EAGLES MEDIATION & COUNSELLING CENTRE LTD.
(Co. Reg. No. 201904577Z)

FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

CONTENTS

EAGLES MEDIATION & COUNSELLING CENTRE LTD
(A company limited by guarantee and not having share capital)

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Eagles Mediation & Counselling Centre Ltd (the "Company") for the financial year ended 31 December 2021.

In the opinion of the directors:

(i) the financial statements set out on pages 5 to 23 are drawn up so as to give a true and fair view of the financial position of the Company at 31 December 2021 and of the financial performance, changes in fund and cash flows of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967 (the "Act"), the Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore; and

(ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Tan Ban Leong
Tan Ewe Kin Melvin
Koh Yean Leng Cindy
Donna Cheng Bih Hoang
Ong Hock Siong @ Benny Ong Hock Siong

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisitions of shares in or debentures of any other body corporate.

Other matters

As the Company is limited by guarantee, matters relating to the issue of shares, debentures, dividends or share options of the Company are not applicable.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Tan Ban Leong Chairman	Donna Cheng Bih Hoang Treasurer

DATE 22 JUN 2022

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAGLES MEDIATION & COUNSELLING CENTRE LTD
(A company limited by guarantee and not having share capital)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Eagles Mediation & Counselling Centre Ltd (the "Company") as set out on pages 5 to 23, which comprise the statement of financial position as at 31 December 2021, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance, changes in funds and cash flows of the Company 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 Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on page 1.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EAGLES MEDIATION & COUNSELLING CENTRE LTD (cont'd)
(A company limited by guarantee and not having share capital)

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

Responsibilities of the Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, the Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company'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 Company'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 EAGLES MEDIATION & COUNSELLING CENTRE LTD (cont'd)
(A company limited by guarantee and not having share capital)

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

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 Company'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 Company 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 by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act and 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:

(i) The Company 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

(ii) The Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

Baker Tilly

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

22 June 2022

EAGLES MEDIATION & COUNSELLING CENTRE LTD
(A company limited by guarantee and not having share capital)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2021

	Note	Unrestricted General Fund $	Restricted Funds $	Total 2021 $	Total 2020 $
Income					
Voluntary income	3	362,200	–	**362,200**	19,996
Bicentennial community fund		400,000	–	**400,000**	–
Enhanced fundraising programme		239,500	–	**239,500**	–
Tote board social service fund		–	559,099	**559,099**	–
President's challenge 2020		–	90,000	**90,000**	–
President's challenge 2021		–	67,403	**67,403**	–
Invictus fund		–	7,600	**7,600**	–
Program fees	4	201,610	299,275	**500,885**	65,640
Other income	5	62,048	60,875	**122,923**	5,314
Total income		1,265,358	1,084,252	**2,349,610**	90,950
Expenditure					
Cost of generating funds	6	75,100	11,467	**86,567**	23,234
Governance and administrative costs	7	560,552	733,709	**1,294,261**	199,745
Total expenditure		635,652	745,176	**1,380,828**	222,979
Net surplus/(deficit) for the financial year		629,706	339,076	**968,782**	(132,029)

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

EAGLES MEDIATION & COUNSELLING CENTRE LTD
(A company limited by guarantee and not having share capital)

STATEMENT OF FINANCIAL POSITION
At 31 December 2021

	Note	**2021** **$**	2020 $
Non-current assets			
Plant and equipment	9	**249,662**	11,883
Right-of-use assets	10	**10,107**	–
		259,769	11,883
Current assets			
Trade receivables		**10,495**	8,675
Other receivables	11	**390,430**	54,185
Cash and cash equivalents	12	**2,438,139**	1,973,407
		2,839,064	2,036,267
Total assets		**3,098,833**	2,048,150
Current liabilities			
Trade payables		**45,280**	2,746
Other payables	13	**93,796**	64,832
Lease liabilities	10	**10,403**	–
		149,479	67,578
Net assets		**2,949,354**	1,980,572
Funds			
Unrestricted General Fund		**2,044,603**	1,426,297
Restricted Funds			
- Tote Board Social Service Fund	14	**765,392**	257,799
- Invictus Fund	14	**–**	296,476
- President's Challenge 2020	14	**71,956**	–
- President's Challenge 2021	14	**67,403**	–
- Transformational Support Scheme	14	**–**	–
- Community Chest Charity Support Fund	14	**–**	–
		2,949,354	1,980,572

