iC2 PREPHOUSE LIMITED
(Co. Reg. No. 201136583G)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2020

CONTENTS

iC2 PREPHOUSE LIMITED
(A company limited by guarantee and not having a share capital)

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 December 2020.

In the opinion of the directors:

(i) the financial statements of the Company as set out on pages 5 to 22 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and of the financial performance, changes in funds and cash flows of the Company for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50, Charities Act, Chapter 37 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:

Ang Beng Ti, Christopher
Wong Meng Ee
Looi Lee Geok Audrey
Chia Hsien Lin Jennifer
Goh Shuet-Li

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 object is to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Other matters

As the Company is limited by guarantee and does not have a share capital, matters relating to the issue of shares, debentures or share options 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

Ang Beng Ti, Christopher
Director

Looi Lee Geok Audrey
Director

2 7 MAY 2021

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INDPENDENT AUDITOR'S REPORT TO THE MEMBERS OF iC2 PREPHOUSE LIMITED
(A company limited by guarantee and not having a share capital)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of iC2 PrepHouse Limited (the "Company") as set out on pages 5 to 22, which comprise the balance sheet as at 31 December 2020, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies 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 give a true and fair view of the financial position of the Company as at 31 December 2020 and of the financial performance, changes in funds and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report for the year ended 31 December 2020 but does not include the financial statements and our auditor's report thereon.

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

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

INDPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
iC2 PREPHOUSE LIMITED (cont'd)
(A company limited by guarantee and not having a share capital)

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

Responsibilities of 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 Companies 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 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.

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INDPENDENT AUDITOR'S REPORT TO THE MEMBERS OF iC2 PREPHOUSE LIMITED (cont'd)
(A company limited by guarantee and not having a 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 the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

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

a) the Company has not used the donation moneys in accordance with the objectives of the Company as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

b) the Company 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

27 May 2021

iC2 PREPHOUSE LIMITED
(A company limited by guarantee and not having a share capital)

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2020

	Note	General Fund $	Deferred Capital Fund $	Care and Share Matching Fund $	SG Enable CSVI Grant Fund - AT Services $	SG Enable CSVI Grant Fund - Counselling Services $	Community Chest Charity Support Fund $	Total 2020 $	Total 2019 $
		←		Restricted Funds			→		
Income									
Grants from Singapore TOTE Board Social Service Fund									
- Income grant		350,132	–	–	–	–	–	**350,132**	343,112
Care and Share Matching Fund	11	–	–	127,902	–	–	–	**127,902**	201,999
Donations and fund-raising income	3	52,717	–	–	–	–	–	**52,717**	381,202
Donation in kind	5	4,550	–	–	–	–	–	**4,550**	–
Program income		7,782	–	–	–	–	–	**7,782**	9,656
SG Enable CSVI Grant		–	–	–	10,300	–	–	**10,300**	–
Community Chest Charity Support Fund	15	–	–	–	–	–	–	–	50,000
Other grants	4	421,148	–	–	–	–	–	**421,148**	–
Other income		31,003	–	–	–	–	–	**31,003**	26,114
		867,332	–	127,902	10,300	–	–	**1,005,534**	1,012,083
Less expenditure									
Auditor's remuneration		7,170	–	–	–	–	–	**7,170**	4,159
Bad debt written off		–	–	–	–	–	–	–	40
Bank charges		176	–	–	–	–	–	**176**	250
CPF contributions		38,856	–	17,796	–	–	–	**56,652**	73,841
Depreciation of property, plant and equipment	5	21,992	5,213	–	–	–	–	**27,205**	33,561
Depreciation of right-of-use asset	6	–	–	75,713	–	–	–	**75,713**	75,713
Fund raising cost		19	–	–	–	–	–	**19**	90,277
General expenses		3,244	–	130	–	–	–	**3,374**	10,114
Insurance		5,129	–	–	–	–	–	**5,129**	4,510
Interest expense	6	–	–	10,045	–	–	–	**10,045**	12,470
Marketing and promotion expenses		471	–	–	–	–	–	**471**	10,999
Memberships and dues		–	–	–	–	–	–	–	140
Office maintenance		3,642	–	7,442	–	–	–	**11,084**	5,301
Office supplies		437	–	–	–	–	–	**437**	1,110
Penalty fee		134	–	–	–	–	–	**134**	–
Printing and copying		107	–	515	–	–	–	**622**	2,542
Professional services		16,970	–	–	–	–	–	**16,970**	20,725
Rental expenses		189	–	339	–	–	–	**528**	3,280
Staff cost		245,299	–	112,719	10,300	–	–	**368,318**	460,393
Staff training and other benefits		3,066	–	16,288	–	–	–	**19,354**	13,187
Stationery & postage		780	–	411	–	–	–	**1,191**	1,937
Telephone expenses		–	–	5,845	–	–	–	**5,845**	5,589
Transportation expenses		1,630	–	–	–	–	–	**1,630**	6,046
Utilities		5,332	–	–	–	–	–	**5,332**	12,607
		354,643	5,213	247,243	10,300	–	–	**617,399**	848,791
Net surplus/(deficit) and total comprehensive income/(loss) for the financial year		512,689	(5,213)	(119,341)	–	–	–	**388,135**	163,292

