S\$
INCOME													
Income from generating funds													
Voluntary income	0	0	0	0	0	0	0	1,020,505	37,961	198,480	156,714	60,413	1,474,073
Activities income	0	0	0	0	0	0	0	0	0	41,010	0	0	41,010
	0	0	0	0	0	0	0	1,020,505	37,961	239,490	156,714	60,413	1,515,083
Income from charitable activities													
Grants and subsidies	0	71,913	1,185,000	205,260	55,954	27,000	50,000	0	1,593,577	3,208,729	2,921,100	434,466	9,752,999
- Grants received	0	0	0	0	0	0	0	0	26,575	43,042	226,706	28,046	324,369
- Amortisation of grants	0	0	0	0	0	0	0	0	0	0	0	0	0
Activities income	0	0	0	0	0	0	0	0	75,125	0	0	0	75,125
Miscellaneous income	0	0	0	0	0	0	0	0	18,098	8,796	14,225	12,800	53,919
Gain on disposal of property, plant and equipment	0	0	0	0	0	0	0	0	0	186	0	0	186
	0	71,913	1,185,000	205,260	55,954	27,000	50,000	0	1,638,250	3,335,878	3,162,031	475,312	10,206,598
Total income	0	71,913	1,185,000	205,260	55,954	27,000	50,000	1,020,505	1,676,211	3,575,368	3,318,745	535,725	11,721,681
LESS: EXPENDITURES													
Cost of generating funds													
Amortisation of capital grants	53,900	0	0	0	0	0	0	0	0	0	0	0	53,900
Cost of charitable activities													
Amortisation of capital grant	435,825	0	0	0	0	0	0	0	50,287	143,249	257,788	34,514	435,825
Depreciation of property, plant and equipment	0	0	0	0	0	0	0	0	0	0	0	0	485,838
Donations	0	0	0	0	0	0	0	443,516	0	0	0	0	443,516
Salaries and related costs	0	0	0	0	0	0	0	0	682,302	786,169	865,030	357,138	2,690,639
Staff employer CPF and SDL	0	0	0	0	0	0	0	0	116,015	122,396	116,912	57,538	412,861
Residents programme	0	9,750	0	0	84,485	0	0	0	57,451	13,689	67,905	17,117	292,858
Residents & students expenses	0	1,206	0	0	0	6,750	0	0	211,389	236,347	267,334	162,730	844,320
Miscellaneous expenses	0	32,819	0	0	0	0	0	0	428,837	800,356	297,716	85,891	1,687,055
Plant and equipment written off	0	0	0	0	0	0	0	0	1	0	0	0	1
	435,825	43,775	0	0	84,485	6,750	0	485,977	1,546,282	2,102,206	1,872,685	714,928	7,292,913
Governance and administrative costs													
Administrative expenses	0	0	0	0	0	0	0	192,000	174,000	150,000	156,000	66,000	738,000
Audit fees	0	0	0	0	0	0	0	156	6,660	4,290	5,855	6,660	23,621
Meeting, function and seminar expenses	0	0	0	0	0	0	0	13,718	0	0	0	0	13,718
Salaries and related costs	0	0	0	0	0	0	0	39,729	0	0	0	0	39,729
Miscellaneous expenses	0	0	0	0	0	0	0	42,875	0	0	0	0	42,875
	0	0	0	0	0	0	0	288,478	180,660	154,290	161,855	72,660	857,943
Total expenditures	489,725	43,775	0	0	84,485	6,750	0	774,455	1,726,942	2,256,496	2,034,540	787,588	8,204,756
Net income/ (expenditure) before Zakat allocation	(489,725)	28,138	1,185,000	205,260	(28,531)	20,250	50,000	246,050	(50,731)	1,318,872	1,284,205	(251,863)	3,516,925
Allocation of Zakat	0	0	0	0	0	0	0	(500,000)	100,000	50,000	50,000	300,000	0
Net income/ (expenditure) for the financial year	(489,725)	28,138	1,185,000	205,260	(28,531)	20,250	50,000	(253,950)	49,269	1,368,872	1,334,205	48,137	3,516,925

14. Transfer of funds

These transfers related to transfers of funds from one fund to another within the Society to recognise utilisation of funds to respective restricted fund.

