

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 2020

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

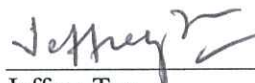
Statement by Management Committee
For the financial year ended 30 April 2020

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 2020, 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,



Associate Professor Lim Lee Ching
Chairman



Jeffrey Tan
Hon Treasurer

Singapore

27 AUG 2020

**Independent Auditor's Report to the Members of
The Children's Charities Association of Singapore**
For the financial year ended 30 April 2020

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 2020, 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 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 2020 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**
For the financial year ended 30 April 2020

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**
For the financial year ended 30 April 2020

- 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 2019 to 30 April 2020 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

27 AUG 2020

The Children's Charities Association of Singapore

Statement of Financial Position
As at 30 April 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	581,097	503,208
Other current assets	4	17,140	12,914
		<u>598,237</u>	<u>516,122</u>
Non-current assets			
Property, plant and equipment	5	-	533
		<u>-</u>	<u>533</u>
Total assets		<u>598,237</u>	<u>516,655</u>
LIABILITIES			
Current liabilities			
Other payables	6	21,214	2,219
		<u>21,214</u>	<u>2,219</u>
Total liabilities		<u>21,214</u>	<u>2,219</u>
NET ASSETS		<u>577,023</u>	<u>514,436</u>
FUND BALANCES			
Accumulated fund		<u>577,023</u>	<u>514,436</u>

The accompanying notes form an integral part of these financial statements

The Children's Charities Association of Singapore

Statement of Profit or Loss and Other Comprehensive Income
For the financial year ended 30 April 2020

	Note	2020 \$	2019 \$
Incoming resources			
Donations received		409,224	235,253
Activity income		431,017	568,274
Interest income		6,145	3,987
Others		9,203	9,297
Total incoming resources	7	855,589	816,811
Resources expended			
Activity expenses		147,403	156,675
Governance costs	8	145,841	160,376
Total resources expended		293,244	317,051
Incoming resources before income tax		562,345	499,760
Income tax	9	-	-
Incoming resources for the year, representing total comprehensive income for the year		562,345	499,760

The accompanying notes form an integral part of these financial statements

The Children's Charities Association of Singapore

Statement of Changes in Fund Balances
For the financial year ended 30 April 2020

	Accumulated fund \$
Balance at 1 May 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	514,436
Incoming resources for the year, representing total comprehensive income for the year	562,345
Distribution of funds to members	(499,758)
	<hr/>
Balance at 30 April 2020	<u>577,023</u>

The accompanying notes form an integral part of these financial statements

The Children's Charities Association of Singapore

Statement of Cash Flows

For the financial year ended 30 April 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Incoming resources before income tax		562,345	499,760
Adjustments for:			
Depreciation of property, plant and equipment		533	583
Interest income		(6,145)	(3,987)
		<hr/>	<hr/>
Operating income before working capital changes		556,733	496,356
Changes in working capital			
Other current assets		(4,794)	31,220
Other payables		18,995	-
		<hr/>	<hr/>
Net cash from operating activities		570,934	527,576
		<hr/>	<hr/>
Cash flows from investing activities			
Interest received		6,713	3,987
Changes in fixed deposits with maturity period of more than 3 months		121,977	195,000
		<hr/>	<hr/>
Net cash from investing activities		128,690	198,987
		<hr/>	<hr/>
Cash flows from financing activities			
Distribution of funds to members		(499,758)	(668,310)
		<hr/>	<hr/>
Net cash used in financing activities		(499,758)	(668,310)
		<hr/>	<hr/>
Net change in cash and cash equivalents		199,866	58,253
Cash and cash equivalents at beginning of year		228,208	169,955
		<hr/>	<hr/>
Cash and cash equivalents at end of year	3	428,074	228,208
		<hr/> <hr/>	<hr/> <hr/>

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements

For the financial year ended 30 April 2020

These notes form an integral 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 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 30 months with effect from 1 January 2020 to 30 June 2022.

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 2020 were authorised for issue by the Management Committee on **27 AUG 2020**

2. Summary of significant accounting policies

2.1 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 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 2019. 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.

2. Summary of significant accounting policies (continued)

2.2 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.

2.3 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.

2.4 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.

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.

