

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE
(UEN : S66SS0023F)
(ROS : 72/65 WEL)
(Registered Under Charities Act, Cap 37
And Societies Act, Cap. 311)
FINANCIAL STATEMENTS
30 April 2019

UHY LEE SENG CHAN & CO
Public Accountants and
Chartered Accountants

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

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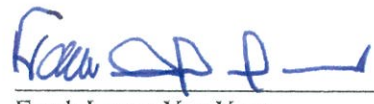
THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE
STATEMENT BY MANAGEMENT COMMITTEE

In our opinion, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of The Children's Charities Association of Singapore (the "Association") as at 30 April 2019, and of the results, changes in fund balances and cash flows of the Association for the financial year then ended.

On behalf of the Management Committee,



Chan Chee Keong
Chairman



Frank Leong Yee Yew
Hon Treasurer

Singapore
12 July 2019

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Children's Charities Association of Singapore (the Association), which comprise the statement of financial position as at 30 April 2019, and the statement of profit or loss and other comprehensive income, statement of changes in fund balances 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 Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Singapore Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Association as at 30 April 2019 and the results, changes in equity and cash flows of the Association 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 Association 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 information included in the annual report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of our auditor's report on the financial statements.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. When we read the other information, if we conclude that there is a material misstatement therein, we are required to report that fact.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

Responsibilities of the Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE**

- 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 Association'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 Association 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 Association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) the fund-raising appeal held during the period 1 May 2018 to 30 April 2019 has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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

- (a) the Association 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 Association has not complied with the requirements of Regulation 15 of the Charities (Institute of a Public Character) Regulations.



UHY Lee Seng Chan & Co
Public Accountants and
Chartered Accountants

Singapore
12 July 2019

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

STATEMENT OF FINANCIAL POSITION

30 April 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	503,208	639,955
Other current assets	4	12,914	44,134
		<u>516,122</u>	<u>684,089</u>
Non-current assets			
Property, plant and equipment	5	533	1,116
		<u>516,655</u>	<u>685,205</u>
Total assets		<u>516,655</u>	<u>685,205</u>
LIABILITIES			
Current liabilities			
Other payables	6	2,219	2,219
		<u>2,219</u>	<u>2,219</u>
Total liabilities		<u>2,219</u>	<u>2,219</u>
NET ASSETS		<u>514,436</u>	<u>682,986</u>
FUND BALANCES			
Accumulated fund		<u>514,436</u>	<u>682,986</u>

The accompanying notes form part of these financial statements

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial year ended 30 April 2019

	Note	2019 \$	2018 \$
Incoming resources			
Donations received		235,253	422,044
Activity income		568,274	531,061
Interest income		3,987	3,010
Others		9,297	9,843
Total incoming resources	7	816,811	965,958
Resources expended			
Activity expenses		156,675	140,914
Governance costs	8	160,376	156,734
Total resources expended		317,051	297,648
Incoming resources before income tax		499,760	668,310
Income tax	9	-	-
Incoming resources for the year, representing total comprehensive income for the year		499,760	668,310

The accompanying notes form part of these financial statements

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

STATEMENT OF CHANGES IN FUND BALANCES

Financial year ended 30 April 2019

	Accumulated funds \$
Balance at 1 May 2017	744,861
Incoming resources for the year, representing total comprehensive income for the year	668,310
Distribution of funds to members	(730,185)
	<hr/>
Balance at 30 April 2018	682,986
Incoming resources for the year, representing total comprehensive income for the year	499,760
Distribution of funds to members	(668,310)
	<hr/>
Balance at 30 April 2019	<u>514,436</u>

