

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 2021

UHY LEE SENG CHAN & CO

Public Accountants and

Chartered Accountants



THE CHILDREN'S CHARITIES ASSOCIATION OF SINGAPORE

CONTENTS

	Pages
Statement by the Board	1
Independent Auditor's Report	2 - 4
Statement of Financial Position	5
Statement of Financial Activities	6
Statement of Changes in Fund	7
Statement of Cash Flows	8
Notes to the Financial Statements	9 - 21



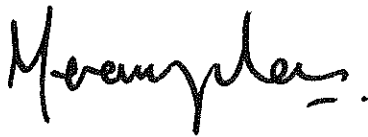
The Children's Charities Association of Singapore

Statement by the Board

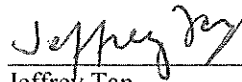
For the financial year ended 30 April 2021

In our opinion, the accompanying financial statements are drawn up in accordance with the Societies Act, Chapter 311 (the Societies Act) and 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 state of affairs of The Children's Charities Association of Singapore (the Association) as at 30 April 2021, and the results, changes in fund and cash flows of the Association for the year then ended.

On behalf of the Board,



Chan Sek Wai
Chairman



Jeffrey Tan
Honorary Treasurer

Singapore
12 July 2021



**Independent Auditor's Report to the Members of
The Children's Charities Association of Singapore**
For the financial year ended 30 April 2021

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 2021, and the statement of financial activities, statement of changes in fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of 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 2021 and the results, changes in fund and cash flows of the Association for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company 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. 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.



**Independent Auditor's Report to the Members of
The Children's Charities Association of Singapore**
For the financial year ended 30 April 2021

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- 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 2021

- 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.

We also provide the Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

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 year has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept 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 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 2021

The Children's Charities Association of Singapore

Statement of Financial Position
As at 30 April 2021

	Note	2021 \$	2020 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	552,999	581,097
Other current assets	4	2,837	17,140
		<u>555,836</u>	<u>598,237</u>
Non-current assets			
Plant and equipment	5	-	-
		<u>-</u>	<u>-</u>
Total assets		<u>555,836</u>	<u>598,237</u>
LIABILITIES			
Current liabilities			
Other payables	6	2,214	21,214
		<u>2,214</u>	<u>21,214</u>
Total liabilities		<u>2,214</u>	<u>21,214</u>
NET ASSETS		<u>553,622</u>	<u>577,023</u>
FUND			
Accumulated fund		<u>553,622</u>	<u>577,023</u>

The accompanying notes form an integral part of these financial statements

The Children's Charities Association of Singapore

Statement of Financial Activities
For the financial year ended 30 April 2021

	Note	2021 \$	2020 \$
Incoming resources			
Donations received		402,992	409,224
Activity income		266,492	431,017
Interest income		1,737	6,145
Government grant income		28,618	1,280
Other income		-	7,923
Total incoming resources	7	<u>699,839</u>	<u>855,589</u>
Resources expended			
Activity expenses		24,294	147,403
Governance costs	8	136,602	145,841
Total resources expended		<u>160,896</u>	<u>293,244</u>
Surplus before income tax		538,943	562,345
Income tax	9	-	-
Net surplus for the year		<u><u>538,943</u></u>	<u><u>562,345</u></u>

The accompanying notes form an integral part of these financial statements

The Children's Charities Association of Singapore

Statement of Changes in Fund
For the financial year ended 30 April 2021

	Accumulated fund \$
Balance at 1 May 2019	514,436
Net surplus for the year	562,345
Distribution of funds to members	(499,758)
	<hr/>
Balance at 30 April 2020	577,023
Net surplus for the year	538,943
Distribution of funds to members	(562,344)
	<hr/>
Balance at 30 April 2021	<u>553,622</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 2021

	Note	2021 \$	2020 \$ (Restated) (Note 14)
Cash flows from operating activities			
Surplus before income tax		538,943	562,345
Adjustments for:			
Depreciation of property, plant and equipment		-	533
Interest income		(1,737)	(6,145)
		<u>537,206</u>	<u>556,733</u>
Changes in working capital			
Other current assets		14,295	(4,794)
Other payables		(19,000)	18,995
		<u>532,501</u>	<u>570,934</u>
Net cash from operating activities			
Cash flows from investing activities			
Interest received		1,745	6,713
		<u>1,745</u>	<u>6,713</u>
Net cash from investing activities			
Cash flows from financing activities			
Distribution of funds to members		(562,344)	(499,758)
		<u>(562,344)</u>	<u>(499,758)</u>
Net cash used in financing activities			
Net change in cash and cash equivalents		(28,098)	77,889
Cash and cash equivalents at beginning of year		581,097	503,208
		<u>552,999</u>	<u>581,097</u>
Cash and cash equivalents at end of year	3	<u>552,999</u>	<u>581,097</u>

The accompanying notes form an integral part of these financial statements

Notes to the Financial Statements
For the financial year ended 30 April 2021

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 2021 were authorised for issue by the Board on 12 July 2021.

2. Summary of significant accounting policies

2.1 Basis of preparation

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

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

The preparation of financial statements in conformity with FRS requires the Board 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 the Board's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The Board 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.

2. Summary of significant accounting policies (continued)

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 Association has adopted all the new and amended standards which are relevant to Association and effective for annual financial periods beginning on or after 1 May 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Association.

2.3 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 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 (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.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Association'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 (FVOCI) and FVPL. The Association 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 the amortisation process.

Derecognition

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

Notes to the Financial Statements

For the financial year ended 30 April 2021

2. Summary of significant accounting policies (continued)

2.3 Financial Instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

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.

