

EMCC
(Registration No. S97SS0164E)

**FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM
1 JANUARY 2020 TO 15 NOVEMBER 2020**

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EMCC

(Registered in Singapore under the Societies Act)

STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee of EMCC (the “Society”):

- a) the financial statements of the Society as set out on pages 6 to 23 are properly drawn up in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly, in all material respects the financial position of the Society as at 15 November 2020, and of the financial performance, changes in funds and cash flows for the financial period from 1 January 2020 to 15 November 2020.
- 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 approved and authorised these financial statements for issue.

On behalf of the Management Committee



Dr Kenny Tan Ban Leong
Chairman



Donna Cheng
Honorary Treasurer

28 April 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EMCC

(Registered in Singapore under the Societies Act)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of EMCC (the "Society") as set out on pages 6 to 23, which comprise the statement of financial position as at 15 November 2020, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial period from 1 January 2020 to 15 November 2020, 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 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 financial position of the Society as at 15 November 2020 and of the financial performance, changes in funds and cash flows of the Society for the financial period from 1 January 2020 to 15 November 2020.

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 Matter

The financial statements of the Society for the financial year ended 31 December 2019 were audited by another firm of auditors whose report dated 5 August 2020 expressed an unmodified opinion on those financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EMCC (cont'd)**

(Registered in Singapore under the Societies Act)

Report on the Audit of the Financial Statements (cont'd)

Other Information

The Management Committee is responsible for the other information. The other information comprises the Statement by Management Committee as set out on page 1 but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after the date of this auditor's report.

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 on the other information obtained prior to the date of this auditor's report, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Management Committee and take appropriate actions in accordance with SSAs.

Responsibilities of the Management Committee for the Financial Statements

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

In preparing the financial statements, the Management Committee 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 the Management Committee either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

The Management Committee is 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EMCC (cont'd)**

(Registered in Singapore under the Societies Act)

Report on the Audit of the Financial Statements (cont'd)

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

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 the Management Committee.
- Conclude on the appropriateness of the Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
EMCC (cont'd)**

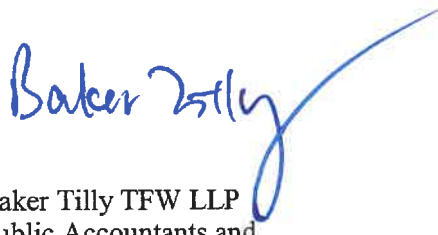
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Report on Other Legal and Regulatory Requirements

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 period:

- 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.



Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

28 April 2021

EMCC

(Registered in Singapore under the Societies Act)

STATEMENT OF FINANCIAL ACTIVITIES**For the financial period from 1 January 2020 to 15 November 2020**

	Note	Unrestricted General Fund \$	Restricted Funds \$	Total period from 1.1.2020 to 15.11.2020 \$	Total year ended 31.12.2019 \$
Income					
Voluntary income	3	275,408	—	275,408	405,141
Tote Board Social Service Fund		—	687,922	687,922	403,448
Amortisation of deferred Care and Share Matching Grant		—	—	—	8,325
Amortisation of President Challenge		—	—	—	13,269
Care and Share Matching Grant		—	122,980	122,980	—
Community Chest funding		—	50,000	50,000	50,000
Invictus Fund		—	301,515	301,515	—
VCF Funding		—	—	—	31,282
Sale of publications		—	—	—	150
Program fees	4	65,670	237,423	303,093	412,510
Jobs Support Scheme	5	166,809	—	166,809	—
Other income	6	37,104	2,415	39,519	16,993
Total income		544,991	1,402,255	1,947,246	1,341,118
Expenditure					
Cost of generating funds	7	22,730	26,866	49,596	142,363
Governance and administrative costs	8	267,997	652,011	920,008	1,054,176
Total expenditure		290,727	678,877	969,604	1,196,539
Total surplus for the financial period/year		254,264	723,378	977,642	144,579

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

EMCC

(Registered in Singapore under the Societies Act)

