SERANGOON MORAL FAMILY SERVICE CENTRE

(Established by Singapore Chee Hoon Kog Moral Promotion Society)

Society's UEN: S99SS0090L

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2019

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SERANGOON MORAL FAMILY SERVICE CENTRE
Society's UEN.: S99SS0090L

STATEMENT BY THE MANAGEMENT COMMITTEE
For the financial year ended 31 December 2019

In the opinion of the Management Committee,

(i) the financial statements of Serangoon Moral Family Centre (the "Centre") are drawn up in accordance with the provisions of the Co-Operative Societies Act, Chapter 62 (the "Societies Act") and Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Centre as at 31 December 2019 and the financial performance, changes in funds and reserve and cash flows of the Centre for the financial year then ended;

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

(iii) the accounting and other records required by the Charities Act and Regulations to be kept by the Centre have been properly kept in accordance with the provisions of the Charities Act and Regulations; and

(iv) the use of the donation moneys are in accordance with the objectives of the Centre as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations.

The Members of the Management Committee as at date of this statement are:

Chairman	-	Er Ong Ser Huan
1st Vice Chairman	-	Mr Au Yeong Hoh Wai
2nd Vice Chairman	-	Mr Seah Hung Meng, Philip
3rd Vice Chairman	-	Mr Tay Poey Kiang
Honorary Secretary	-	Ms Koh Ah Nah Winnie
Honorary Treasurer	-	Mr Roger Seah Choon Khee
Assistant Honorary Secretary	-	Er Lim Kwee Guan
Assistant Honorary Treasurer	-	Mdm Leong Chong Hoe
Member	-	Mr Chan Hwee Tong
Member	-	Mr Chiang Kheng Joo Bernard
Member	-	Ms Dawn Lim Ruo Xi
Member	-	Mr Foong Foo Kheong
Member	-	Mr Koh Kee Eng
Member	-	Er Lum Chong Chuen
Member	-	Ms Sim Chay Khing, Julie
Member	-	Mr Tan King Chai Gary

On behalf of the Management Committee

ONG SER HUAN
Chairman

ROGER SEAH CHOON KHEE
Treasurer

Singapore

Date: 15 April 2020

Helmi Talib & Co
Registration No.: S92PF0459G
Chartered Accountants of Singapore
An Independent Member Firm of IAPA
Audit and Assurance

• 133 Cecil Street Keck Seng Tower, #15-02
Singapore 069535
• Tel : (65) 6339 2776
• Fax : (65) 6339 6716
• E-mail : enquiry@helmitalib.com.sg
• Website : www.helmitalib.com

INDEPENDENT AUDITOR'S REPORT
TO THE MANAGEMENT COMMITTEE OF SERANGOON MORAL FAMILY SERVICE CENTRE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Serangoon Moral Family Service Centre (the "Centre"), which comprise the statement of financial position as at 31 December 2019 and the statement of comprehensive income, statement of changes in funds and reserve and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Co-Operative Societies Act, Chapter 62 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Centre as at 31 December 2019 and of the financial performance, changes in funds and reserve and cash flows of the Centre 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 Centre 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

The Management Committee is responsible for the other information. The other information comprises the Statement by the Management Committee set out on page 1.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Centre's Management Committee and Those Charged with Governance for the Financial Statements

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

Responsibilities of the Centre's Management Committee and Those Charged with Governance for the Financial Statements (Continued)

In preparing the financial statements, the Management Committee is responsible for assessing the Centre'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 the Management Committee either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

The Management Committee and those charged with governance are responsible for overseeing the Centre'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 statement, 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 Centre's internal control.

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

- Conclude on the appropriateness of the Management Committee'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 Centre'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 Centre 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 Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the above regulations to be kept by the Centre have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year, the Centre has not used the donation monies in accordance with the objectives of the Centre as required under Regulation 11 (Use of donations) of the Charities (Institutions of a Public Character) Regulations.

