

**EMCC**

(Unique Entity Number: S97SS0164E)

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37)

**AUDITED FINANCIAL STATEMENTS  
For the Financial Year Ended 31 December 2018**



**Tan, Chan  
& Partners**

CHARTERED ACCOUNTANTS SINGAPORE

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**EMCC**  
**AUDITED FINANCIAL STATEMENTS**  
**For the Financial Year Ended 31 December 2018**

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## EMCC

### STATEMENT BY THE MANAGEMENT COMMITTEE For the Financial Year Ended 31 December 2018

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In the opinion of the Management Committee,

- (a) the financial statements of EMCC (the “Society”) and the notes thereto 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 Society as at 31 December 2018, and the results, changes in funds, and cash flows of the Society for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee authorised the issue of these financial statements.

On behalf of the Management Committee



.....  
Dr Kenny Tan Ban Leong  
**Honorary Chairman**



.....  
Donna Cheng  
**Honorary Treasurer**

Singapore

Date: 31 May 2019

## INDEPENDENT AUDITOR'S REPORT

### To the Members of EMCC For the Financial Year Ended 31 December 2018

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#### Report on the Audit of the Financial Statements

##### *Opinion*

We have audited the financial statements of EMCC (the "Society"), which comprise the statement of financial position of the Society as at 31 December 2018, the statement of financial activities, statement of changes in funds, and statement of cash flows of the Society 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 Society as at 31 December 2018, and the results, changes in funds, and cash flows of the Society for the financial year ended on that date.

##### *Basis for Opinion*

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

##### *Other Information*

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

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

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

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
EMCC  
For the Financial Year Ended 31 December 2018**

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

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

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

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

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

## INDEPENDENT AUDITOR'S REPORT

**To the Members of  
EMCC  
For the Financial Year Ended 31 December 2018**

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

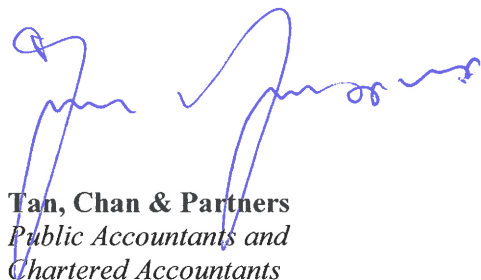
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Report on Other Legal and Regulatory Requirements**

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

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

- (a) the Society has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Society has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



**Tan, Chan & Partners**  
*Public Accountants and  
Chartered Accountants*

Singapore  
Date: 31 May 2019

**EMCC**  
**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2018**

	Note	2018 \$	2017 \$
<b>ASSETS</b>			
<b>Non-current asset</b>			
Plant and equipment	4	<u>2,531</u>	<u>8,154</u>
<b>Current assets</b>			
Trade and other receivables	5	<u>74,233</u>	<u>96,175</u>
Prepayments		<u>10,954</u>	<u>11,429</u>
Cash and bank balances	6	<u>966,301</u>	<u>1,020,617</u>
		<u>1,051,488</u>	<u>1,128,221</u>
<b>Total assets</b>		<u><u>1,054,019</u></u>	<u><u>1,136,375</u></u>
<b>LIABILITIES AND FUNDS</b>			
<b>Current liabilities</b>			
Deferred income	7	<u>21,594</u>	<u>147,741</u>
Trade and other payables	8	<u>42,045</u>	<u>23,858</u>
		<u>63,639</u>	<u>171,599</u>
<b>Funds</b>			
Unrestricted Fund			
General Fund		<u>1,779,721</u>	<u>1,678,371</u>
Restricted Funds			
Tote Board Social Service Fund	9	<u>(789,341)</u>	<u>(713,595)</u>
Care and Share Fund	10	<u>-</u>	<u>-</u>
		<u>990,380</u>	<u>964,776</u>
<b>Total liabilities and funds</b>		<u><u>1,054,019</u></u>	<u><u>1,136,375</u></u>