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

iC2 PREPHOUSE LIMITED
(A company limited by guarantee and not having a share capital)

BALANCE SHEET
At 31 December 2020

	Note	2020 $	(Restated) 2019 $
Non-current assets			
Property, plant and equipment	5	**24,934**	34,918
Right-of-use asset	6	**220,828**	296,541
Fixed deposit	9	–	357,000
		245,762	688,459
Current assets			
Trade and other receivables	7	**141,678**	124,600
Deposits and prepayments	8	**29,711**	31,009
Cash and cash equivalents	9	**2,135,034**	1,382,477
		2,306,423	1,538,086
Total assets		**2,552,185**	2,226,545
Non-current liability			
Lease liability	6	**155,513**	229,373
Current liabilities			
Lease liability	6	**73,860**	65,889
Trade and other payables	10	**65,685**	62,291
		139,545	128,180
		295,058	357,553
Net assets		**2,257,127**	1,868,992
Funds			
Restricted Funds			
General Fund		**2,238,357**	1,890,369
Care and Share Matching Fund	11	–	130,562
Deferred Capital Fund	12	**18,770**	12,762
SG Enable CSVI Grant Fund - AT Services	13	–	(141,862)
SG Enable CSVI Grant Fund - Counselling Services	14	–	(22,839)
Community Chest Charity Support Fund	15	–	–
Total funds		**2,257,127**	1,868,992

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

iC2 PREPHOUSE LIMITED
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STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 December 2020

	*General Fund	Care and Share Matching Fund	Deferred Capital Fund	SG Enable CSVI Grant Fund - AT Services	SG Enable CSVI Grant Fund - Counselling Services	Total
		← Restricted Funds			→	
	$	$	$	$	$	$
Balance at 1 January 2019	1,606,547	171,806	18,861	(75,375)	(16,139)	1,705,700
Net surplus/(deficit) and total comprehensive income/(loss) for the financial year (Restated)	283,822	(41,244)	(6,099)	(66,487)	(6,700)	163,292
Balance at 31 December 2019 (Restated)	1,890,369	130,562	12,762	(141,862)	(22,839)	1,868,992
Net surplus/(deficit) and total comprehensive income/(loss) for the financial year	512,689	(119,341)	(5,213)	–	–	388,135
Transfer of funds	(164,701)	(11,221)	11,221	141,862	22,839	–
Balance at 31 December 2020	**2,238,357**	**–**	**18,770**	**–**	**–**	**2,257,127**

* The General Fund is for operations of the vision and rehabilitation programme only for the benefit of its intended clients. In keeping with funder/donor's interest for the use of monies, the reserve will not be transferred out of the programme for other purpose.