HELMI TALIB & CO
Public Accountants and
Chartered Accountants

Singapore

Date: 15 April 2020

Partner-in-charge : Helmi Bin Ali Bin Talib
PAB No. : 00708

SERANGOON MORAL FAMILY SERVICE CENTRE
Society's UEN: S99SS0090L

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2019

	Note	2019 $	2018 $
INCOME			
Recurrent grants	5	2,209,455	2,293,170
Other government grants	6	44,272	53,315
Donations	7	19,734	15,709
Income from programmes	8	4,780	7,015
Amortisation of deferred capital grant		-	25,967
Other income	9	110,067	83,132
Net fair value changes on investment securities	17	1,818	-
		2,390,126	2,478,308
EXPENDITURE			
Employee benefits expense	10	(1,450,507)	(1,629,477)
Depreciation of plant and equipment		(13,671)	(49,869)
Other expenses	11	(380,269)	(276,510)
Net fair value changes on investment securities	17	-	(57,856)
		(1,844,447)	(2,013,712)
Surplus for the financial year		545,679	464,596

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

SERANGOON MORAL FAMILY SERVICE CENTRE
Society's UEN: S99SS0090L

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	2019 $	2018 $
Assets			
Current assets			
Fixed deposits	13	1,896,418	1,871,807
Cash and cash equivalents	14	3,360,594	2,518,597
Other receivables	15	138,200	148,246
Total current assets		5,395,212	4,538,650
Non-current assets			
Plant and equipment	16	35,806	22,533
Investment securities	17	609,888	940,048
Total non-current assets		645,694	962,581
Total assets		6,040,906	5,501,231
Liabilities and funds and reserve			
Liabilities			
Current liabilities			
Other payables	18	14,772	9,856
Trust funds	19	14,000	24,920
Deferred capital grant	20	-	-
Total current liabilities		28,772	34,776
Total liabilities		28,772	34,776
Funds and reserve			
Restricted funds	21	5,726,582	5,180,903
Non-restricted funds	22	285,552	285,552
Fair value reserve	23	-	-
Total funds and reserve		6,012,134	5,466,455
Total liabilities and funds and reserve		6,040,906	5,501,231

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

SERANGOON MORAL FAMILY SERVICE CENTRE
Society's UEN: S99SS0090L

STATEMENT OF CHANGES IN FUNDS AND RESERVE
For the financial year ended 31 December 2019

	Note	2019 Restricted fund $	2019 Non-restricted fund $	2019 Total $
At the beginning of financial year		5,180,903	285,552	5,466,455
Comprehensive income				
Surplus for the financial year, representing total comprehensive income for the financial year		545,679	-	545,679
At the end of financial year		5,726,582	285,552	6,012,134

	2018 Restricted fund $	2018 Non-restricted fund $	2018 Total $
At the beginning of financial year	4,716,307	285,552	5,001,859
Comprehensive income			
Surplus for the financial year, representing total comprehensive income for the financial year	464,596	-	464,596
At the end of financial year	5,180,903	285,552	5,466,455

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

SERANGOON MORAL FAMILY SERVICE CENTRE
Society's UEN: S99SS0090L

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Surplus for the financial year		545,679	464,596
Adjustments for			
Depreciation of plant and equipment		13,671	49,869
Interest income		(24,812)	(4,798)
Gain on disposal of investment securities		(55,857)	(41,972)
Dividend income from investment securities		(25,854)	(31,200)
Amortisation of deferred capital grant	20	-	(25,966)
Net fair value changes on investment securities		(1,818)	57,856
Total adjustments to surplus account		(94,670)	3,789
Total operating cash flows before changes in working capital		451,009	468,385
Changes in working capital			
Decrease/(increase) in other receivables		10,046	(113,782)
Increase in other payables		4,916	488
(Decrease)/increase in trust funds		(10,920)	1,500
Total changes in working capital		4,042	(111,794)
Cash generated from operations		455,051	356,591
Interest received		24,812	4,798
Net cash flows from operating activities		479,863	361,389
Cash flows from investing activities			
Placement of fixed deposits		(1,896,418)	(1,871,807)
Proceeds from maturity of fixed deposits		1,871,807	1,867,225
Purchase of investment securities		(170,666)	(543,056)
Proceeds from disposal of investment securities		558,501	248,644
Purchase of plant and equipment		(26,944)	(1,501)
Dividend received from investment securities		25,854	31,200
Net cash flows from (used in) investing activities		362,134	(269,295)
Net increase in cash and cash equivalents		841,997	92,094
Cash and cash equivalents at beginning of financial year		2,518,597	2,426,503
Cash and cash equivalents at end of financial year	14	3,360,594	2,518,597

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

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

1 SOCIETY INFORMATION

Serangoon Moral Family Service Centre (the "Centre") is domiciled and registered in Singapore on 25 February 1997 with its registered office and principal place of operations of the Centre located at Blk 238 Serangoon Avenue 2, #01-47, Singapore 550238.