15. Contingent liabilities

At the reporting date, the Society had contingent liabilities amounting to approximately S\$134,595 (2018: S\$196,002) in respect of bank guarantees issued in favour of third parties to guarantee the due performance of the Society, secured against pledged fixed deposits (Note 7).

16. Commitments

16.1 Capital commitments

At the reporting date, the Society has capital commitments in respect of assets under construction included in Note 10 as follows:

	2019 S\$	2018 S\$
Capital commitment in respect of: Assets under construction (Note 10)	<u>779,768</u>	<u>1,112,227</u>

The capital commitment in respect of the current financial year is in respect of cyclical maintenance renovation works to the Halfway House and Women and Girl Home which still in progress at the reporting date.

16.2 Operating lease commitments - where the Society is a lessee

The Society leases office premises and office equipment from non-related parties under non-cancellable operating lease agreement. The lease has renewal rights.

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

	2019 S\$	2018 S\$
<u>Rental of premises</u>		
Not later than one year	678,976	960,116
Later than one year but not later than five years	<u>838,692</u>	<u>991,228</u>
	<u>1,517,668</u>	<u>1,951,344</u>
	2019 S\$	2018 S\$
<u>Rental of equipment</u>		
Not later than one year	32,228	32,228
Later than one year but not later than five years	<u>43,299</u>	<u>75,533</u>
	<u>75,527</u>	<u>107,761</u>

16. Commitments (Cont'd)

16.3 Operating lease commitments - where the Society is a lessor

The Society has entered into commercial property leases on its investment property to non-related parties under non-cancellable operating leases.

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

	2019 S\$	2018 S\$
Not later than one year	95,982	0
Later than one year but not later than five years	138,700	0
	234,682	0

17. Related party transactions

(a) Related party transactions and balances

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	2019 S\$	2018 S\$
Settlement of liabilities on behalf of related party	608	6,337
Allocation of Zakat to a related party	100,000	0
	100,608	6,337

(b) Compensation of key management personnel

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Society. The key management personnel include the Senior Executive Director and Executive Director and key executives.

The key management's remuneration comprised ex-gratia honorarium to the Executive Committee's president, secretary-general and treasurer and a member as well as salary to the Executive Director. In addition, meeting allowances were also paid to Executive Committee members to reimburse their transport expenses.

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

	2019 S\$	2018 S\$
Ex-gratia honorarium/allowances for Executive Committee Gifts and souvenirs to Executive Committee and Directors	0	1,423
	0	7,900
Senior and Executive Director's remuneration: Salaries and related costs	168,000	159,900
Employer CPF	13,250	12,851
	181,250	172,751

Number of key management personnel whose remuneration was in the S\$100,000 band and above is Nil (2018: Nil).

18. Fundraising expenses

	2019 S\$	2018 S\$
Gross donations	564,757	712,625
Direct costs of fund raising expenses	103,813	163,266
Percentage of direct fund raising expenses over gross donations and sponsorship	<u>18%</u>	<u>23%</u>

19. Reserve policy

The Executive Committee has established a reserve policy for the Society, pursuant to the Code of Governance for Charities and IPCs Guidelines 6.4.1. The reserve measurements are calculated as follows:

	2019 S\$	2018 S\$
Unrestricted funds	16,035,110	14,750,020
A Net liquid assets available to meet expenditure obligations	13,651,551	12,201,708
B Total operating expenditure	<u>12,146,731</u>	<u>11,831,070</u>
Ratio of net liquid assets to total operating expenses (A/B)	<u>1.12</u>	<u>1.03</u>

Reference:

- A. Total cash and cash equivalents which available for immediate use to meet the expenditure obligations.
- B. Total Annual Operating Expenditure includes expenses related to Cost of Generating Funds, Cost of Charitable Activities, Governance and Administrative Costs and excluded fundraising expenses.