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

iC2 PREPHOUSE LIMITED
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STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2020

	Note	2020 $	2019 $
Cash flows from operating activities			
Net surplus for the year		**388,135**	163,292
Adjustments for:			
Depreciation of property, plant and equipment	5	**27,205**	33,561
Depreciation of rights-of-use asset	6	**75,713**	75,713
Interest expense on lease liability	6	**10,045**	12,470
Donation in kind	5	**(4,550)**	–
Rent concession	6	**(11,944)**	–
Operating cash flows before movements in working capital		**484,604**	285,036
Receivables		**(15,780)**	(17,414)
Payables		**3,394**	(9,787)
Net cash from operating activities		**472,218**	257,835
Cash flows from investing activity			
Purchase of property, plant and equipment	5	**(12,671)**	(16,277)
Net cash used in investing activity		**(12,671)**	(16,277)
Cash flows from financing activities			
Repayment of lease liability	6	**(53,945)**	(62,992)
Interest paid	6	**(10,045)**	(12,470)
Fixed deposit		**357,000**	–
Net cash generated from/(used in) financing activities		**293,010**	(75,462)
Net increase in cash and cash equivalents		**752,557**	166,096
Cash and cash equivalents at beginning of financial year		**1,382,477**	1,216,381
Cash and cash equivalents at end of financial year		**2,135,034**	1,382,477

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. 201136583G) is incorporated and domiciled in Singapore with its principal place of activity at 1 Jurong West Central 2, #04-02 Jurong Point Shopping Centre, Singapore 648886.

The Company is an approved Institution of a Public Character. The principal activity of the Company is to provide programs and services for the children and youths with visual impairments.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial statements, expressed in Singapore dollar ("$") which is the Company's functional currency have been prepared in accordance with the provisions of the Companies Act, Chapter 50, 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 year. 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.

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 were no significant judgements and estimates made during the financial year.

The carrying amounts of cash and cash equivalents, trade and other receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards

In the current financial year, 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 year.

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

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards (cont'd)

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 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 Company.

(b) Income recognition

Donations are recognised when received and program revenue are recognised as income when the program is held.

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 balance sheet and is amortised to profit or loss 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 profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

(c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment loss where its recoverable amount is estimated to be lower than its carrying amount. Property, plant and equipment are depreciated on a straight-line basis so as to allocate the depreciable amount of the assets over their estimated useful lives using the straight-line method as follow:

	Useful lives
Furniture and fittings	3 years
Leasehold improvement	22 months
Machinery and equipment	3 years
Office equipment	3 years

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

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

(d) Taxation

The Company is a registered charity under the Charities Act and is exempted from income tax under the Income Tax Act.

(e) 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 entitlement

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

2 Summary of significant accounting policies (cont'd)

(f) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in profit or loss.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased in carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

(g) Financial assets

Recognition and derecognition

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 Company'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 business model for managing those assets changes.

Subsequent measurement

Debt instruments

Debt instruments include trade and other receivables, sundry deposits, fixed deposit and cash and cash equivalents.

Amortised cost

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business 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 profit or loss when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

2 Summary of 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).

If the Company has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

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

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash at bank and on hand and deposits with financial institutions which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(i) Financial liabilities

Financial liabilities, which comprise trade and other payables excluding provision for unutilised leave are initially measured at fair value plus directly attributable transaction costs, and are subsequently measured at amortised cost, using the effective interest method.

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

(j) Provisions

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made.

(k) 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.

2 Summary of significant accounting policies (cont'd)

(k) Leases (cont'd)

Lease liabilities

The lease liability is 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 liability comprise fixed lease payments (including in-substance fixed payments).

The lease liability is presented as a separate line in the balance sheet.

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

The Company remeasures the lease liability (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 asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. Right-of-use asset is 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 balance sheet.

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

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Company has not used this practical expedient.

(l) Restricted Income Funds

Restricted income funds are funds subject to specific trusts, which may be declared by the donors or with their authority such as in the literature of a public appeal or created through legal process, but still within the wider objects of the Company.