The Centre is managed by Singapore Chee Hoon Kog Moral Promotion Society ("SCHKMPS"), a Society registered in Singapore.

The Centre is a registered charity under the Charities Act, Chapter 37 since the date of registration and has been accorded the status of an Institution of Public Character ("IPC") since 1 October 2015. The Centre renewed its IPC status from 1 October 2017 to 30 June 2020.

The principal activities of the Centre are to provide information and referral services and integrated practice consisting of casework, groupwork and community work.

There have been no significant changes in the nature of these activities during the financial year.

The members of the Management Committee for the financial year under review are:

Chairman	-	Er Ong Ser Huan
1st Vice Chairman	-	Mr Au Yeong Hoh Wai
2nd Vice Chairman	-	Mr Seah Hung Meng, Philip
3rd Vice Chairman	-	Mr Tay Poey Kiang
Honorary Secretary	-	Ms Koh Ah Nah Winnie
Honorary Treasurer	-	Mr Roger Seah Choon Khee
Assistant Honorary Secretary	-	Er Lim Kwee Guan
Assistant Honorary Treasurer	-	Mdm Leong Chong Hoe
Member	-	Mr Chan Hwee Tong
Member	-	Mr Chiang Kheng Joo Bernard
Member	-	Ms Dawn Lim Ruo Xi
Member	-	Mr Foong Foo Kheong
Member	-	Mr Koh Kee Eng
Member	-	Er Lum Chong Chuen
Member	-	Ms Sim Chay Khing, Julie
Member	-	Mr Tan King Chai Gary

The financial statements of the Centre for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Management Committee as at date of the Statement by the Management Committee.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Centre have been drawn up in accordance with the provisions of the Societies Act, the Charities Act and other relevant regulations (the "Charities Act and Regulations") and Singapore Financial Reporting Standards ("FRSs"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.1 Basis of preparation (Continued)

The financial statements are presented in Singapore Dollar ("SGD" or "$"), which is the Centre's functional currency.

The accounting policies adopted are consistent with those of the previous financial year except for those as described in Note 2.2 to the financial statements.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Centre has adopted all the new and amended standards which are relevant to the Centre and are effective for annual financial periods beginning on or after 1 January 2019. Except for the adoption of FRS 116 *Leases* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Centre.

FRS 116 *Leases*

FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases-Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Centre adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings.

The Centre elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Centre applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The adoption of FRS 116 did not have a material impact on the Centre's statement of financial position as at 1 January 2019.

Before the adoption of FRS 116, the Centre classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The accounting policy prior to 1 January 2019 is disclosed in Note 2.14 to the financial statements.

Upon adoption of FRS 116, the Centre applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 January 2019 is disclosed in Note 2.14 to the financial statements. The standard provides specific transition requirements, which have been applied by the Centre.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 *Definition of Material*	1 January 2020

The Management Committee expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application.

2.4 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 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 the Management Committee. Dismantlement, removal or restoration costs are included as part of the plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the 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:

Computers	-	3 years
Equipment	-	5 years
Furniture & fittings	-	5 years
Renovation	-	5 years

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 useful lives, residual values and depreciation method are reviewed at the end of each reporting period, 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 on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.5 Impairment of non-financial assets

The Centre assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Centre makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Impairment of non-financial assets (Continued)

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.6 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

At initial recognition, the Centre measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Receivables are measured at the amount of consideration to which the Centre 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 receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

At amortised cost

Subsequent measurement of debt instruments depends on the Centre's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income and FVPL. The Centre only has debt instruments at 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.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Centre may irrevocably elect to present subsequent changes in fair value in other comprehensive income which are not reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Centre's right to receive payments is established. For investments in equity instruments which the Centre has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.6 Financial instruments (Continued)

(a) *Financial assets* (Continued)

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.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument. The Centre 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 FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL 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 derecognised 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.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks, cash on hand and fixed deposits and are subject to an insignificant risk of changes in value.