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

EMCC

**STATEMENT OF FINANCIAL ACTIVITIES**  
For the Financial Year Ended 31 December 2018

	Note	2018				2017			
		Unrestricted		Restricted		Unrestricted		Restricted	
		General Fund	Total Social Service Fund	Care and Share Fund	Total Funds	General Fund	Total Social Service Fund	Care and Share Fund	Total Funds
		2018	2018	2018	2018	2017	2017	2017	2017
		\$	\$	\$	\$	\$	\$	\$	\$
<b>Income from generated funds</b>									
Voluntary income	11	132,085	-	-	132,085	122,742	-	-	122,742
Income from charitable activities	12	79,526	525,097	101,163	705,786	134,560	508,843	217,769	861,172
Activities for generating funds	13	154,012	264,729	-	418,741	166,330	218,036	-	384,366
Other income	14	30,894	-	-	30,894	41,757	-	-	41,757
<b>Total income</b>		<b>396,517</b>	<b>789,826</b>	<b>101,163</b>	<b>1,287,506</b>	<b>465,389</b>	<b>726,879</b>	<b>217,769</b>	<b>1,410,037</b>
Less: Costs of generating funds	15	8,984	90,740	70,057	169,781	21,861	97,532	85,297	204,690
Less: Governance and administrative costs	16	286,183	774,832	31,106	1,092,121	315,513	778,948	132,472	1,226,933
<b>Total expenditures</b>		<b>295,167</b>	<b>865,572</b>	<b>101,163</b>	<b>1,261,902</b>	<b>337,374</b>	<b>876,480</b>	<b>217,769</b>	<b>1,431,623</b>
<b>Surplus/(Deficit) for the financial year, representing total comprehensive income/(loss) for the financial year</b>		<b>101,350</b>	<b>(75,746)</b>	<b>-</b>	<b>25,604</b>	<b>128,015</b>	<b>(149,601)</b>	<b>-</b>	<b>(21,586)</b>

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



**EMCC**

**STATEMENT OF CHANGES IN FUNDS  
For the Financial Year Ended 31 December 2018**

	Note	Restricted			Total Funds
		Unrestricted	Tote Board Social Service Fund	Care and Share Fund	
		\$	\$	\$	\$
As at 1 January 2017		1,550,356	(563,994)	-	986,362
Surplus/(Deficit) for the financial year, representing total comprehensive income/(loss) for the financial year		128,015	(149,601)	-	(21,586)
As at 31 December 2017		1,678,371	(713,595)	-	964,776
Surplus/(Deficit) for the financial year, representing total comprehensive income/(loss) for the financial year		101,350	(75,746)	-	25,604
<b>As at 31 December 2018</b>		<b>1,779,721</b>	<b>(789,341)</b>	<b>-</b>	<b>990,380</b>

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

**EMCC**  
**STATEMENT OF CASH FLOWS**  
**For the Financial Year Ended 31 December 2018**

	Note	2018 \$	2017 \$
<b>Operating activities</b>			
Surplus/(Deficit) for the financial year		25,604	(21,586)
Adjustments for:			
Amortisation of Care and Share Matching Grant	7	(101,163)	(217,769)
Amortisation of President Challenge	7	(39,807)	(66,924)
Depreciation of plant and equipment	4	7,068	8,921
Operating cash flows before working capital changes		(108,298)	(297,358)
Changes in working capital:			
Trade and other receivables		21,942	(4,835)
Prepayments		475	(4,504)
Trade and other payables		18,187	(78,657)
Cash flows used in operating activities		(67,694)	(385,354)
<b>Investing activity</b>			
Acquisition of plant and equipment	4	(1,445)	-
Cash flow used in investing activity		(1,445)	-
<b>Financing activities</b>			
Receipt of President Challenge Fund	7	-	80,000
Receipt of Care and Share Matching Grant	7	14,823	-
Cash flows generated from financing activities		14,823	80,000
<b>Net changes in cash and cash equivalents</b>		(54,316)	(305,354)
<b>Cash and cash equivalents at the beginning of the financial year</b>		1,020,617	1,325,971
<b>Cash and cash equivalents at the end of the financial year</b>	6	966,301	1,020,617

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

# EMCC

## NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

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

### 1. GENERAL INFORMATION

EMCC (the “Society”) is registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37 and is domiciled in the Republic of Singapore. The Society is an approved Institution of Public Character (“IPC”) from 01 April 2018 to 30 September 2020.

The Society’s registered office and place of operation is located at 177, River Valley Road, #05-19, Liang Court, Singapore 179030.

The principal objectives of the Society are:

- (a) To provide mediation and counselling to individuals, families and organisations;
- (b) To organise and participate in conferences, workshops, exhibitions, business and social meetings, lectures and discussions on subjects of interest to practitioners and person interested in mediation and counselling, and also facilitate and conduct research relevant to mediation and counselling;
- (c) To provide training to persons involved in working with people such as skills in counselling, mediation and conflict resolution;
- (d) To serve as a resource for help agencies, schools and other communities in the area of consultation, training and direct services; and
- (e) To publish papers, magazines or journals related to the above with the approval of relevant authorities.