The accompanying notes form part of these financial statements

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

STATEMENT OF CASH FLOWS

Financial year ended 30 April 2019

	Note	2019 \$	2018 \$
Cash flows from operating activities			
Incoming resources before income tax		499,760	668,310
Adjustments for:			
Depreciation of property, plant and equipment		583	584
Interest income		(3,987)	(3,010)
		<hr/>	<hr/>
Operating income before working capital changes		496,356	665,884
Changes in working capital			
Other current assets		31,220	(37,210)
Other payables		-	(7,200)
		<hr/>	<hr/>
Net cash from operating activities		527,576	621,474
		<hr/>	<hr/>
Cash flows from investing activities			
Interest received		3,987	3,010
Changes in fixed deposits with maturity period of more than 3 months		195,000	(93,757)
		<hr/>	<hr/>
Net cash from/(used in) investing activities		198,987	(90,747)
		<hr/>	<hr/>
Cash flows from financing activities			
Distribution of funds to members		(668,310)	(730,185)
		<hr/>	<hr/>
Net cash used in financing activities		(668,310)	(730,185)
		<hr/>	<hr/>
Net change in cash and cash equivalents		58,253	(199,458)
Cash and cash equivalents at beginning of financial year		169,955	369,413
		<hr/>	<hr/>
Cash and cash equivalents at end of financial year	3	228,208	169,955
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form part of these financial statements

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

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

1. GENERAL INFORMATION

The Children's Charities Association of Singapore (the "Association") was established in March 1966 and was registered as an Association and granted the status of an Institute of Public Character in 1972. It was subsequently registered as a Charity under the Charities Act, Chapter 37 in 1984.

The place of operation of the Association is located at Block 18 Holland Drive, #01-01, Singapore 271018.

The principal activities of the Association are to organise fund-raising projects in order to generate income to meet part of the operating cost and support programmes run by the six-member charities which have the common objective of helping physically, mentally and socially disadvantaged children up to the age of 21 years in Singapore.

The financial statements for the financial year ended 30 April 2019 were authorised for issue by the Management Committee on [Date].

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) BASIS OF PREPARATION

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") under the historical cost convention except as disclosed in the accounting policies set out below.

The financial statements are presented in Singapore dollar ("S\$"), which is the functional currency of the Association.

The preparation of financial statements in conformity with FRS requires Management Committee to exercise its judgement in the process of applying Association's accounting policies. It also requires the use of accounting estimates and assumptions. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Management Committee is of the opinion that there are no areas involving critical judgements and no areas where estimates and assumptions are significant to the financial statements.

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Association has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual period beginning on 1 May 2018. The adoption of these new/revised FRSs and INT FRSs does not have any material effect on the financial performance or position of the Association for the current or prior financial years.

(b) FUND STRUCTURE

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds. Unrestricted funds are available for use at the discretion of Management Committee in furtherance of the general objectives of the Association. For administrative reasons, unrestricted funds may be designated by the Management Committee for use under specific purposes.

(c) REVENUE RECOGNITION

Donations and income from fund-raising projects are recognised as and when received.

Government subventions are recognised as income according to the terms of the funding agreements on an accrual basis.

Interest income from fixed deposits placed with banks is recognised on a time proportion basis using the effective interest method.

(d) RESOURCES EXPENDED

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

Allocation of support costs

Support costs comprise staff costs relating to general management, human resource and administration, accounting and finance, partnership and community building functions and have been allocated to charitable activities and governance based on the headcount required of the activity.

Costs of generating funds from fund-raising activities

These costs are directly attributable to the fund-raising activities, separate from those costs incurred in undertaking charitable activities.

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Association. The total costs of charitable expenditure include an apportionment of overhead and shared costs.

Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Association, 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.

(e) INCOMING RESOURCES FOR THE YEAR

It is the Association's policy not to retain the current incoming resources ('surplus funds') for more than twelve months. It has always been the Association's practice to distribute the surplus funds to all its members immediately following the approval of its audited financial statements at the Association's Annual General Meeting.

(f) RELATED PARTY RELATIONSHIPS AND TRANSACTIONS

FRS 24 on related party disclosures requires the reporting entity to disclose (a) transactions with its related parties; and (b) relationship between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to another party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by that other party.

A related party of the Association includes the members of Management Committee and key management personnel. It also includes an entity or person that is directly or indirectly controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. Key management personnel include the Manager and the direct reporting staff members (collectively 'staff members').

All members of Management Committee and staff members of the Association are required to read and understand the conflict of interest policy in place and make full disclosure of any transactions and relationships that could potentially result in a conflict of interest. When a conflict of interest situation arises, the members of Management Committee or staff members shall abstain from participating in the discussion, decision making and voting on the matter.