STATEMENT OF FINANCIAL POSITION**At 15 November 2020**

	Note	2020 \$	2019 \$
Non-current assets			
Plant and equipment	10	9,772	2,998
Current assets			
Trade receivables		12,128	6,415
Other receivables	11	167,333	59,350
Fixed deposits	12	600,000	—
Cash and bank balances		115,424	1,128,759
		894,885	1,194,524
Total assets		904,657	1,197,522
Current liabilities			
Trade payables		2,879	6,805
Other payables	13	89,177	55,758
		92,056	62,563
Net assets		812,601	1,134,959
Funds			
Unrestricted General Fund		196,548	1,134,959
Restricted Funds			
- Tote Board Social Service Fund	14	319,003	—
- Care and Share Fund	14	—	—
- Community Chest Charity Support Fund	14	167	—
- Invictus Fund	14	296,883	—
		812,601	1,134,959

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

EMCC

(Registered in Singapore under the Societies Act)

STATEMENT OF CHANGES IN FUNDS**For the financial period from 1 January 2020 to 15 November 2020**

		Restricted Funds				
	Unrestricted General Fund \$	Tote Board Social Service Fund \$	Care and Share Fund \$	Community Chest Charity Support Fund \$	Invictus Fund \$	Total \$
Balance at 1 January 2019	1,779,721	(789,341)	–	–	–	990,380
Surplus/(deficit) for the financial year	409,908	(128,373)	(107,537)	(29,419)	–	144,579
Transfer of fund	(1,054,670)	917,714	107,537	29,419	–	–
Balance at 31 December 2019	1,134,959	–	–	–	–	1,134,959
Fund transferred to EMCCCL (Note 15)	(1,300,000)	–	–	–	–	(1,300,000)
Transfer of fund	107,325	–	(107,325)	–	–	–
Surplus for the financial period	254,264	319,003	107,325	167	296,883	977,642
Balance at 15 November 2020	196,548	319,003	–	167	296,883	812,601

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

EMCC

(Registered in Singapore under the Societies Act)

STATEMENT OF CASH FLOWS**For the financial period from 1 January 2020 to 15 November 2020**

	From 1.1.2020 to 15.11.2020 \$	Year ended 31.12.2019 \$
Cash flows from operating activities		
Deficit/(surplus) for the financial period/year	977,642	144,579
Adjustments for:		
Depreciation of plant and equipment	3,177	2,700
Amortisation of Care and Share Matching Grant	–	(8,325)
Amortisation of President Challenge	–	(13,269)
Operating cash flows before working capital changes	980,819	125,685
Receivables	(113,696)	19,422
Payables	29,493	20,518
Net cash generated from operating activities	896,616	165,625
Cash flows from investing activities		
Purchases of plant and equipment	(9,951)	(3,167)
Net cash used in investing activities	(9,951)	(3,167)
Cash flows from financing activities		
Fund transferred to EMCCCL (Note 15)	(1,300,000)	–
Net cash used in financing activities	(1,300,000)	–
Net (decrease)/increase in cash and cash equivalents	(413,335)	162,458
Cash and cash equivalents at beginning of financial period/year	1,128,759	966,301
Cash and cash equivalents at end of financial period/year (Note A)	715,424	1,128,759
Note A		
Cash and cash equivalents at end of financial period/year:		
Fixed deposits	600,000	–
Cash and bank balances	115,424	1,128,759
	715,424	1,128,759

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

EMCC

(Registered in Singapore under the Societies Act)

NOTES TO THE FINANCIAL STATEMENTS For the financial period ended 15 November 2020

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

1 Corporate information

EMCC (the “Society”) is a registered Society under the Societies Act, Chapter 311 and domiciled in Singapore. The Society is a registered charity under the Charities Act, Chapter 37 since 21 October 1997. The Society is an approved Institution of a Public Character from 1 April 2018 to 31 March 2021. The registered address and principal place of activities is at 331 North Bridge Road #22-01/06, Odeon Towers, Singapore 188720.

The principal activities 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.