There has been no significant change in the nature of these activities during the financial year.

The financial statements of the Society for the financial year ended 31 December 2018 were authorised for issue by the Management Committee on the date of the Statement by the Management Committee.

### 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 below.

The financial statements of the Society are presented in Singapore dollar (“\$”).

## EMCC

### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Society has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 01 January 2018. The adoption of these new/revised standards and interpretations did not result in any substantial changes to the accounting policies of the Society or have any material effect on the financial performance or position of the Society.

##### 2.3 New or revised accounting standards and interpretations

Certain new standards, amendments to standards and interpretations are issued but effective for annual financial periods beginning on or after 01 January 2019, and which the Society has not been early adopted in preparing these financial statements. None of these are expected to have a significant impact on the Society's financial statements.

##### 2.4 Presentation and functional currency

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Society are presented in Singapore dollar ("S\$") which is the Society's functional currency.

##### 2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to initial recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

Depreciation is computed on a straight-line method over the estimated useful lives of the assets as follows:

	<u>Estimated useful lives</u>
Furniture and fittings	3 years
Office equipment	3 years
Renovation	3 years

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

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

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising from derecognition of the assets is included in statement of financial activities in the period that the assets are derecognised.

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### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.6 Impairment of non-financial assets

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Society 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 to sell 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

Impairment losses are recognised in statement of financial activities.

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 statement of financial activities.

##### 2.7 Financial assets

The Society has debt instruments only.

These accounting policies are applied on and after the initial application date of FRS 109, 01 January 2018:

###### Initial recognition and measurement

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

At initial recognition, the Society 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 asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of financial activities.

Trade and other receivables are measured at the amount of consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer (excluding amounts collected on behalf of third party) if trade and other receivables do not contain a significant financing component at initial recognition.

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### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.7 Financial assets (cont'd)

###### Subsequent measurement

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 effective interest method, less impairment. Gains and losses are recognised in the statement of financial activities when the assets are derecognised or impaired, and through the amortisation process.

###### Impairment

The Society recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss (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 Society expects to receive, discounted at an approximation of the original effective interest rate.

The Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Society consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancement held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

###### 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 consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in the statement of financial activities.

##### 2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and fixed deposits that are subject to an insignificant risk of changes in value. The carrying amounts of these assets approximate their fair value.

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Financial Year Ended 31 December 2018**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**2.9 Financial liabilities**

These accounting policies are applied on and after the initial application date of FRS 109, 01 January 2018:

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society 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 fair value through profit or loss (FVPL), directly attributable transaction costs.

Subsequent measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in the statement of financial activities.

**2.10 Provisions**

Provisions are recognised when the Society 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.

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### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

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#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

##### 2.11 Income recognition

These accounting policies are applied on and after the initial application date of FRS 115, 01 January 2018:

Income is measured based on the consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to customers, excluding amounts collected on behalf of third parties.

Income is recognised when the Society satisfies a performance obligation by transferring a promised good or service to the customers, which is when the customers obtain control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

##### Voluntary income

Voluntary income consists of donations which are recognised at the point in time.

##### Income from charitable activities

Income from charitable activities is recognised at the point in time.

##### Activities for generating funds

Revenue from activities for generating funds relates to those short-term duration services provided such as counselling, marriage journey, mediation and training fees which are recognised at the point in time.

##### Other income

Other income is recognised at the point in time.

##### 2.12 Taxation

The Society which is registered as a Charity under the Charities Act is exempted from income tax under Section 13(1)(zm) of the Income Tax Act.

##### 2.13 Operating leases

##### As a lessee

Leases where substantially all of the risks and rewards incidental to the ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of incentives received from the lessors) are recognised in statement of financial activities on a straight-line basis over the period of the lease term.

Contingent rents are recognised as expense in statement of financial activities when incurred.



**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Financial Year Ended 31 December 2018**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

**2.14 Employee benefits**

Defined contribution plan

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

Short-term benefits

All short-term benefits including accumulating compensated absences are recognised in statement of financial activities in the period in which the employees rendered their services to the Society.

**2.15 Contingencies**

A contingent liability is:

- (a) a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Society; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured within sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Society.