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

EAGLES MEDIATION & COUNSELLING CENTRE LTD
(A company limited by guarantee and not having share capital)

STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 December 2021 (cont'd)

		Restricted Funds (Note 14)						
	Unrestricted General Fund $	**Tote Board Social Service Fund $**	**Invictus Fund $**	**President's Challenge 2020 $**	**President's Challenge 2021 $**	**Transformational Support Scheme $**	**Community Chest Charity Support Fund $**	**Total $**
Balance at 1 January 2020	–	–	–	–	–	–	–	–
Transferred from EMCC (Note 15)	1,496,548	319,003	296,883	–	–	–	167	2,112,601
Deficit for the financial year	(70,418)	(61,204)	(407)	–	–	–	–	(132,029)
Interfund transfer	167	–	–	–	–	–	(167)	–
Balance at 31 December 2020	1,426,297	257,799	296,476	–	–	–	–	1,980,572
Net surplus/(deficit) for the financial year	629,706	507,593	(307,876)	71,956	67,403	–	–	968,782
Interfund transfer	(11,400)	–	11,400	–	–	–	–	–
Balance at 31 December 2021	**2,044,603**	**765,392**	–	**71,956**	**67,403**	–	–	**2,949,354**

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

EAGLES MEDIATION & COUNSELLING CENTRE LTD
(A company limited by guarantee and not having share capital)

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2021

	2021 $	2020 $
Cash flows from operating activities		
Surplus/(deficit) for the financial year	**968,782**	(132,029)
Adjustment for:		
Depreciation of plant and equipment	**29,829**	478
Depreciation of right-of-use asset	**3,451**	–
Interest income	**(665)**	(2,663)
Interest expense	**725**	–
Operating cash flows before working capital changes	**1,002,122**	(134,214)
Receivables	**(338,065)**	116,601
Payables	**71,498**	(24,478)
Cash restricted in use	**(350,476)**	(554,275)
Net cash generated from/(used in) operating activities	**385,079**	(596,366)
Cash flows from investing activities		
Purchases of plant and equipment	**(267,608)**	(2,589)
Interest income received	**665**	2,663
Net cash (used in)/generated from investing activities	**(266,943)**	74
Cash flows from financing activities		
Transferred from EMCC	–	2,015,424
Repayment of lease liabilities	**(3,155)**	–
Interest paid	**(725)**	–
Net cash (used in)/generated from financing activities	**(3,880)**	2,015,424
Net increase in cash and cash equivalents	**114,256**	1,419,132
Cash and cash equivalents at beginning of financial year	**1,419,132**	–
Cash and cash equivalents at end of financial year	**1,533,388**	1,419,132
Cash and cash equivalents are represented by:		
Amount as shown in the statement of financial position	**2,438,139**	1,973,407
Less: Cash and cash equivalents restricted in nature	**(904,751)**	(554,275)
	1,533,388	1,419,132

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

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

1 Corporate information

The Company (Co. Reg. No. 201904577Z) is incorporated and domiciled in Singapore. The Company is also a registered charity under the Charities Act 1994 since 12 February 2019. The Company is an approved Institution of a Public Character from 17 August 2020 to 16 August 2022. The registered address and principal place of activities is at 100 Victoria Street, #11-02 National Library Building, Singapore 188064.

The principal activities of the Company 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.

Each member of the Company has undertaken to contribute such amounts not exceeding $100 to the assets of the Company in the event the Company is wound up and the monies are required for payment of the liabilities of the Company. The Company has 5 members (2020: 7 members) at the end of the reporting year.

The memorandum and articles of the Company restricts the use of fund monies to the furtherance of the objects of the Company. They prohibit the payment of dividend to members.

2 Significant accounting policies

a) Basis of preparation

The financial statements are presented in Singapore dollar ("$"), which is the Company's functional currency, have been prepared in accordance with the provisions of the Companies Act 1967, the Charities Act 1994 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, trade and other current receivables, payables (other than lease liabilities) 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 Company 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 Company'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 Company.