2. Summary of significant accounting policies (continued)

2.4 Resources expended (continued)

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.

2.5 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.

2.6 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.

2. Summary of significant accounting policies (continued)

2.7 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) Financial assets

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

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.

Notes to the Financial Statements
For the financial year ended 30 April 2020

2. Summary of significant accounting policies (continued)

2.7 Financial Instruments (continued)

(b) 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.

2.8 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

2. Summary of significant accounting policies (continued)

2.8 Property, plant and equipment (continued)

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

The residual value, useful lives and depreciation method are reviewed at each reporting date, and adjusted prospectively, if appropriate.

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

2.9 Impairment of non-financial assets

The Association assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Association 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.

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.

2.10 Employee benefits

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

2.11 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.

Notes to the Financial Statements
For the financial year ended 30 April 2020

3. Cash and cash equivalents

	2020	2019
	\$	\$
Cash at banks and on hand	428,074	228,208
Fixed deposits	153,023	275,000
	<u>581,097</u>	<u>503,208</u>
	<u><u>581,097</u></u>	<u><u>503,208</u></u>

Fixed deposits earn interest at the rate of 1% (2019 : 1.60% to 2.05%) per annum at the reporting date and are for tenure of 6 months (2019 : 6 months).

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

	2020	2019
	\$	\$
Cash and cash equivalents (as above)	581,097	503,208
Less: Fixed deposits with maturity period of more than 3 months	(153,023)	(275,000)
	<u>428,074</u>	<u>228,208</u>
Cash and cash equivalents per statement of cash flows	<u><u>428,074</u></u>	<u><u>228,208</u></u>

4. Other current assets

	2020	2019
	\$	\$
Deposits	1,056	1,056
Interest receivable	122	690
Prepayments	15,962	11,168
	<u>17,140</u>	<u>12,914</u>
	<u><u>17,140</u></u>	<u><u>12,914</u></u>

The Children's Charities Association of Singapore

Notes to the Financial Statements
For the financial year ended 30 April 2020

5. Property, plant and equipment

2020

	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	17,005	1,988	10,510	4,594	2,816	36,913
Charge for the year	533	-	-	-	-	533
Balance at end	17,538	1,988	10,510	4,594	2,816	37,446
Carrying amount						
Balance at 30 April 2020	-	-	-	-	-	-

The Children's Charities Association of Singapore

Notes to the Financial Statements
For the financial year ended 30 April 2020

5. Property, plant and equipment (continued)

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

Notes to the Financial Statements
For the financial year ended 30 April 2020

6. Other payables

	2020	2019
	\$	\$
Third parties	19,000	-
Accruals	2,214	2,219
	<u>21,214</u>	<u>2,219</u>

7. Incoming resources

Included in the total incoming resources is tax-deductible donations of \$613,786 (2019 : \$657,155) received during the financial year.

8. Governance costs

Governance costs include:

	2020	2019
	\$	\$
Employee benefits expense		
- salaries and related costs	90,708	96,571
- employer's contributions to Central Provident Fund	8,385	8,909
	<u>99,093</u>	<u>105,480</u>

The salary band for the 2 (2019 : 2) staff of the Association ranges from \$38,075 to \$61,018 (2019 : \$40,465 to \$65,015).

9. Income tax status

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.

10. Financial instruments and financial risk management

(a) Categories of financial instruments

Financial instruments as at the reporting date are as follows:

	2020	2019
	\$	\$
Financial assets, at amortised cost	582,275	504,954
Financial liabilities, at amortised cost	21,214	2,219

(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.

(i) 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.

(ii) 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.

10. Financial instruments and financial risk management

(ii) Interest rate risk (continued)

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.

(iii) 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.

(iv) 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.

(v) 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.

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.

Notes to the Financial Statements
For the financial year ended 30 April 2020

11. Fund management (continued)

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. Subsequent events

The coronavirus (Covid-19) outbreak subsequent to the reporting date is expected to impact the Association's fund raising activities and its financial performance subsequent to the financial year end. As the situation relating to the spread and the impact of the measures implemented by the various governments across the world to contain the spread remains uncertain, it is currently not possible to ascertain the financial impact it may have on the financial performance of the Association in 2021.

13. 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 2019 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.