Contingent liabilities and assets are not recognised on the statement of financial position of the Society.

**2.16 Government grants**

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

# EMCC

## NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

### 3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

### 4. PLANT AND EQUIPMENT

	Note	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
<b><u>Cost</u></b>					
As at 01 January 2017 and 31 December 2017		7,516	109,521	114,660	231,697
Additions		-	1,445	-	1,445
<b>As at 31 December 2018</b>		<b>7,516</b>	<b>110,966</b>	<b>114,660</b>	<b>233,142</b>
<b><u>Accumulated depreciation</u></b>					
As at 01 January 2017		7,516	92,446	114,660	214,622
Depreciation	16	-	8,921	-	8,921
As at 31 December 2017		7,516	101,367	114,660	223,543
Depreciation	16	-	7,068	-	7,068
<b>As at 31 December 2018</b>		<b>7,516</b>	<b>108,435</b>	<b>114,660</b>	<b>230,611</b>
<b><u>Net carrying amount</u></b>					
<b>As at 31 December 2018</b>		<b>-</b>	<b>2,531</b>	<b>-</b>	<b>2,531</b>
As at 31 December 2017		-	8,154	-	8,154

# EMCC

## NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

### 5. TRADE AND OTHER RECEIVABLES

	2018 \$	2017 \$
Trade receivables - third parties	<u>3,950</u>	<u>2,771</u>
Other receivables:		
- Deposits	13,273	18,073
- Sundry debtors	<u>57,010</u>	<u>75,331</u>
	<u>70,283</u>	<u>93,404</u>
Total trade and other receivables	<u><u>74,233</u></u>	<u><u>96,175</u></u>

Trade receivables from third parties are unsecured, interest-free, and are generally settled between 30 days and 60 days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

The Society has trade receivables amounting to \$3,950 (2017: \$2,771) that are not past due at the end of the reporting date.

### 6. CASH AND BANK BALANCES

	2018 \$	2017 \$
Cash on hand	587	575
Cash at bank	464,383	519,163
Fixed deposits	<u>501,331</u>	<u>500,879</u>
	<u><u>966,301</u></u>	<u><u>1,020,617</u></u>

Cash at banks earns interest at prevailing bank interest rate.

Fixed deposits are placed with banks for varying periods of between 1 to 3 months (2017: 1 to 3 months) and earn interest rates ranging from 0.05% to 0.15% (2017: 0.05%) per annum.

### 7. DEFERRED INCOME

	2018 \$	2017 \$
Care and Share Matching Grant	8,325	94,665
President Challenge Fund	<u>13,269</u>	<u>53,076</u>
	<u><u>21,594</u></u>	<u><u>147,741</u></u>

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## NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

### 7. DEFERRED INCOME (Cont'd)

	Note	2018 \$	2017 \$
At beginning of the financial year		147,741	352,434
Grant received - President challenge		-	80,000
Grant received - Care and Share Matching Grant		14,823	-
Amortisation during the financial year	10,12	(140,970)	(284,693)
At end of the financial year		<u>21,594</u>	<u>147,741</u>

### 8. TRADE AND OTHER PAYABLES

	2018 \$	2017 \$
Trade payables - third parties	<u>29,569</u>	<u>11,464</u>
Other payables:		
- Accrued expenses	8,204	7,136
- Sundry creditors	4,272	5,258
	<u>12,476</u>	<u>12,394</u>
Total trade and other payables	<u>42,045</u>	<u>23,858</u>

Trade payables from third parties are unsecured, interest-free, and are generally settled between 30 days and 60 days' term. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

### 9. TOTE BOARD SOCIAL SERVICE FUND

Tote Board Social Service Fund ("TBSSF") was set up to support the operation of a programme known as Integrative Mediation and Counselling.

Movement during the financial year:

	Note	2018 \$	2017 \$
At the beginning of the financial year		(713,595)	(563,994)
Income during the financial year	12,13	789,826	726,879
Expenses during the financial year	15,16	(865,572)	(876,480)
At the end of the financial year		<u>(789,341)</u>	<u>(713,595)</u>

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## NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

### 10. CARE AND SHARE FUND

The Care and Share Matching Grant Fund was set up by the Singapore government in December 2013 to encourage firms and people to work with the Society to help the needy. The government had pledged to make a dollar and twenty-five cents (S\$1.25) for every eligible donation dollar for the first S\$1,000,000, and match for every eligible donation dollar raised by the Society.