2.8 Impairment of financial assets

The Centre 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 Centre 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 recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Impairment of financial assets (Continued)

For trade receivables and contract assets, the Centre applies a simplified approach in calculating ECLs. Therefore, the Centre does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Centre has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' abilities to pay.

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

2.9 Provisions

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

2.10 Revenue recognition

Revenue is measured based on the consideration to which the Centre 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 Centre 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) *Recurrent and other government grants*

Recurrent and other government grants are recognised according to the terms of the relevant agreement on an accrual basis.

(ii) *Income from funded programmes*

Income from funded programmes are recognised according to the terms of the relevant programme on an accrual basis.

(iii) *Donations*

Donations from well-wishers are recognised when received

(iv) *Interest Income*

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Funds and reserve

(a) *Restricted fund*

Restricted funds are funds subject to specific funded programmes by government, charity bodies or donors, but still within the wider objectives of the Centre.

Restricted funds may only be utilised in accordance with the purposes established by the sources of such funds.

(b) *Non-restricted fund*

Non-restricted funds of the Centre comprise of funds from non-funded programmes, which are unrestricted. These funds are expendable at the discretion of the Management Committee.

2.12 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual installments.

Government grants from Ministry of Social and Family Development ("MSF") and National Council of Social Service ("NCSS") are recognised as income according to the conditions of the funding agreement. The grants are recognised as income on a systematic basis over the period in which the Centre recognises the expenses and related costs for which the grants are intended to compensate.

Cash grants received from the government in relation to Job Credit Scheme is recognised as income upon receipt.

2.13 Employee benefits

(a) *Defined contribution plan*

The Centre makes contributions to the Central Provident Fund ("CPF") 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.

(b) *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 Centre 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 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.14 Leases

These accounting policies are applied **on and after the initial application date of FRS 116, 1 January 2019:**

The Centre assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Centre applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Centre recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

The Centre applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of assets that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

These accounting policies are applied **before the initial application date of FRS 116, 1 January 2019:**

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.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by the way of penalty is recognised as an expense in the period in which termination takes place.

2.15 Related party

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Centre if that person:

- (i) has control or joint control over the Centre;
- (ii) has significant influence over the Centre; or
- (iii) is a member of the key management personnel of the Centre or of parent of the Centre.

(b) An entity is related to the Centre if any of the following conditions applies:

- (i) the entity and the Centre 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 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 Centre or an entity related to the Centre. If the Centre is itself such a plan, the sponsoring employers are also related to the Centre;
- (vi) the entity is controlled or jointly controlled by a person identified in (a);

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.15 Related party (Continued)

A related party is defined as follows: (Continued)

(b) An entity is related to the Centre if any of the following conditions applies: (Continued)

(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); or
(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Centre or to the parent of the Centre.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Centre, directly or indirectly, including any director (whether executive or otherwise) of that Centre.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Centre's financial statements requires the Members of the Management Committee to make judgements, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the 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

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

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 has a significant effect on the amounts of assets and liabilities within the next financial year.

4 SIGNIFICANT RELATED PARTY TRANSACTIONS

Apart from the disclosures made elsewhere in the financial statements, the following significant transactions between the Centre and related parties took place during the financial year at terms agreed between the parties.

(a) *Significant related party transactions*

	2019 $	2018 $
Related party, Singapore Chee Hoon Kog Moral Promotion Society		
Management fee	96,000	96,000

4 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)

(b) Compensation of key management personnel

The members of the Management Committee did not receive any monetary remuneration in 2019 and 2018. During the financial year, there is one key executive, who is not a member of the Management Committee earning more than $100,000 (2018: one key executive earning more than $100,000).