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 year ended 31 December 2021 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 Company.

b) Income recognition

Voluntary income

Voluntary income consists of donations which are 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 accumulated impairment losses.

The cost of an item of plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Years
Furniture and fittings	3
Office equipment	3
Leasehold improvements	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 Company 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 Company 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.

2 Significant accounting policies (cont'd)

e) Income tax

As a charity, the Company is exempt from tax on income and gains falling within Section 13(1)(zm) of the Income Tax Act 1967 to the extent that these are applied to its charitable objects. No tax charges have arisen for the Company during the reporting period.

f) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company 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 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 Company 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 Company 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 Company 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 Company reclassifies financial assets when and only when its model for managing those assets changes.

Subsequent measurement

The Company's financial assets at amortised cost comprise cash and bank balances and trade and other receivables (excluding prepayments). The Company 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 Company 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 Company 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 Company 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.

Offset

Financial assets and liabilities are offset and the net amount presented on the statement of financial position when, and only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

h) Financial liabilities

Financial liabilities include trade and other payables (excluding provision for unutilised annual leave). Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

i) Provisions for other liabilities

Provisions are recognised when the Company 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.

2 Significant accounting policies (cont'd)

j) Leases

The Company 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.

The Company 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 Company 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.

Lease liabilities

The lease liabilities are initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liabilities are presented as a separate line in the statement of financial position.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liabilities using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liabilities and makes a corresponding adjustment to the related right-of-use asset whenever there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liabilities, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line in the statement of financial position.

The Company applies FRS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(d).

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 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 Company.

3 Voluntary income

	2021 **$**	2020 $
Donations	**362,200**	19,996

The Company enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deductions for the donations made to the Company.

During the financial period, the Company issued tax deductible receipts for donations collected totalling $234,905 (2020: $13,280).

4 Program fees

		Restricted Funds		
	Unrestricted General Funds **$**	**Tote Board Social Service Fund** **$**	**Total 2021** **$**	Total 2020 $
Counselling	–	286,770	**286,770**	35,240
Mediation	–	12,505	**12,505**	3,970
Training fees	201,610	–	**201,610**	26,430
	201,610	299,275	**500,885**	65,640

5 Other income

	Unrestricted General Funds $	Restricted Funds Transformation Support Scheme $	**Total 2021 $**	Total 2020 $
Interest income	665	–	**665**	2,663
Job support scheme	41,134	–	**41,134**	2,550
Other income	20,249	–	**20,249**	101
Transformation support scheme	–	60,875	**60,875**	–
	62,048	60,875	**122,923**	5,314

6 Cost of generating funds

	Unrestricted General Funds $	Restricted Funds Tote Board Social Service Fund $	**Total 2021 $**	Total 2020 $
Program costs:				
- Counselling	–	9,315	**9,315**	2,455
- Mediation	–	2,152	**2,152**	
- Training cost	68,405	–	**68,405**	19,634
Donation expenses	6,695	–	**6,695**	1,145
	75,100	11,467	**86,567**	23,234

7 Governance and administrative costs

		← Restricted Funds			→		
	Unrestricted General Funds $	Tote Board Social Service Fund $	Invictus Fund $	President's Challenge 2020 Fund $	Transformational support scheme $	**Total 2021 $**	Total 2020 $
Depreciation of plant and equipment (Note 9)	750	2,500	8,535	18,044	–	**29,829**	478
Depreciation of right-of-use assets (Note 10)	517	1,726	1,208	–	–	**3,451**	–
Office rental*	27,225	90,751	71,526	–	–	**189,502**	17,137
Staff costs (Note 8)	521,760	210,002	207,262	–	60,875	**999,899**	155,811
Other operating expenses	10,300	34,334	26,946	–	–	**71,580**	26,319
	560,552	339,313	315,477	18,044	60,875	**1,294,261**	199,745

* Office rental pertains to short-term leases that have lease terms of less than 12 months and low-value assets. The Company elected not to recognise right-of-use assets and lease liabilities for short-term leases and low value assets.