The members of Management Committee are volunteers and are not entitled to any monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any, claimed.

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

(g) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Association's statement of financial position when the Association becomes a party to the contractual provisions of the instrument.

- (a) The accounting policies for financial assets before 1 May 2018 under FRS 39 are as follows:

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially measured at fair value plus any directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables where the recognition of interest would be immaterial. Loans and receivables are presented as "cash and cash equivalents" and "other current assets" on the statement of financial position.

Impairment of financial assets

The Association assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Assets carried at amortised cost

For financial assets carried at amortised cost, the Association first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Association determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Association considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Association derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Association neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Association recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Association retains substantially all the risks and rewards of ownership of a transferred financial asset, the Association continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

- (b) The accounting policies for financial assets from 1 May 2018 under FRS 109 are as follows:

The Association classifies its financial assets into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

(i) At initial recognition

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

(ii) At subsequent measurement

Debt instruments of the Association mainly comprise cash and bank deposits and other receivables.

There are three prescribed subsequent measurement categories, depending on the Association's business model in managing the assets and the cash flow characteristics of the assets. The Association managed these group of financial assets by collecting the contractual cash flow and these cash flows represent solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

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

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

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

Financial liabilities

(i) At initial recognition

Financial liabilities are recognised when, and only when, the Association becomes a party to the contractual provisions of the financial instruments. The Association 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.

(ii) At subsequent measurement

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

Such financial liabilities comprise other payables.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires.

(h) PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of property, plant and equipment is computed on a straight-line basis to allocate their depreciable amounts over their estimated useful lives as follows:

	Years
Computers	3
Office equipment	3
Air-conditioners	3
Furniture and fittings	3
Renovation	3

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

The residual values, useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

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

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 derecognising of the asset is included in profit or loss in the financial year the asset is derecognised.

(i) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Association's non-financial assets are reviewed for impairment at the end of each reporting period and whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the amount of the impairment loss (if any).

Recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. For the purpose of impairment testing, 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 and the impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset or CGU in prior years. A reversal of impairment loss is recognised in profit or loss.

(j) EMPLOYEE BENEFITS

Contributions to defined contribution plan are recognised in the same financial year as the employment that gives rise to the contributions.

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

(k) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and bank balances and fixed deposits placed with financial institutions. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of fixed deposits with maturity period of more than 3 months.

3. CASH AND CASH EQUIVALENTS

	2019	2018
	\$	\$
Cash at banks and on hand	228,208	169,955
Fixed deposits	275,000	470,000
	<u>503,208</u>	<u>639,955</u>

Fixed deposits earn interest at rates ranging from 1.60% to 2.05% (2018 : 1.10% to 1.60%) per annum at the end of the reporting period and are for tenure of 6 months (2018 : 6 months).

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

	2019	2018
	\$	\$
Cash and cash equivalents (as above)	503,208	639,955
Less: Fixed deposits with maturity period of more than 3 months	(275,000)	(470,000)
Cash and cash equivalents per statement of cash flows	<u>228,208</u>	<u>169,955</u>

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

4. OTHER CURRENT ASSETS

	2019	2018
	\$	\$
Deposits	1,056	1,016
Interest receivable	690	1,309
Prepayments	11,168	41,809
	<u>12,914</u>	<u>44,134</u>

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

5. PROPERTY, PLANT AND EQUIPMENT

2019

	Computers \$	Office equipment \$	Air conditioners \$	Furniture and fittings \$	Renovation \$	Total \$
Cost						
Balance at beginning and end	17,538	1,988	10,510	4,594	2,816	37,446
Accumulated depreciation						
Balance at beginning	16,422	1,988	10,510	4,594	2,816	36,330
Charge for the year	583	-	-	-	-	583
Balance at end	17,005	1,988	10,510	4,594	2,816	36,913
Carrying amount						
Balance at 30 April 2019	533	-	-	-	-	533

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

2018

	Computers \$	Office equipment \$	Air conditioners \$	Furniture and fittings \$	Renovation \$	Total \$
Cost						
Balance at beginning and end	17,538	1,988	10,510	4,594	2,816	37,446
Accumulated depreciation						
Balance at beginning	15,838	1,988	10,510	4,594	2,816	35,746
Charge for the year	584	-	-	-	-	584
Balance at end	16,422	1,988	10,510	4,594	2,816	36,330
Carrying amount						
Balance at 30 April 2018	1,116	-	-	-	-	1,116

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

30 April 2019

6. OTHER PAYABLES

	2019	2018
	\$	\$
Accruals	2,219	2,219

7. INCOMING RESOURCES

Included in the total incoming resources is tax-deductible donations of \$657,155 (2018 : \$764,565) received during the financial year.