The unrestricted funds represent the accumulated surplus and is for the purpose of meeting operating expenses of the Society. This fund does not exceed two years of the Society's expenditure.

The Society does not have any externally imposed capital requirements for the financial years ended 31 March 2019 and 2018. There were no changes in the Society's reserve policy during the financial year.

20. Management of conflict of interest

Executive Committee are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Executive Committee may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

21. Fund management policy

The primary objective of the Society is to ensure it maintains sufficient cash in order to support its activities. Its approach to management of funds is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

22. Comparative figures

Certain reclassifications have been made to the comparative information to enhance comparability with current year's financial statements.

The following reclassification were made:-

	As previously reported S\$	Reclassification S\$	As reclassification S\$
2018			
Statement of Changes in Financial Activities			
Restricted Funds			
Cost of charitable activities			
<u>Under Senior Citizen Fellowship Home Fund</u>			
Residents programme	26,867	(9,750)	17,117
Residents & students expenses	163,936	(1,206)	162,730
Others	118,710	(32,819)	85,891
<u>Under Community Silver Trust (CST)</u>			
Residents programme	0	9,750	9,750
Residents & students expenses	0	1,206	1,206
Miscellaneous expenses	0	32,819	32,819
<u>Under Women and Girls Home Fund</u>			
Residents programme	127,881	(70,430)	57,451
<u>Under The Rising Star Project Grant Fund</u>			
Residents programme	0	84,485	84,485
<u>Under Halfway House Fund</u>			
Residents & students expenses	243,097	(6,750)	236,347
<u>Under Yellow Ribbon Fund</u>			
Residents & students expenses	0	6,750	6,750
<u>Under Children Home Fund</u>			
Residents programme	81,960	(14,055)	67,905
Residents & students expenses	225,898	41,436	267,334
Miscellaneous expenses	339,152	(41,436)	297,716
Income from generating funds			
<u>Under Welfare Trust and Zakat Fund</u>			
Voluntary income	955,370	65,135	1,020,505
Unrestricted Funds			
Voluntary income	1,266,688	(65,135)	1,201,553

22. Comparative figures (Cont'd)

The following reclassification were made:- (Cont'd)

	As previously reported S\$	Reclassification S\$	As reclassification S\$
2018			
Statement of Changes in Funds			
<u>Under Senior Citizen Fellowship Home Fund</u>			
Net income/(expenditure) for the financial year	4,362	43,775	48,137
Transfer of funds	50,753	(43,775)	6,978
<u>Under Community Silver Trust (CST)</u>			
Net income/(expenditure) for the financial year	71,913	(43,775)	28,138
Transfer of funds	(43,775)	43,775	0
<u>Under Women and Girls Home Fund</u>			
Net income/(expenditure) for the financial year	(21,161)	70,430	49,269
Transfer of funds	108,860	(70,430)	38,430
<u>Under The Rising Star Project Grant Fund</u>			
Net income/(expenditure) for the financial year	55,954	(84,485)	(28,531)
Transfer of funds	(84,485)	84,485	0
<u>Under Halfway House</u>			
Net income/(expenditure) for the financial year	1,362,122	6,750	1,368,872
Transfer of funds	(32,089)	(6,750)	(38,839)
<u>Under Yellow Ribbon Fund</u>			
Net income/(expenditure) for the financial year	27,000	(6,750)	20,250
Transfer of funds	(6,750)	6,750	0
<u>Under Children Home Fund</u>			
Net income/(expenditure) for the financial year	1,320,150	14,055	1,334,205
Transfer of funds	(1,188,961)	(14,055)	(1,203,016)
Statement of Financial Position			
Current assets			
Assets under construction	22,773	(22,773)	0
Non-current assets			
Property, plant and equipment	2,258,459	22,773	2,281,232
Funds			
Unrestricted funds	14,815,155	(65,135)	14,750,020
Restricted funds	3,965,236	65,135	4,030,371

23. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Executive Committee of the Society on

06 SEP 2019