8 Staff costs

	Unrestricted General Funds $	← Restricted Funds: Tote Board Social Service Fund $	Invictus Fund $	Transformational Support Scheme $ →	**Total 2021 $**	Total 2020 $
Staff salaries, bonuses and allowance	453,350	178,268	178,268	60,875	**870,761**	137,057
Staff CPF and other contributions	65,664	22,604	22,604	–	**110,872**	16,671
Staff insurance and welfare	2,746	9,130	6,390	–	**18,266**	2,083
	521,760	210,002	207,262	60,875	**999,899**	155,811

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

Included in staff costs is an amount of $216,629 (2020: $15,767) and $24,892 (2020: $2,012) for remuneration and CPF contributions paid to key management personnel.

The directors did not receive any remuneration from the Company during the financial year.

The number of employees whose renumeration exceeded $100,000 during the year was as follows:

	2021 $	2020 $
$100,000 to $200,000	3	4

9 Plant and equipment

	Furniture & fittings $	**Office equipment $**	**Leasehold improvements $**	**Total $**
2021				
Cost				
At 1 January 2021	7,516	126,673	–	134,189
Additions	13,253	10,749	243,606	267,608
At 31 December 2021	**20,769**	**137,422**	**243,606**	**401,797**
Accumulated depreciation				
At 1 January 2021	7,516	114,790	–	122,306
Depreciation charge	1,246	8,285	20,298	29,829
At 31 December 2021	**8,762**	**123,075**	**20,298**	**152,135**
Net carrying value				
At 31 December 2021	**12,007**	**14,347**	**223,308**	**249,662**

9 Plant and equipment (cont'd)

	Furniture & fittings $	Office equipment $	Total $
2020			
Cost			
At 1 January 2020	–	–	–
Transferred from EMCC (Note 15)	7,516	124,084	131,600
Additions	–	2,589	2,589
At 31 December 2020	7,516	126,673	134,189
Accumulated depreciation			
At 1 January 2020			
Transferred from EMCC (Note 15)	7,516	114,312	121,828
Depreciation	–	478	478
At 31 December 2020	–	114,790	122,306
Net carrying value			
At 31 December 2020	–	11,883	11,883

	2021 $	2020 $
Depreciation is charged as follows:		
Unrestricted General Funds (Note 7)	**750**	56
Restricted Funds (Note 7)	**29,079**	422
	29,829	478

10 Right-of-use assets and lease liabilities

Amounts recognised in statement of financial position

	2021 $	2020 $
Carrying amount of right-of-use assets - Copier machine	**10,107**	–
Carrying amount of lease liabilities - Non-current	**10,403**	–
<u>Depreciation charge for the year</u> - Copier machine (Note 7)	**3,451**	–
Interest expense on lease liabilities included in other operating expenses (Note 7)	**725**	–

10 Right-of-use assets and lease liabilities (cont'd)

Reconciliation of movements of lease liabilities to cash flow arising from financing activities

	2021 $	2020 $
Balance at 1 January	–	–
Changes from financing cash flows:		
- Repayments	(3,155)	–
- Interest paid	(725)	–
Non-cash changes:		
- Interest expense	725	–
- Additions of new leases	13,558	–
Balance at 31 December	10,403	–

11 Other receivables

	2021 $	2020 $
Other receivables - third parties	301,450	24,385
Refundable deposits	62,334	20,392
Prepayments	26,646	9,408
	390,430	54,185

12 Cash and cash equivalents

	2021 $	2020 $
Cash at bank	937,477	1,973,407
Fixed deposits	1,500,662	–
	2,438,139	1,973,407

At the reporting date, the Company has two fixed deposits; one with a fixed interest rate of 0.3% per annum and mature in 15 days from the reporting date and another with a fixed interest rate of 0.45% per annum and mature in 15 days from the reporting date.