2 Summary of significant accounting policies (cont'd)

(m) Funds

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

3 Donations and fund-raising income

	2020 $	2019 $
Donations		
Tax deductible	**29,001**	73,648
Non-tax deductible	**23,716**	12,067
	52,717	85,715
Fund-raising income		
Tax deductible	–	229,813
Non-tax deductible	–	43,000
Auction income	–	22,674
	–	295,487
Total	**52,717**	381,202

4 Other grants

	2020 $	2019 $
Jobs Support Scheme	**78,910**	–
Bicentennial Community Fund	**312,444**	–
Other NCSS Grants	**7,850**	–
Rent concession	**11,944**	–
SembCorp Grant	**10,000**	–
	421,148	–

Government grant income of $312,444 (2019: $Nil) was recognised during the financial year under the Bicentennial Community Fund ("BCF"). The BCF seeks to encourage Institutions of a Public Character ("IPCs") to reach out to a wider community, and to raise capabilities of IPCs to fundraise and engage volunteers. BCF provides dollar-for-dollar matching for donations to IPCs up to $400,000.

Government grant income of $78,910 (2019: $Nil) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government will co-fund 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 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 Company's operations. JSS receivable of $2,786 and deferred grant income of $19,702 were recognised as at the financial year end.

5 Property, plant and equipment

	Furniture and fittings $	Leasehold improvement $	Machinery and equipment $	Office equipment $	Total $
2020					
Cost					
At 1.1.2020	28,958	35,057	91,480	156,717	312,212
Additions	–	–	10,462	6,759	17,221
At 31.12.2020	**28,958**	**35,057**	**101,942**	**163,476**	**329,433**
Accumulated depreciation					
At 1.1.2020	28,680	29,148	84,591	134,875	277,294
Depreciation charge	278	3,600	7,581	15,746	27,205
At 31.12.2020	**28,958**	**32,748**	**92,172**	**150,621**	**304,499**
Net carrying value					
At 31.12.2020	–	**2,309**	**9,770**	**12,855**	**24,934**
2019					
Cost					
At 1.1.2019	28,958	28,457	91,480	147,040	295,935
Additions	–	6,600	–	9,677	16,277
At 31.12.2019	28,958	35,057	91,480	156,717	312,212
Accumulated depreciation					
At 1.1.2019	26,821	28,457	77,173	111,282	243,733
Depreciation charge	1,859	691	7,418	23,593	33,561
At 31.12.2019	28,680	29,148	84,591	134,875	277,294
Net carrying value					
At 31.12.2019	278	5,909	6,889	21,842	34,918

During the financial year, the Company received a donation comprising machinery and equipment from third parties. This donation-in-kind is recognised as an income during the financial year. The fair value of the donation is based on the second-hand online selling price of the machinery and equipment.

Non cash transaction

	2020 **$**	2019 $
Aggregate cost of property, plant and equipment acquired	**17,221**	16,277
Less: Donation-in-kind	**(4,550)**	–
Net cash outflow for purchase of property, plant and equipment	**12,671**	16,277

6 Leases

(a) Right-of-use asset

	Office premise $
Cost	
At 1 January 2019, 31 December 2019 and 31 December 2020	**372,254**
Accumulated depreciation	
At 1 January 2019	–
Additions	75,713
At 31 December 2019	75,713
Additions	75,713
At 31 December 2020	**151,426**
Carrying amount	
At 31 December 2020	**220,828**
At 31 December 2019	296,541

(b) Nature of the Company's leasing activities

The Company's only leasing activities is leasing of office premise from a non-related party. The lease has a tenure of 5 years.

The maturity analysis of the lease liability is disclosed in Note 16(b).

	2020 **$**	2019 $
Amounts recognised in income and expenditure		
Depreciation of right-of-use asset	**75,713**	75,713
Interest expense on lease liability	**10,045**	12,470
Lease expense not included in the measurement of lease liability		
Lease expense - short term lease	–	3,280
Rent concessions received from lessor	**(11,944)**	–

Total cash outflows for leases amounted to $63,990 (2019: $75,462).