2 Significant accounting policies

a) Basis of preparation

The financial statements are presented in Singapore dollar (“\$”), which is the Society’s functional currency, have been prepared in accordance with the Societies Act, Chapter 311, the Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore (“FRSs”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial period. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

2 Significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year.

The carrying amounts of cash and bank balances, fixed deposits, trade and other current receivables, payables and accrued expenses approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards

In the current financial period, the Society has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial period. Changes to the Society's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial results or financial position of the Society.

New standards, amendments to standards and interpretations that have been issued at the end of the reporting period but are not yet effective for the financial period from 1 January 2020 to 15 November 2020 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society.

b) Income recognition

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.

Interest income

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

Other income

Other income is recognised at the point in time.

2 Significant accounting policies (cont'd)

c) Plant and equipment

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

Plant and equipment exclude right of use assets are depreciated on a straight-line basis so as to write off the cost of the assets over their estimated useful lives at the following annual rates:

	Years
Furniture and fittings	3
Office equipment	3
Renovations	3

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in statement of financial activities when the changes arise.

On disposal of a plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to statement of financial activities.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

d) Impairment of non-financial assets

At each balance sheet date, the Society assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in income or expenditure.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately income or expenditure.

e) Income tax

As a charity, the Society is exempt from tax on income and gains falling within Section 13(1)(zm) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have arisen for the Society during the reporting period.

2 Significant accounting policies (cont'd)

f) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

g) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Society commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Society classifies its financial assets at amortised cost. The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Society reclassifies financial assets when and only when its model for managing those assets changes.

Subsequent measurement

The Society's financial assets at amortised cost comprise cash and bank balances and trade and other receivables (excluding prepayments). The Society measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in statement of financial activities when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

2 Significant accounting policies (cont'd)

g) Financial assets (cont'd)

Impairment

The Society recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. 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 impairment methodology applied depends on whether there has been a significant increase in credit risk. 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

The Society recognises an impairment gain or loss in statement of financial activities for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

h) Financial liabilities

Financial liabilities, which comprise trade and other payables (excluding accrued unutilised annual leave) are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method.

i) Provisions for other liabilities

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in statement of financial activities.

j) Leases

The Society 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.

When the Society is the lessee

The Society applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Society recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The Society has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low-value assets.

2 Significant accounting policies (cont'd)

k) Government grants

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

When the grant relates to an expense item, it is recognised in statement of financial activities over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

l) Cash and cash equivalents in the statement of cash flows

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and bank balances and fixed deposits with financial institutions which are subject to an insignificant risk of change in value.

m) Funds

Income and expenditure relating to the various specific funds specifically set up are taken directly to these funds. All other income and expenditure are reflected in statement of financial activities in Unrestricted General Fund.

Unless specifically indicated, fund balances are not represented by any specific assets but are represented by all assets of the Society.

3 Voluntary income

	1.1.2020 to 15.11.2020 \$	Year ended 31.12.2019 \$
Donations	234,962	354,140
Direct debit donor program	40,446	51,001
	275,408	405,141

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deductions for the donations made to the Society. The Institution of a Public Character status granted to the Society is for the period from 1 April 2018 to 31 March 2021.

During the financial period, the Society issued tax deductible receipts for donations collected totalling \$101,225 (2019: \$224,060).

4 Program fees

	1.1.2020 to 15.11.2020 \$	Year ended 31.12.2019 \$
Counselling	219,444	252,532
Mediation	5,145	12,785
Training fees	78,504	147,193
	303,093	412,510

5 Jobs Support Scheme

Government grant income of \$166,809 (2019: \$Nil) was recognised during the financial period from 1 January 2020 to 15 November 2020 under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Society's operations.