13 Other payables

	2021 $	2020 $
Accrued operating expenses	73,619	44,733
Provision for unutilised annual leave	16,729	16,729
Advances received from customers	3,448	3,370
	93,796	64,832

14 Restricted Funds

	Tote Board Social Service Fund[(a)] $	Invictus Fund[(b)] $	President's Challenge 2020 Fund[(c)] $	President's Challenge 2021 Fund[(d)] $	Transfor-mational Support Scheme[(e)] $	Community Chest Charity Support Fund $	Total $
Balance as at 1 January 2020	–	–	–	–	–	–	–
Transferred from EMCC (Note 15)	319,003	296,883	–	–	–	167	616,053
Program fees	35,240	–	–	–	–	–	35,240
Expenditure	(96,444)	(407)	–	–	–	–	(96,851)
Deficit for the financial year	(61,204)	(407)	–	–	–	–	(61,611)
Transfer to Unrestricted General Fund	–	–	–	–	–	(167)	(167)
Balance as at 31 December 2020	257,799	296,476	–	–	–	–	554,275
Program fees	858,375	7,600	90,000	67,403	60,875	–	1,084,253
Expenditure	(350,782)	(315,476)	(18,044)	–	(60,875)	–	(745,177)
Net surplus/deficit for the financial year	507,593	(307,876)	71,956	67,403	–	–	339,076
Transfer from Unrestricted General Fund	–	11,400	–	–	–	–	11,400
Balance as at 31 December 2021	**765,392**	**–**	**71,956**	**67,403**	**–**	**–**	**904,751**

(a) Tote Board Social Service Fund was set up to support the operation of a programme known as Integrative Mediation and Counselling. The fund is mainly represented by cash.

(b) 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. The fund is mainly represented by cash.

(c) President Challenge Fund 2020 was funded by National Council of Social Service. A total amount of $90,000 has been allocated to EMCCL.

(d) President Challenge Fund 2021 was set up to empower vulnerable groups by 'Building a Digitally Inclusive Society', where digital technologies are accessible to all, so no one is left behind. The funds were disbursed through two tranches. The first tranche includes 30% of the total fund which is estimated to be disbursed by 31 Mar 2021. The second tranche includes the remaining 70% of the total fund which is estimated to be disbursed by 31 Mar 2022.

(e) Transformational Support Scheme

The TSS is a scheme by NCSS which provides funding support to SSAs to recruit manpower for capability-building projects leading to organisational transformation. enhance service delivery and leverage data for better planning and management. The fund is mainly represented by cash.

15 Transfer of funds from EMCC

On 30 October 2020, the Company signed an agreement with EMCC, a society incorporated under the Societies Act 1966 and domiciled in Singapore, that the functions, operations and assets of EMCC will be transferred and assigned to the Company and the liabilities and obligations of EMCC will be assumed by the Company so that the Company may continue the provision of mediation and counselling services offered by EMCC with effect from 16 November 2020.

Pursuant to the agreement dated on 30 October 2020, general funds amounting of $1,300,000 was transferred by EMCC on 30 October 2020 and the following funds were transferred on 16 November 2020 to the Company:

	$
Funds	
General Fund	196,548
Tote Board Social Service Fund	319,003
Community Chest Charity Support Fund	167
Invictus Fund	296,883
	812,601

The funds transferred by EMCC to the Company on 16 November 2020 were represented by the following assets and liabilities:

	$
Non-current assets	
Plant and equipment	9,772
Current assets	
Trade receivables	12,128
Other receivables	167,333
Fixed deposits	600,000
Cash and cash equivalents	115,424
	894,885
Total assets	904,657
Current liabilities	
Trade payables	2,879
Other payables	89,177
Total liabilities	92,056
Net assets	812,601

EMCC has transferred a total cash balance of $2,015,424 to the Company as at the end of the financial year.

16 Financial instruments

a) Categories of financial instruments

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

	2021	2020
	$	$
Financial assets		
At amortised cost	**2,812,418**	2,026,859
Financial liabilities		
At amortised cost	**129,304**	47,479

b) Financial risk management

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

Foreign exchange risk

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

Interest rate risk

The Company's exposure to interest rates relates primarily to the impact of changes in interest rates on its 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.

Credit risk

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

The Company 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 31 December 2021 is insignificant, and accordingly no credit loss allowance is recognised as at 31 December 2021.

Liquidity and cash flow risk

Management 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 Company as presented in the statement of financial position are due within twelve months from the end of financial year 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 Company approximate their fair values.

17 Fund management

The primary objective of the Company'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 Company 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 year ended 31 December 2021.

The Company is not subjected to externally imposed capital requirements.

18 Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of Directors dated 22 June 2022.