The grant is to be used for the following purposes:

- To fund programmes/activities that contribute to building the Society's capability;
- To fund programmes/activities that contribute to building the Society's capacity;
- To fund new programmes that aim to meet emerging or unmet needs of the social service sector and enhancements/expansion of the existing services that the Society provides; and
- To cover the costs of meeting the critical existing needs of the Society up to 20% of the grant.

Movement during the financial year:

	Note	2018 \$	2017 \$
At the beginning of the financial year		-	-
Amortisation during the financial year	12	101,163	217,769
Expenses during the financial year	15,16	(101,163)	(217,769)
At the end of the financial year		-	-

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Financial Year Ended 31 December 2018**

	Unrestricted	Restricted		Total Funds
		Tote Board Social Service Fund	Care and Share Fund	
	2018	2018	2018	2018
	\$	\$	\$	\$
Donations	72,942	-	-	72,942
Direct debit donor program	59,143	-	-	59,143
	132,085	-	-	132,085

Note	2018				2017			
	Unrestricted	Restricted		Total Funds	Unrestricted	Restricted		Total Funds
	General Fund	Tote Board Social Service Fund	Care and Share Fund		General Fund	Tote Board Social Service Fund	Care and Share Fund	
	2018	2018	2018	2018	2017	2017	2017	2017
	\$	\$	\$	\$	\$	\$	\$	\$
Tote Board Social Service Fund	-	525,097	-	525,097	-	508,843	-	508,843
Amortisation of deferred								
Care and Share Matching Grant	-	-	101,163	101,163	-	-	217,769	217,769
Amortisation of President Challenge	39,807	-	-	39,807	66,924	-	-	66,924
VCF Funding	39,614	-	-	39,614	67,636	-	-	67,636
Sale of publication	105	-	-	105	-	-	-	-
	79,526	525,097	101,163	705,786	134,560	508,843	217,769	861,172

NOTES TO THE FINANCIAL STATEMENTS  
For the Financial Year Ended 31 December 2018

	Unrestricted	Restricted		Total Funds
		Tote Board Social Service Fund	Care and Share Fund	
Program fees:	2018	2018	2018	2018
Counselling	\$ -	\$ -	\$ -	\$ -
Marriage journey	145,840	224,406	-	224,406
Mediation	-	28,714	-	174,554
Training fees	8,172	11,609	-	11,609
	154,012	264,729	-	418,741

	Unrestricted	Restricted		Total Funds
		Tote Board Social Service Fund	Care and Share Fund	
	2018	2018	2018	2018
	\$	\$	\$	\$
Government paid leave	12,408	-	-	12,408
Interest income	578	-	-	578
Miscellaneous income	-	-	-	-
Special employment credit	1,321	-	-	1,321
Temporary employment credit	1,998	-	-	1,998
Wage credit scheme	14,589	-	-	14,589
	<u>30,894</u>	<u>-</u>	<u>-</u>	<u>30,894</u>

	Unrestricted	Restricted		Total Funds
		Tote Board Social Service Fund	Care and Share Fund	
	2017	2017	2017	2017
	\$	\$	\$	\$
Government paid leave	13,734	-	-	13,734
Interest income	577	-	-	577
Miscellaneous income	13,246	-	-	13,246
Special employment credit	4,153	-	-	4,153
Temporary employment credit	6,284	-	-	6,284
Wage credit scheme	3,763	-	-	3,763
	<u>41,757</u>	<u>-</u>	<u>-</u>	<u>41,757</u>

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NOTES TO THE FINANCIAL STATEMENTS  
For the Financial Year Ended 31 December 2018

15. COSTS OF GENERATING FUNDS

	Unrestricted	Restricted		Unrestricted	Unrestricted		Total Funds
		Tote Board Social Service Fund	Care and Share Fund		Tote Board Social Service Fund	Care and Share Fund	
2018	2018	2018	2018	2017	2017	2017	2017
\$	\$	\$	\$	\$	\$	\$	\$
Program costs:							
-Counselling	-	76,601	70	-	65,028	-	65,028
-Marriage Journey	2,253	11,224	69,987	7,989	17,040	74,315	99,344
-Mediation	-	2,915	-	-	15,464	-	15,464
-Training cost	-	-	-	5,184	-	10,982	16,166
Donation expenses	6,731	-	-	8,688	-	-	8,688
	8,984	90,740	70,057	21,861	97,532	85,297	204,690