6 Other income

	1.1.2020 to 15.11.2020 \$	Year ended 31.12.2019 \$
Fund from government for COVID-19 situation	6,000	—
Government paid leave	10,974	792
Other miscellaneous income	5,579	154
Special employment credit	1,201	1,397
Wage credit scheme	15,765	14,650
	39,519	16,993

7 Cost of generating funds

	Restricted Funds				Total year ended 31.12.2019 \$
	Unrestricted General Funds \$	Tote Board Social Service Fund \$	Care and Share Fund \$	Community Chest Charity Support Fund \$	
				Total 1.1.2020 to 15.11.2020 \$	
<u>Program costs:</u>					
- Counselling	—	18,294	70	—	41,164
- Mediation	—	1,045	—	—	3,480
- Training cost	15,608	—	—	7,457	89,635
Donation expenses	7,122	—	—	—	8,084
	22,730	19,339	70	7,457	142,363

8 Governance and administrative costs

	Restricted Funds					
	Unrestricted General Funds	Tote Board Social Service Fund	Care and Share Fund	Community Chest Charity Support Fund	Invictus Fund	Total 1.1.2020 to 15.11.2020
	\$	\$	\$	\$	\$	\$
Depreciation of plant and equipment (Note 10)	2,953	–	–	–	224	3,177
Office rental*	26,242	61,231	–	–	–	87,473
Staff costs (Note 9)	220,677	470,654	13,525	57,625	–	762,481
Other operating expenses	18,125	42,284	2,060	–	4,408	66,877
	267,997	574,169	15,585	57,625	4,632	920,008
						1,054,176

* Office rental pertains to short-term leases that have lease terms of 12 months. Hence, the Society elected not to recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months.

As at 15 November 2020, the Society is committed to \$Nil (2019: \$13,059) for short-term leases.

9 Staff costs

	Restricted Funds				
	Unrestricted General Funds	Tote Board Social Service Fund	Care and Share Fund	Community Chest Charity Support Fund	Total 1.1.2020 to 15.11.2020
	\$	\$	\$	\$	\$
Staff salaries, bonuses and allowance	186,236	402,997	7,705	48,669	645,607
Staff CPF and other contributions	24,545	45,564	1,327	7,264	78,700
Staff insurance and welfare	5,028	11,733	4,284	400	21,445
Staff costs - unutilised leave	4,868	10,360	209	1,292	16,729
	220,677	470,654	13,525	57,625	762,481
					880,733

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly.

Included in staff costs is an amount of \$71,725 (2019: \$78,646) and \$8,997 (2019: \$10,112) for remuneration and CPF contributions paid to key management personnel.

All members of the Management Committee are volunteers and they do not receive any remuneration from the Society during the financial period.

10 Plant and equipment

	Furniture & fittings \$	Office equipment \$	Renovations \$	Total \$
2020				
Cost				
At 1.1.2020	7,516	114,133	114,660	236,309
Additions	–	9,951	–	9,951
Written off	–	–	(114,660)	(114,660)
At 15.11.2020	7,516	124,084	–	131,600
Accumulated depreciation				
At 1.1.2020	7,516	111,135	114,660	233,311
Depreciation	–	3,177	–	3,177
Written off	–	–	(114,660)	(114,660)
At 15.11.2020	7,516	114,312	–	121,828
Net book value				
At 15.11.2020	–	9,772	–	9,772
2019				
Cost				
At 1.1.2019	7,516	110,966	114,660	233,142
Additions	–	3,167	–	3,167
At 31.12.2019	7,516	114,133	114,660	236,309
Accumulated depreciation				
At 1.1.2019	7,516	108,435	114,660	230,611
Depreciation	–	2,700	–	2,700
At 31.12.2019	7,516	111,135	114,660	233,311
Net book value				
At 31.12.2019	–	2,998	–	2,998

Depreciation is charged as follows:

	2020 \$	2019 \$
Unrestricted General Funds (Note 8)	2,953	2,700
Restricted Funds (Note 8)	224	–
	3,177	2,700

11 Other receivables

	15.11.2020	31.12.2019
	\$	\$
Government grant receivables	122,980	—
Other receivables	9,081	34,897
Deposits	20,392	13,273
Prepayments	14,880	11,180
	167,333	59,350

12 Fixed deposits

The fixed deposits bear interest at rates ranging from 0.35% to 1.60% (2019: Nil) per annum with maturity period within 4 months (2019: Nil) after the reporting date.