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. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.4 Impairment of financial assets

The Association recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Association 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)

2.4 Impairment of financial assets (continued)

The Association considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Association may also consider a financial asset to be in default when internal or external information indicates that the Association is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Association. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.5 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank balances and fixed deposits which are subject to insignificant risk of change in value.

2.6 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 management. Dismantlement, removal or restoration costs are included as part of the cost of 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 of plant and equipment is computed on a straight-line basis to allocate depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Computers	3 years
Office equipment	3 years
Air-conditioners	3 years
Furniture and fittings	3 years
Renovation	3 years

Fully depreciated 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 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.

Notes to the Financial Statements

For the financial year ended 30 April 2021

2. Summary of significant accounting policies (continued)

2.7 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.

2.8 Leases

The Association 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.

As lessee

The Association applied the short-term lease exemption to its lease term that ends within 12 months at the date of initial application. Accordingly, no right-of-use asset is recognised.

2.9 Provisions

Provisions are recognised when the Association 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 each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Notes to the Financial Statements

For the financial year ended 30 April 2021

2. Summary of significant accounting policies (continued)

2.10 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 the Board in furtherance of the general objectives of the Association. For administrative reasons, unrestricted funds may be designated by the Board for use under specific purposes.

2.11 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.

2.12 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.

Activity expenses

Activity expenses include costs of fund-raising activities and all costs incurred in the pursuit of the charitable objects of the Association.

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.

2.13 Incoming resources for the year

It is the Association's policy not to retain the current 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. Summary of significant accounting policies (continued)

2.14 Employee benefits

(a) Defined contribution plans

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

(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 Association 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.

2.15 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 the Board 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 the Board 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 the Board or staff members shall abstain from participating in the discussion, decision making and voting on the matter.

The members of the Board 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
For the financial year ended 30 April 2021

3. Cash and cash equivalents

	2021	2020
	\$	\$
Cash at banks and on hand	248,927	428,074
Fixed deposits	304,072	153,023
Representing cash and cash equivalents in statement of cash flows	<u>552,999</u>	<u>581,097</u>

Fixed deposits earn interest at rates ranging from 0.43% to 0.45% (2020 : 1%) per annum at the reporting date and are for tenure of 6 to 9 months (2020 : 6 months).

4. Other current assets

	2021	2020
	\$	\$
Deposits	1,056	1,056
Interest receivable	114	122
Prepayments	1,667	15,962
	<u>2,837</u>	<u>17,140</u>

The Children's Charities Association of Singapore

Notes to the Financial Statements

For the financial year ended 30 April 2021

5. Plant and equipment

2021

	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 and end	17,538	1,988	10,510	4,594	2,816	37,446
Carrying amount						
Balance at 30 April 2021	-	-	-	-	-	-

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	-	-	-	-	-	-

Notes to the Financial Statements
For the financial year ended 30 April 2021

6. Other payables

	2021	2020
	\$	\$
Third parties	-	19,000
Accruals	2,214	2,214
	<u>2,214</u>	<u>21,214</u>

7. Incoming resources

Incoming resources include:

	2021	2020
	\$	\$
Tax-deductible donations	615,115	613,786
Government grant income		
- Jobs Support Scheme*	25,243	-
- Rental rebate	1,967	-
- Special employment credit	1,408	1,280
	<u>615,115</u>	<u>613,786</u>

* Job Support Scheme (the "JSS") is a temporary-scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

8. Governance costs

Governance costs mainly include:

	2021	2020
	\$	\$
Employee benefits expense		
- salaries and related costs	86,450	90,708
- employer's contributions to Central Provident Fund	7,326	8,385
	<u>93,776</u>	<u>99,093</u>

The salary band for the 2 (2020 : 2) staff of the Association ranges from \$36,222 to \$57,554 (2020 : \$38,075 to \$61,018).

Notes to the Financial Statements

For the financial year ended 30 April 2021

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 13(1)(zm) of the Singapore Income Tax Act, Cap 143 to the extent that these are applied to its charitable objects. No tax charges have arisen for the Association during the financial year.

10. Fair value of assets and liabilities

The Board 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. 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.

(a) 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.

(b) 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.

Notes to the Financial Statements
For the financial year ended 30 April 2021

11. Financial instruments and financial risk management (continued)

(c) 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.

(d) 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.

12. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities at amortised cost were as follows:

	2021	2020
	\$	\$
Financial assets measured at amortised cost		
Cash and cash equivalents (Note 3)	552,999	581,097
Other current assets less prepayments (Note 4)	1,170	1,178
Total financial assets measured at amortised cost	<u>554,169</u>	<u>582,275</u>
Financial liabilities measured at amortised cost		
Other payables (Note 6)	<u>2,214</u>	<u>21,214</u>

Notes to the Financial Statements
For the financial year ended 30 April 2021

13. 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.

14. Comparative information

During 2021, the Association modified the classification of certain line items in the prior year's statement of cash flows to be consistent with the current year's presentation. As a result, \$121,977 was removed from "Changes in fixed deposits with maturity period of more than 3 months" and fixed deposits of \$275,000 were included in "Cash and cash equivalents at beginning of year".

	2020 As previously reported \$	Reclassification \$	2020 As restated \$
Statement of Cash Flows			
Net cash from investing activities	128,690	(121,977)	6,713
Changes in fixed deposits of more than 3 months	(121,977)	121,977	-
Fixed deposits	275,000	(275,000)	-
Cash and cash equivalents at beginning of year	228,208	275,000	503,208
	<u>228,208</u>	<u>275,000</u>	<u>503,208</u>

15. 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 2020 have not been applied in preparing these financial statements. The Board 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.