8. GOVERNANCE COSTS

Governance costs include:

	2019	2018
	\$	\$
Employee benefits expense		
- salaries and related costs	96,571	93,335
- employer's contributions to Central Provident Fund	8,909	9,019
	<u>105,480</u>	<u>102,354</u>

The salary band for the 2 (2018 : 2) staff of the Association ranges from \$40,464 to \$65,013 (2018 : \$39,170 to \$63,185).

THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

NOTES TO THE FINANCIAL STATEMENTS

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9. INCOME TAX

The Association is registered as a charity under the Charities Act, Cap. 37 and is exempt from income tax under Section 13U of the Singapore Income Tax Act, Cap 143.

The Association is also granted as an Institution of Public Character (IPC) under Section 37(2) (c) of the Income Tax Act, for a period of 18 months with effect from 1 October 2018 to 31 December 2019.

10. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT

(a) Categories of financial instruments

Financial instruments as at the end of the reporting period are as follows:

	2019
	\$
Financial assets, at amortised cost	504,954
Financial liabilities, at amortised cost	2,219
	<hr/> <hr/>
	2018
	\$
Loans and receivables	642,280
Financial liabilities, at amortised cost	2,219
	<hr/> <hr/>

(b) Financial risk management

The main risks arising from the Association's normal course of business are credit, interest rate, liquidity and foreign currency risks. The Association's overall risk management strategy seeks to minimise potential adverse effects of these risks on the financial performance of the Association.

Risk management policies and procedures are reviewed regularly to reflect changes in market conditions and the Association's activities.

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Credit risk

Credit risk is the potential financial loss resulting from the failure of a counterparty to settle its financial and contractual obligations to the Association as and when they fall due.

The carrying amount of each financial asset recognised in the statement of financial position represents the Association's maximum exposure to credit risk. Cash is placed with banks which are regulated.

Cash and cash equivalents are subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

There is no other financial asset that is past due and/or impaired.

Interest rate risk

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

The Association's fixed deposits are exposed to fluctuations in interest rates, which may affect the Association's interest income. The Association's policy is to ensure that surplus funds are placed with reputable banks. Possible changes in interest rates are not expected to have a material impact on the results of the Association.

Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting financial obligations due to shortage of funds.

The Association maintains sufficient cash and obtains funding through donations and income generated from fund-raising projects.

Other payables are due for settlement in cash within one year.

Foreign currency risk

Currency risk arises when transactions or balances are denominated in foreign currencies.

The Association is not exposed to foreign currency risk as its transactions and balances are all denominated in Singapore dollars.

Fair values

The Management Committee has determined that the carrying amounts of financial assets and financial liabilities approximate their fair values because these instruments are short-term in nature.

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11. FUND MANAGEMENT

The Association's objectives when managing its funds are to safeguard its ability to maintain adequate working capital to enable the Association to continue as a going concern and to promote its mission which is to enable the six-member charities to help to educate, train and assist the children in their care to become independent, useful citizens who can play their role in our nation. In order to maintain or achieve an optimal fund structure, the Association will organise major fund raising projects. The funds raised will be equally distributed to the six-member charities immediately following the approval of the audited financial statements at the Association's Annual General Meeting.

No changes were made to the policies or processes of fund management since the previous financial year.

The Association is not subject to any externally imposed fund requirements.

12. STANDARDS ISSUED BUT NOT YET EFFECTIVE

New standards, amendments to standards and interpretations that have been issued but are not yet effective for annual period beginning on 1 May 2018 have not been applied in preparing these financial statements. Management expects that the adoption of these new standards, amendments and interpretations will have no material impact on the financial statements in the period of initial application.