5 RECURRENT GRANTS

	2019	2018
	$	$
Ministry of Social and Family Development	1,744,308	1,791,849
National Council of Social Service ("NCSS") - Tote Board Social Service Fund ("Tote Board")	465,147	477,827
NCSS - Community Chest	-	23,494
	2,209,455	2,293,170
Timing of transfer of services		
At a point in time	2,209,455	2,293,170

6 OTHER GOVERNMENT GRANTS

	2019	2018
	$	$
NCSS - Voluntary Welfare Organisations- Charities Capability Fund Grant	22,876	18,854
Job Credit Scheme	11,862	10,920
Others	9,534	23,541
	44,272	53,315
Timing of transfer of services		
At a point in time	44,272	53,315

7 DONATIONS

	2019	2018
	$	$
Tax-deductible donations	18,615	13,314
Non tax-deductible donations	1,119	2,395
	19,734	15,709
Timing of transfer of services		
At a point in time	19,734	15,709

8 INCOME FROM PROGRAMMES

	2019	2018
	$	$
Funded	4,780	7,015

Income from funded programmes are from counselling services provided as part of the Centre's objectives. Income from funded programme are classified under restricted funds.

9 OTHER INCOME

	2019	2018
	$	$
Gain on disposal of investments securities	55,857	41,972
Dividend income from investment securities	25,854	31,200
Interest income	24,812	4,798
Miscellaneous income	3,544	5,162
	110,067	83,132

10 EMPLOYEE BENEFITS EXPENSE

	2019	2018
	$	$
Salaries and bonuses	1,252,606	1,403,959
Contributions to CPF	197,901	225,518
	1,450,507	1,629,477

11 OTHER EXPENSES

This item includes the following charges:

	2019	2018
	$	$
Management fee (Note 4)	96,000	96,000
Staff training cost	74,802	47,781
Welfare	52,758	9,107
Funded programmes expenses	42,041	33,075
Professional fees	25,011	20,816
Rental of premises	14,959	14,959

The Centre leases its office premises as a social service centre with a government agency which does not qualify as a lease under FRS 116.

12 INCOME TAX

The Centre is a registered Charity under the Charities Act, Chapter 37 and its income is exempted from income tax under Section 13(1) of the Income Tax Act.

13 FIXED DEPOSITS

	2019	2018
	$	$
Fixed deposits	1,896,418	1,871,807

The Centre's unused funds are placed in fixed deposits which bear interest at rates ranging from 0.50% to 1.60% (2018: 0.45% to 1.40%) per annum with maturity days ranging from 69 days to 679 days (2018: 152 days to 678 days) from the end of the reporting period.

14 CASH AND CASH EQUIVALENTS

	2019	2018
	$	$
Cash at banks	3,347,164	2,505,384
Cash on hand	13,430	13,213
	3,360,594	2,518,597

Cash at banks are held in non-interest bearing accounts.

For the purpose of the statement of cash flows, cash and cash equivalents are comprised of the balances as shown above.

Cash and cash equivalents are denominated in Singapore Dollar.

15 OTHER RECEIVABLES

	2019	2018
	$	$
Government grant receivable	107,143	118,784
Related party	20,000	20,000
Prepayments	5,600	6,255
Third parties	3,330	1,080
Deposits	2,127	2,127
	31,057	29,462
	138,200	148,246
Total receivables (excluding prepayments)	132,600	141,991
Add: Fixed deposits and cash and cash equivalents (Notes 13 and 14)	5,257,012	4,390,404
Total financial assets carried at amortised cost	5,389,612	4,532,395

The Centre was granted funding by the NCSS for the Tote Board for up to $497,955 for the period from 1 April 2019 to 31 March 2020 (2018: $466,860 for the period from 1 April 2018 to 31 March 2019). As at 31 December 2019, the Centre's accumulated expenditure yet to be reimbursed amounted to $107,143 (2018: $118,784). Subsequent to year end, these amounts have been received in full from NCSS.

The amount due from the related party is non-trade in nature, unsecured, interest-free and is repayable on demand. This amount is to be settled in cash.