Lease liability comprise of:

	2020 **$**	2019 $
Current	**73,860**	65,889
Non-current	**155,513**	229,373
	229,373	295,262

6 Leases (cont'd)

(b) Nature of the Company's leasing activities (cont'd)

Reconciliation of movements of lease liability to cash flows arising from financing activities:

	Lease liability	
	2020	2019
	$	$
Balance at 1 January	**295,262**	–
Adoption of FRS 116	–	358,254
Changes from financing cash flows:		
- Repayments	**(53,945)**	(62,992)
- Interest paid	**(10,045)**	(12,470)
Non-cash changes:		
- Interest expense	**10,045**	12,470
- Rent concession	**(11,944)**	–
Balance at 31 December	**229,373**	295,262

7 Trade and other receivables

	2020	2019
	$	$
Trade receivables	**3,316**	559
Other receivables	**10,460**	12,623
Grant receivables	**127,902**	111,418
	141,678	124,600

8 Deposits and prepayments

	2020	2019
	$	$
Prepayments	**3,644**	4,942
Sundry deposits	**26,067**	26,067
	29,711	31,009

9 Fixed deposit and cash and cash equivalents

	2020	2019
	$	$
Fixed deposits	**713,300**	1,219,488
Cash at bank and on hand	**1,421,734**	519,989
	2,135,034	1,739,477
Less: fixed deposit (non-current)	–	(357,000)
Cash and cash equivalents	**2,135,034**	1,382,477

The fixed deposits are placed with banks and mature on varying dates within 11 (2019: 19) months from the balance sheet date.

The interest rates of these deposits at the balance sheet date ranges from 1.0% to 1.5% (2019: 1.0% to 1.8%) per annum.

10 Trade and other payables

	2020 $	2019 $
Accruals	**31,983**	48,291
Provision	**14,000**	14,000
Deferred grant income - Job Support Scheme	**19,702**	–
	65,685	62,291

Provision relates to reinstatement cost that represents the present value of management's best estimate of the future outflow of economic benefits that will be required to reinstate leased property to its original state. The estimate has been made on the basis of quotes obtained from external contractors.

Movement in provision for reinstatement costs are as follows:

	2020 $	2019 $
At beginning of financial year	**14,000**	–
Provision made	–	14,000
At end of financial year	**14,000**	14,000

11 Care and Share Matching Grant

The Grant which is given out under the Care and Share movement, is managed by the Ministry of Social and Family Development ("MSF") and is called the Care and Share Matching Grant.

	2020 $	(Restated) 2019 $
Balance at 1 January	**130,562**	171,806
Income	**127,902**	201,999
Expenditure	**(247,243)**	(243,243)
Fund transfer to Deferred Capital Fund	**(11,221)**	–
Balance at 31 December	–	130,562

As per the Variation to the Funding Agreement dated 30 October 2016 (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 Company raises between 1 December 2013 and 31 March 2016. The Grant shall be used to develop social service related VWOs and their programmes to better serve the beneficiaries. The Grant can be used for the following areas:

(i) Capability Building
(ii) Capacity Building
(iii) New Initiatives/Expansion of existing services
(iv) Critical Existing Needs (up to 20%)

The Company has up to 5 years after the end of the matching grant period i.e. 31 March 2021 to utilise the grants.

The Company participates in the Care and Share Matching scheme and is subjected to the terms and conditions of the Agreement. During the financial year, the Company recognised grant receivable of $127,902 which relates to the utilisation of the approved Care and Share Matching Grant. This amount was collected subsequent to financial year-end.

12 Deferred Capital Fund

	2020	2019
	$	$
Balance at 1 January	**12,762**	18,861
Expenditure	**(5,213)**	(6,099)
Fund transfer from Care and Share Matching Fund	**11,221**	–
Balance at 31 December	**18,770**	12,762

This comprises the grant received for purchase of office equipment, furniture and fittings and machinery and equipment. The depreciation charge of assets purchased with related grant is taken to the Deferred Capital Fund over the useful lives of the related assets.

13 SG Enable CSVI Grant Fund - AT Services

	2020	2019
	$	$
Balance at 1 January	**(141,862)**	(75,375)
Income	**10,300**	–
Expenditure	**(10,300)**	(66,487)
Fund transfer from General Fund	**141,862**	–
Balance at 31 December	–	(141,862)

This comprises the final disbursement of grant received for the purpose to provide comprehensive Assistive Technology assessment and trainings for the visually impaired individuals. The grant period covers 24 months commencing from 1 July 2017 to 30 June 2019.