13 Other payables

	15.11.2020	31.12.2019
	\$	\$
Accrued operating expenses	69,388	52,878
Provision for unutilised annual leave	16,729	—
Customer and donor prepayment	3,060	2,880
	89,177	55,758

14 Restricted Funds

	Tote Board Social Service Fund^(a)	Care and Share Fund^(b)	Community Chest Charity Support Fund^(c)	Invictus Fund^(d)	Total
	\$	\$	\$	\$	\$
2020					
Balance as at 1 January 2020	—	—	—	—	—
Tote Board Social Service funding	687,922	—	—	—	687,922
Care and Share Matching Grant	—	122,980	—	—	122,980
Community Chest funding	—	—	50,000	—	50,000
Invictus fund	—	—	—	301,515	301,515
Program fees	224,589	—	12,834	—	237,423
Other income	—	—	2,415	—	2,415
Expenditure	(593,508)	(15,655)	(65,082)	(4,632)	(678,877)
Surplus for the financial year	319,003	107,325	167	296,883	723,378
Transfer to Unrestricted General Fund	—	(107,325)	—	—	(107,325)
Balance as at 15 November 2020	319,003	—	167	296,883	616,053

14 Restricted Funds (cont'd)

	Tote Board Social Service Fund^(a) \$	Care and Share Fund^(b) \$	Community Chest Charity Support Fund^(c) \$	Total \$
2019				
Balance as at 1 January 2019	(789,341)	–	–	(789,341)
Tote Board Social Service funding	403,448	–	–	403,448
Amortisation of deferred Care and Share Matching Grant	–	8,325	–	8,325
Community Chest funding	–	–	50,000	50,000
Program fees	304,437	–	–	304,437
Expenditure	(836,258)	(115,862)	(79,419)	(1,031,539)
Deficit for the financial year	(128,373)	(107,537)	(29,419)	(265,329)
Transfer from Unrestricted General Fund	917,714	107,537	29,419	1,054,670
Balance as at 31 December 2019	–	–	–	–

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

(b) The Care and Share Matching Grant Fund (the “Grant”) was set up by the Ministry of Social and Family Development (“MSF”) in December 2013 to encourage firms and people to work with the Society to help the needy. As per Variation to the Funding Agreement dated 30 September 2015 (“the Agreement”), this represents a dollar and twenty-five cents for every eligible donation dollar for the first \$1,000,000 and a dollar for every eligible donation dollar for the subsequent \$1,000,000 that the Society raises between 1 December 2013 and 31 March 2016.

The Grant is targeted at agencies that provide social service and develop programmes to serve beneficiaries better. The Grant is to be used for the following purposes:

- (i) To fund programmes/activities that contribute to building the Society’s capability;
- (ii) To fund programmes/activities that contribute to building the Society’s capacity;
- (iii) 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
- (iv) To cover the costs of meeting the critical existing needs of the Society up to 20% of the grant. However as per the Agreement dated 1 June 2020, the cap of 20% may be raised to 30% with written approval from MSF or the administrator. The additional 10% proposed solely for operating expenses in relation to COVID-19.

The Society participates in the Care and Share Matching Grant scheme and received approval of grant amounting \$1,229,800 from National Council of Social Service (“NCSS”) in prior years, subject to fulfilling certain conditions set by NCSS. Expenditures incurred in relation to this fund are recorded under Care and Share Grant account.

The Society has up to 6 years after the end of the matching grant period (i.e. 31 March 2022) to utilise the grants.

The Society participates in the Grant scheme and is subjected to the terms and conditions of the Agreement and the Operating Rules.

14 Restricted Funds (cont'd)

(c) Community Chest Charity Support Fund was disbursed by the Singapore government in 2 batches for the following approved usages:

- (i) Programmes to empower services users and families;
- (ii) Capital expenditure for upgrading of training room and training room facilities; and
- (iii) Capability building for community engagements with the aim of unlocking resources for service users.

(d) Invictus Fund

The Fund is disbursed by NCSS to support the operation of Integrative Mediation and Counselling and to provide assistance in adopting technology to improve work processes, enhance service delivery and leverage data for better planning and management.