15 OTHER RECEIVABLES (Continued)

Expected credit losses

The Centre has not recognised an allowance for expected credit losses for other receivables as at 31 December 2019 (2018: $Nil), as these are considered to be low credit risk and have low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligation if demanded in the near term.

Other receivables are denominated in Singapore Dollar.

16 PLANT AND EQUIPMENT

	Computers	Equipment	Furniture & fittings	Renovation	Total
	$	$	$	$	$
Cost					
At 1 January 2018	23,686	40,871	11,404	202,494	278,455
Additions	-	699	802	-	1,501
At 31 December 2018	23,686	41,570	12,206	202,494	279,956
Additions	-	18,885	7,150	909	26,944
Disposals	(23,686)	(9,116)	(329)	-	(33,131)
At 31 December 2019	-	51,339	19,027	203,403	273,769
Accumulated depreciation					
At 1 January 2018	23,686	24,062	3,752	156,054	207,554
Charge for the financial year	-	7,146	2,224	40,499	49,869
At 31 December 2018	23,686	31,208	5,976	196,553	257,423
Charge for the financial year	-	7,336	3,183	3,152	13,671
Disposals	(23,686)	(9,116)	(329)	-	(33,131)
At 31 December 2019	-	29,428	8,830	199,705	237,963
Net carrying amount					
At 31 December 2018	-	10,362	6,230	5,941	22,533
At 31 December 2019	-	21,911	10,197	3,698	35,806

17 INVESTMENT SECURITIES

	2019	2018
	$	$
At the beginning of financial year	940,048	661,520
Additions	170,666	543,056
Disposals	(502,644)	(206,672)
Net fair value gain/(loss)	1,818	(57,856)
At the end of financial year	609,888	940,048

The investment securities pertains to investments in equity securities of companies listed in the Singapore Exchange Limited. The investments offer the Centre opportunity for dividend income and fair value gains. The fair value of these listed equity securities are based on the closing bid prices on the last market day of the financial year.

18 OTHER PAYABLES

	2019	2018
	$	$
Accrued expenses	14,772	9,856
Total financial liabilities carried at amortised cost	14,772	9,856

Other payables are denominated in Singapore Dollar

19 TRUST FUNDS

	2019	2018
	$	$
At the beginning of the financial year	24,920	23,420
Funds received	13,843	46,871
	38,763	70,291
Disbursement of funds	(24,763)	(45,371)
At the end of the financial year	14,000	24,920

The Centre's trust funds comprise of The Straits Times School Pocket Money fund, ComCare fund, Formula to Grow fund, Roxy Children's fund and Grow Up Milk fund. These funds are held in trust by the Centre for the purpose of providing financial and legal aid assistance, subject to conditions imposed by the Centre's benefactors.

20 DEFERRED CAPITAL GRANT

	Deferred grant
	$
Cost	
At 1 January 2018, 31 December 2018 and as at 31 December 2019	83,120
Accumulated amortisation	
At 1 January 2018	57,154
Charge for the financial year	25,966
At 31 December 2018	83,120
Charge for the financial year	-
At 31 December 2019	83,120
Net carrying amount	
At 31 December 2018	-
At 31 December 2019	-

This grant pertained to the capital funding received from the Centre's benefactors for the purpose of renovation and acquisition of plant and equipment in the Centre which was fully utilised in previous year.

21 RESTRICTED FUNDS

	2019	2018
	$	$
At the beginning of financial year	5,180,903	4,716,307
Movement for the financial year	545,679	464,596
At the end of financial year	5,726,582	5,180,903

The restricted fund has been established in 2012 for the purpose of operating the following programmes of the Centre in accordance with the Family Service Centre Service Model as approved by the Ministry of Social and Family Development ("MSF"):

(i) Casework and counselling
(ii) Group work and community work services

This is funded by MSF, Tote Board and Community Chest but since the Centre's restricted fund has reached the 2-year threshold, Community Chest had stopped its funding with effect from April 2018.