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NOTES TO THE FINANCIAL STATEMENTS  
For the Financial Year Ended 31 December 2018

16. GOVERNANCE AND ADMINISTRATIVE COSTS

	Note	2018				2017			
		Unrestricted		Restricted		Unrestricted		Restricted	
		General Fund	Total Social Service Fund	Care and Share Fund	Total Funds	General Fund	Total Social Service Fund	Care and Share Fund	Total Funds
		2018	2018	2018	2018	2017	2017	2017	2017
		\$	\$	\$	\$	\$	\$	\$	\$
Accounting fees		2,052	4,788	360	7,200	1,632	3,808	1,360	6,800
Audit fees		1,287	3,002	226	4,515	840	1,960	700	3,500
Bank charges		385	897	67	1,349	244	568	203	1,015
Books and periodicals		116	271	20	407	79	185	66	330
Collaterals (Design and Print)		-	-	-	-	1,442	3,363	1,201	6,006
Communication strategy		4,623	10,786	811	16,220	3,332	7,774	2,776	13,882
CPF contribution and SDL		29,714	77,816	880	108,410	34,634	80,356	5,712	120,702
Depreciation of plant and equipment	4	7,068	-	-	7,068	8,921	-	-	8,921
Fine and penalty		-	-	-	-	109	254	91	454
Gift		4,643	10,834	815	16,292	410	955	341	1,706
Insurance		4,576	10,677	3,107	18,360	4,324	10,088	3,603	18,015
IT related expenses		359	837	63	1,259	4,592	10,715	9,177	24,484
Marketing and communications		234	545	41	820	2,834	6,612	15,456	24,902
Meeting expenses		291	680	51	1,022	248	577	206	1,031
Miscellaneous expenses		1,164	-	-	1,164	-	-	-	-
Minor equipment		698	1,628	122	2,448	57	133	4,607	4,797
<i>Balance brought forward to next page</i>		<b>57,210</b>	<b>122,761</b>	<b>6,563</b>	<b>186,534</b>	<b>63,698</b>	<b>127,348</b>	<b>45,499</b>	<b>236,545</b>

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NOTES TO THE FINANCIAL STATEMENTS  
For the Financial Year Ended 31 December 2018

16. GOVERNANCE AND ADMINISTRATIVE COSTS (Cont'd)

	Note	2018				2017			
		Unrestricted		Restricted		Unrestricted		Restricted	
		General Fund	Total Social Service Fund	Care and Share Fund	Total Funds	General Fund	Total Social Service Fund	Care and Share Fund	Total Funds
		2018	2018	2018	2018	2017	2017	2017	2017
		\$	\$	\$	\$	\$	\$	\$	\$
<i>Balance carried forward from previous page</i>		57,210	122,761	6,563	186,534	63,698	127,348	45,499	236,545
Office supplies		2,556	5,964	448	8,968	1,080	2,519	900	4,499
Office upkeeping		620	1,446	109	2,175	2,089	4,873	1,740	8,702
Printing and stationery		567	1,323	100	1,990	2,459	5,737	2,049	10,245
Professional fee		-	-	-	-	860	2,006	12,994	15,860
Publication cost		151	352	26	529	84	198	71	353
Rental of equipment		1,200	2,801	211	4,212	1,011	2,359	842	4,212
Rental of premises	18	15,929	37,169	2,795	55,893	13,414	31,300	11,179	55,893
Salary and bonus		200,951	586,685	6,155	793,791	222,372	582,898	33,600	838,870
SG Gives and Paypal		1,595	3,721	280	5,596	1,282	2,992	1,068	5,342
Special staff development		-	-	-	-	130	302	5,620	6,052
Staff benefits		1,092	2,548	192	3,832	3,724	8,691	3,104	15,519
Staff training		559	1,305	13,569	15,433	76	176	11,111	11,363
Subscription and membership		985	2,299	173	3,457	846	1,974	705	3,525
Telecommunication expenses		1,486	3,467	261	5,214	865	2,017	720	3,602
Transportation		338	789	59	1,186	738	1,723	615	3,076
Water and electricity		944	2,202	165	3,311	785	1,835	655	3,275
		286,183	774,832	31,106	1,092,121	315,513	778,948	132,472	1,226,933

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### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

#### 17. TAXATION

The Society which is registered as a Charity under the Charities Act is exempted from income tax under Section 13(1)(zm) of the Income Tax Act.