15 Transfer of funds to Eagles Mediation & Counselling Centre Ltd (“EMCCL”)

On 30 October 2020, the Society signed an agreement with EMCCL that the functions, operations and assets of the Society will be transferred and assigned to EMCCL and the liabilities and obligations of the Society will be assumed by EMCCL so that EMCCL may continue the provision of mediation and counselling services currently offered by the Society with effect from 16 November 2020.

Pursuant to the agreement dated on 30 October 2020, general funds amounting of \$1,300,000 was transferred to EMCCL.

16 Related party transactions

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Society and related parties during the financial period on terms agreed by the parties concerned:

	15.11.2020 \$	31.12.2019 \$
With related parties		
Purchases from related party	448	590

Related party refers to a close family member or a company in which a member of the Society's Management Committee is a key management personnel.

17 Overseas transactions

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

Country	Nature of expenditures	From 1.1.2020 to 15.11.2020 \$	From 1.1.2019 to 31.12.2019 \$
Australia	Seminar and training	—	4,492
Malaysia	Donation	—	5,244
United States of America	Course fees	—	1,426
United States of America	Seminar and training	—	31,992
		—	43,154

18 Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of financial period/year are as follows:

	15.11.2020 \$	31.12.2019 \$
<i>Financial assets</i>		
At amortised cost	880,005	1,183,344
<i>Financial liabilities</i>		
At amortised cost	75,327	62,563

b) Financial risk management

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out on an informal basis by the Management Committee.

Foreign exchange risk

The Society has no significant foreign currency exposure as majority of its transactions were carried out in local currency and the Society has no significant assets or liabilities denominated in foreign currencies.

Interest rate risk

The Society's exposure to interest rates relates primarily to the impact of changes in interest rates on its fixed deposit and bank balances with financial institutions which are minimal.

Sensitivity analysis for interest rate risk is not disclosed as the effect on statement of financial activities is considered not significant.

Market price risk

Market price risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Society is exposed to price risk arising from its investment in various quoted funds. These instruments are classified as available-for-sale financial assets. To manage its price risk arising from investments in funds, the Society diversifies its portfolio in accordance with the limits set by the Society.

Sensitivity analysis for market price risk is not disclosed as the effect on statement of financial activities is considered not significant.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Society.

The Society does not have any significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. Credit risk exposure in relation to financial assets at amortised costs as at 15 November 2020 and 31 December 2019 is insignificant, and accordingly no credit loss allowance is recognised as at 15 November 2020 and 31 December 2019.

18 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Liquidity and cash flow risk

The Management Committee exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flows at all times.

The financial liabilities of the Society as presented in the statement of financial position are due within twelve months from the end of reporting period and approximate the contractual undiscounted repayments obligations.

Fair value of assets and liabilities

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values.

19 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 to the objectives, policies or processes during the financial period ended 15 November 2020 and financial year ended 31 December 2019.

The Society is not subjected to externally imposed capital requirements.

20 Subsequent events

With effect from 16 November 2020, Eagles Mediation & Counselling Centre Ltd ("EMCCL"), a related party of the Society, has taken over all operational activities and assets of the Society. EMCCL is a registered charity in Singapore.

On 23 December 2020, members approved the dissolution and the full discharge of all its debts and liabilities legally incurred on behalf of the Society, to donate the remaining funds, after discharge of debts and liabilities to EMCCL, a registered charity.

21 Comparative figures

The financial statements of the Society for the financial year ended 31 December 2019 were audited by another independent auditor whose report dated 5 August 2020 expressed an unmodified opinion on those financial statements.

Certain reclassifications have been made to the previous year's financial statements to enhance comparability with the current year's financial statements. The above reclassification did not have any effect on the net surplus for the financial year ended 31 December 2019 and the statement of financial position as at 31 December 2019.

The financial statements cover the financial period from 1 January 2019 to 15 November 2020 (date of ceased operating activities).

22 Authorisation of financial statements

The financial statements of the Society for the financial period ended 15 November 2020 were authorised for issue in accordance with a resolution of the Management Committee dated 28 April 2021.