22 NON-RESTRICTED FUNDS

	2019	2018
	$	$
At the beginning and at the end of financial year	285,552	285,552

22 NON-RESTRICTED FUNDS (Continued)

In previous years, the Centre had conducted the following programmes:

a. Guidance Programme
b. Counselling Order Family Violence
c. Syariah Court Marriage Counselling Programme
d. Home Ownership Plus Education

These programmes had ceased with effect from 1 January 2016 due to implementation of Code of Social Work Practice ("CSWP") framework in 2016 and thereafter, the Centre considered the funds for the above programmes as part of its non-restricted funds.

23 FAIR VALUE RESERVE

	2019 $	2018 $
At the beginning of financial year	-	97,428
Net loss/(gain) on fair value changes of available-for-sale financial assets:		
- Net fair value gain on available-for-sale financial assets reclassified to profit or loss	-	-
- Net fair value loss on available-for-sale financial assets	-	-
Cumulative effect of adopting FRS 109 Financial Instruments	-	(97,428)
At the end of financial year	-	-

Upon the adoption of FRS 109, the Centre's quoted equity securities previously classified as available-for-sale financial assets as at 31 December 2017 were classified and measured as financial assets at fair value through profit or loss beginning 1 January 2018. As a result of the change in classification of the Centre's quoted equity securities, the fair value reserve of $97,428 as at 31 December 2017 was reclassified to restricted funds as at 1 January 2018.

24 FINANCIAL RISK MANAGEMENT

The Centre's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk, market risk (including interest rate risk and market price risk).

The Centre reviews and agrees policies and procedures for the management of these risks, which are executed by the Management Committee. It is, and has been throughout the current and previous financial year, the Centre's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Centre's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Centre's exposure to these financial risks or the manner in which it manages and measures the risks.

24 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Centre. The Centre has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

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

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

To minimise credit risk, the Centre has developed and maintained the Centre's credit risk gradings to categories exposures according to their degree of risk of default. The Centre considers available reasonable and supporting forward-looking information which includes the following indicators:

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

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

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

- there is significant difficulty of the debtor;
- a breach of contract, such as a default or past due event; or
- it is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

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

The following are credit risk management practices and quatitative and qualitative information about amounts arising from expected credit losses for each class of financial assets.

<u>Other receivables</u>

The Centre's other receivables comprise mainly of government funding receivable. These receivables are considered to be low credit risk as these have low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligation if demanded in the near term.

24 FINANCIAL RISK MANAGEMENT (Continued)

Credit risk (Continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Centre's performance to developments affecting a particular industry.

Exposure to credit risk

The Centre places its investments securities, bank balances and fixed deposits with reputable established financial institutions. Therefore, credit risk on these financial assets are limited because the counterparties are banks with high credit ratings and no history of default.

The carrying amount of these financial assets, as stated in the statement of financial position, represents the Centre's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

The Centre has no significant concentration of credit risk (2018: $Nil).

Liquidity risk

Liquidity risk refers to the risk in which the Centre will encounter difficulties in meeting short-term obligations due to shortage of funds. The Centre's exposure to liquidity risk arises primarily from mismatches of the maturities of the financial assets and liabilities.

In the management of liquidity risk, the Centre monitors and maintains a level of cash deemed adequate by the Management Committee to finance the Centre's operations and mitigate the effects of fluctuations in cash flows.

Liquidity risks is minimal as the Centre is able to meet is funding requirements through its operations.

At the end of the reporting period, the Centre has non-derivative financial liabilities which are other payables amounting to $14,772 (2018: $9,856) which will mature within 1 year or less or repayable on demand.

Market risk

Market risk is the risk that changes in market conditions, such as interest rates and market prices, will affect the Centre's financial performance. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Centre's financial instruments will fluctuate because of changes in market interest rates. The Centre's exposure to interest rate risk arises from fixed deposits.

The Centre periodically reviews its financial instruments and monitors interest rate fluctuations to ensure the exposure to interest rate risk is within acceptable level.

24 FINANCIAL RISK MANAGEMENT (Continued)

Market risk (Continued)

Sensitivity analysis for interest rate risk

At the end of the reporting period, if the interest rate had been 100 basis points higher/lower with all other variables held constant, the Centre's net surplus would have been $18,964 (2018: $18,718) higher/lower arising mainly as a result of a higher/lower interest income on fixed deposits.