14 SG Enable CSVI Grant Fund - Counselling Services

	2020	2019
	$	$
Balance at 1 January	**(22,839)**	(16,139)
Expenditure	–	(6,700)
Fund transfer from General Fund	**22,839**	–
Balance at 31 December	–	(22,839)

This comprises the grant received for the purpose to provide counselling services for the visually impaired individuals. The grant period covers 24 months commencing from 1 January 2017 to 31 December 2018.

15 Community Chest Charity Support Fund

	2020	2019
	$	$
Balance at 1 January	–	–
Income	–	50,000
Expenditure	–	(50,000)
Balance at 31 December	–	–

This comprises the grant received for the purpose to support programmes to empower social service users and families, capital expenditure and build capacity for community engagements to benefit social users. The grant period covers 24 months commencing from 1 May 2018 to 30 April 2020.

16 Financial instruments

a) Categories of financial instruments

Financial instruments as at balance sheet date are as follows:

	2020	2019
	$	$
Financial assets		
At amortised costs	**2,302,779**	1,890,144
Financial liabilities		
At amortised cost	**253,971**	336,168

b) Financial risk management

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

Foreign exchange risk

The Company's exposure to foreign exchange risk is minimal as its transactions are substantially in Singapore dollar. The Company does not utilise any derivatives to hedge foreign currency exposures.

Interest rate risk

The Company's income and operating cash flows are not substantially affected by changes in market interest rates as they do not have significant interest-bearing assets or liabilities as at the balance sheet date except for fixed deposits where interest earned is not significant.

The sensitivity analysis for interest rate is not disclosed as the effect on financial statements is not expected to be 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 places its cash with financial institutions that are regulated. As the Company does not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the balance sheet.

Credit risk exposure in relation to fixed deposit, cash and cash equivalents, trade and other receivables and sundry deposits as at 31 December 2020 and 31 December 2019 are insignificant as the majority of the Company's financial assets are bank and cash balances which are placed in bank with good credit rating. Accordingly no credit loss allowance is recognised as at 31 December 2020 and 31 December 2019.

Liquidity and cash flow risk

The board of directors exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times to meet the Company's financial liabilities.

16 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Liquidity and cash flow risk

The financial liabilities of the Company as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contracted undiscounted payment obligation except for the lease liability as follows.

	1 year or less $	**1 to 5 years $**	**Total $**
2020			
Trade and other payables	24,598	–	24,598
Lease liabilities	81,267	161,566	242,833
	105,865	**161,566**	**267,431**
2019			
Trade and other payables	40,906	–	40,906
Lease liabilities	75,940	242,833	318,773
	116,846	242,833	359,679

c) Fair value

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to their short-term nature or are repriced to market interest rates on or near the end of the financial year.

17 Related party transactions

In addition to information disclosed elsewhere in the financial statements, total remuneration of $104,500 (2019: $120,700) which includes CPF contributions of $16,000 (2019: $19,580) was paid to a key management personnel of the Company during the financial year.

18 Fund management

The Company's objectives when managing its funds are to safeguard and to maintain adequate working capital to continue as a going concern as well as to extend its support base in order that it can develop and enhance its principal activities over the long term.

No changes were made to the fund management objectives during the financial years ended 31 December 2020 and 31 December 2019.

19 Prior year adjustments and comparative figures

In the previous financial year, the Company classified certain expenses utilised under Care and Share Matching Fund in General Fund. An adjustment was made retrospectively to reclassify the expenses to Care and Share Matching Fund from General Fund. The effects on the comparative figures are as follows:

	As previously reported $	Adjustments $	As restated $
Balance Sheet			
At 31 December 2019			
General Fund	1,802,186	88,183	1,890,369
Care and Share Matching Fund	218,745	(88,183)	130,562

The adjustment has no impact on the net surplus and total comprehensive income, statement of changes in funds and statement of cash flows for the current financial year.

No third balance sheet was presented as there is no effect to the balances as at 1 January 2019.

20 Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors dated 27 May 2021.