#### 18. OPERATING LEASE COMMITMENTS

##### When the Society is a lessee

The Society leases a premise from non-related party under non-cancellable operating lease agreements. The lease is for a period of 5 years term with no renewal option and no restrictions placed.

The future aggregate minimum rental payables under non-cancellable operating leases contracted for at the reporting date but not recognised as payables are as follows:

	2018 \$	2017 \$
Within one year	52,236	52,236
Between 2 and 5 years	-	52,236
	<u>52,236</u>	<u>104,472</u>

The rental expense incurred during the financial year is \$55,893 (2017: \$55,893) (Note 16) respectively.

#### 19. RELATED PARTY TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, the following significant transaction took place between the Society and related party at terms agreed between the parties:

	2018 \$	2017 \$
<u>Transactions with the related parties</u>		
Purchases from related company	530	-
Donations received from Key Management Personnel	-	7,500
Donations received from related company	<u>10,000</u>	<u>20,000</u>

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## NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

### 20. OVERSEAS TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, the following significant expenditure outlaid to, spent in or donated to locations outside Singapore are as follows:

<u>Country</u>	<u>Nature of expenditures</u>	<b>2018</b> \$	2017 \$
Australia	Travel, accommodation and allowances	-	2,272
Australia	Course fees	-	1,373
United States of America	Travel, accommodation and allowances	-	1,932
United States of America	Seminar	-	24
		<u>-</u>	<u>5,601</u>

### 21. FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period is as follows:

	Note	<b>2018</b> \$	2017 \$
<u>Financial assets</u>			
Trade and other receivables	5	<b>74,233</b>	96,175
Cash and bank balances	6	<b>966,301</b>	1,020,617
<b>Financial assets carried at amortised cost</b>		<u><b>1,040,534</b></u>	<u>1,417,311</u>
<u>Financial liability</u>			
Trade and other payables, representing			
<b>total financial liability carried at amortised cost</b>	8	<u><b>42,045</b></u>	<u><b>23,858</b></u>

### 22. FAIR VALUE OF ASSETS AND LIABILITIES

No financial assets or liabilities were measured at fair value at end of reporting date.

The carrying amounts of financial assets and liabilities on the statement of financial position approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The management considers that the carrying amounts of financial assets and liabilities recorded at amortised cost in the financial statements approximate their fair values.

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### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

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#### 23. FUND MANAGEMENT

The primary objective of the Society's fund management is to ensure that the funding from members, public, and other sources are properly managed and used to support its operations.

The Society manages its fund structure and makes adjustments to it, in light of changes in economic conditions. No changes were made in the objectives, policies or processes during the financial years ended 31 December 2018 and 2017 respectively.

The Society is not subjected to externally imposed capital requirements.

#### 24. FINANCIAL RISK MANAGEMENT

The Society's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk.

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

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

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

##### Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society. The Society's exposure to credit risk arises primarily from trade and other receivables. For other financial assets, the Society minimises credit risk by dealing exclusively with high credit rating counterparties.

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

The Society determines the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Society develops and maintains the Society's credit risk gradings to categories exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Society's own trading records to rate its major customers and other debtors. The Society considers available reasonable and supportive forward-looking information which includes the following indicators:

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the Financial Year Ended 31 December 2018**

**24. FINANCIAL RISK MANAGEMENT (Cont'd)**

Credit risk (cont'd)

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

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

The Society determines that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Society's current credit risk grading framework comprises the following categories

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

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### NOTES TO THE FINANCIAL STATEMENTS For the Financial Year Ended 31 December 2018

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#### 24. FINANCIAL RISK MANAGEMENT (Cont'd)

##### Credit risk (cont'd)

###### *Excessive risk concentration*

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

###### *Exposure to credit risk*

The Society has no significant concentration of credit risk of trade and other receivables. The Society has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

###### *Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Society. Cash and bank deposits are placed with or entered into with reputable financial institutions with high credit ratings and no history of default.

##### Liquidity risk

Liquidity risk is the risk that the Society may encounter difficulties to settle or meet its financial obligations due to shortage of available funds. The Society's objective is to maintain sufficient level of cash and cash equivalents, and internally generated cash flows to finance its activities. The Society actively manages its debt maturity profile, operating cash flows and availability of funding so as to ensure that all repayment and funding needs are met.

All financial liability in the statement of financial position are repayable within one year from the reporting date.