Market price risk

Market price risk is the risk that the fair value of the Centre's financial instruments will fluctuate because of changes in market prices. The Centre is exposed to market price risk arising from its investment in quoted equity securities. These financial instruments are managed by a fund manager and are held for strategic rather than trading purpose.

The Centre's main objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and non-investment grade shares with higher volatility.

Price sensitivity analysis

The sensitivity analysis below had been determined based on the exposure of price risks at the reporting date. The following table demonstrates the sensitivity to 5% increase or decrease in the market prices on the investment securities.

	2019 $	2018 $
Market price		
- Increase 5% (2018: 5%)	30,494	47,002
- Decrease 5% (2018: 5%)	(30,494)	(47,002)

25 FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

(a) *Fair value hierarchy*

The Centre categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Centre can access at the measurement date;
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 - Unobservable inputs for the asset or liability

Fair value measurements that are inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

25 FAIR VALUES (Continued)

(b) *Assets and liabilities measured at fair value*

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, fixed deposits, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

(c) *Level 1 fair value measurement*

The Centre has classified its investment securities of $608,070 (2018: $997,904) as Level 1.

Investment securities are valued at quoted prices of the equity securities based on active market as at the end of the reporting period.

There have been no transfers between Level 1 and 2 during the financial year ended 31 December 2019 and 2018.

The Centre has no fair value measurement recognised in the statement of financial position as the end of the reporting period.

26 FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities carried at amortised cost were disclosed in Notes 15 and 18 to the financial statements.

27 MANAGEMENT OF RESERVES

The Centre regards its unrestricted funds as its reserves for providing financial stability and a means for the development of its principal activities. In order to ensure that services to the beneficiaries can continue for another year or more, the Centre aims to maintain its reserves together with restricted funds at a level of at least one year of its annual operating expenditure.

The Management Committee regularly reviews its reserve policy annually to ensure that the amount of reserves required is adequate.

The Centre's overall approach in the management of reserves remains unchanged from the previous financial year.

The Center is not subject to externally imposed reserve requirement.

SERANGOON MORAL FAMILY SERVICE CENTRE
Society's UEN: S99SS0090L

DETAILED INCOME STATEMENT
For the financial year ended 31 December 2019

	2019 Restricted $	2018 Restricted $
Income		
Recurrent grants		
- NCSS / ComChest	-	23,494
- Tote Board	465,147	477,827
- MSF	1,744,308	1,791,849
Other government grants	44,272	53,315
Donations		
- Tax exempt	18,615	13,314
- non-tax exempt	1,119	2,395
Amortisation of deferred capital grant	-	25,967
Income from funded programme	4,780	7,015
Gain on disposal of investments securities	55,857	41,972
Dividend income	25,854	31,200
Interest income	24,812	4,798
Miscellaneous income	3,544	5,162
	2,388,308	2,478,308
Less:		
Depreciation		
Depreciation of plant and equipment	13,671	49,869
Staff costs		
Staff salaries and bonuses	1,252,606	1,403,959
CPF contribution	197,901	225,518
	1,450,507	1,629,477
Other operating expenses		
Auditors' remuneration	11,770	7,276
Bank charges	117	218
Conservancy charges	2,581	2,501
Direct cost for funded programme	42,041	33,075
Food and refreshment	3,061	3,272
Centre supplies	4,867	4,817
Administrative, clerical and human resources	96,000	96,000
Insurance	8,889	7,747
Medical fee	5,504	5,360
Newspaper and periodicals	-	386
Staff recruitment expenses	233	209
Staff training expenses	88,043	61,321
Staff welfare and retreat	52,758	9,107
Postage and telephone charges	4,814	5,105
Printing and stationery	7,003	7,440
Publicity cost	20,378	-
Rental of equipment	2,029	4,672
Rental of premises	14,959	14,959
Repairs and maintenance	3,440	2,405
Transport charges	1,473	1,375
Utilities	10,309	9,265
	380,269	276,510
Net fair value changes on investment securities	(1,818)	57,856
Surplus for the financial year	**545,679**	**464,596**

The above schedules of detailed income statement provide additional information only and do not form part of the audited financial statements.