STATEMENT BY THE
MANAGEMENT COMMITTEE

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

In the opinion of the Management Committee,

(a) the financial statements of Epilepsy Care Group (Singapore) (the "Group") together with the notes thereto are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Group as at 31 March 2020, and the results, changes in fund, and cash flows of the Group for the financial year ended on that date;

(b) at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due; and

(c) there was no fund-raising appeal held by the Group during the financial year.

On behalf of the Management Committee,

....
Dr Choong Chew Thye
President

....
Mr Lee Soon Chua
Honorary Treasurer

Singapore

Date: 11 August 2020

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Epilepsy Care Group (the "Group"), which comprise the statement of financial position of the Group as at 31 March 2020, the statement of financial activities, statement of changes in fund, and statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Group as at 31 March 2020, and the results, changes in fund, and cash flows of the Group 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 Group 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 Statement by the Management Committee, but does not include financial statements and our auditor's report thereon.

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

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

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

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

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

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

Those charged with governance are responsible for overseeing the Group'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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also: (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 Group'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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

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

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

(b) the Group has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

There was no fund-raising appeal held by the Group during the financial year.

Tan, Chan & Partners
Public Accountants and
Chartered Accountants

Singapore
Date: 11 August 2020

STATEMENT OF
FINANCIAL POSITION
AS AT 31 MARCH 2020

	Note	2020	2019
		$	$
ASSETS			
Non-current asset			
Plant and equipment	4	**28,795**	11,079
Current assets			
Prepayments		**1,420**	789
Other receivables	5	**20,308**	35,722
Bank balance	6	**273,759**	192,473
		295,487	228,984
Total assets		**324,282**	240,063
LIABILITIES AND FUND			
Non-current liabilities			
Deferred capital grant	8	**2,278**	6,679
Deferred income	9	**-**	101,606
		2,278	108,285
Current liabilities			
Borrowing	7	**22,675**	-
Deferred capital grant	8	**4,401**	4,400
Deferred income	9	**135,012**	24,067
Other payables	10	**4,708**	5,062
Provision	11	**13,259**	3,315
		180,055	36,844
Fund			
General fund		**141,949**	94,934
Total liabilities and fund		**324,282**	240,063

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

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 $	2019 $
Income			
Voluntary income			
Donations	12	**92,020**	19,274
Income from charitable activities			
Amortisation of deferred capital grant			
Care and Share Matching Grant	8	**3,649**	3,650
ComChest Support Grant	8	**751**	370
Amortisation of deferred income			
Care and Share Matching Grant		**-**	7,512
ComChest Emergency Fund		**750**	-
ComChest Support Grant		**109,661**	22,179
ComChest Charity Fund		**-**	360
Contribution from Tote Board		**-**	20,569
Fund-raising	13,20	**-**	50,922
Government rental subsidy		**25,000**	27,049
Programme and activities		**140**	1,725
Programme 33rd IEC		**880**	
Programme 12th AOEC		**-**	3,360
Membership fees		**140**	420
Sponsorship income		**368**	-
Activities for generating funds			
Book project (non-tax deductible)		**-**	40
Silver fund (tax deductible)		**-**	5,000
Silver fund (non-tax deductible)		**-**	1,000
Sales of goods		**-**	253
Other income			
Temporary employment credit		**-**	260
Total income		**233,359**	163,943
Less: Cost of charitable activities	14	**5,863**	14,930
Less: Cost of generating funds			
Fundraising cost	20	**-**	2,023
Less: Governance and administrative costs	15	**178,137**	184,144
Less: Finance cost			
Interest expense on lease liability		**2,344**	-
Total expenditures		**186,344**	201,097
Surplus/(Deficit) before taxation		**47,015**	(37,154)
Taxation	16	**-**	-
Surplus/(Deficit) for the financial year, representing representing total comprehensive income/ (loss) for the financial year		**47,015**	(37,154)

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

STATEMENT OF CHANGES IN FUND

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	General fund $
As at 1 April 2018	132,088
Deficit for the financial year, representing total comprehensive loss for the financial year	(37,154)
As at 31 March 2019	94,934
Surplus for the financial year, representing total comprehensive income for the financial year	47,015
As at 31 March 2020	**141,949**

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

STATEMENT OF **CASH FLOWS**

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	Note	2020 $	2019 $
Operating activities			
Surplus/(Deficit) for the financial year		**47,015**	(37,154)
Adjustments for:			
Amortisation of deferred income			
Care and Share Matching Grant	9	**-**	(7,512)
ComChest Charity Support Fund	9	**(109,661)**	(22,179)
ComChest Emergency Fund	9	**(750)**	-
Amortisation of deferred capital			
Care and Share Matching Grant	8	**(3,649)**	(3,650)
ComChest Charity Support Fund	8	**(751)**	(370)
Depreciation of plant and equipment	4	**48,633**	4,020
Gain on disposal of plant and equipment		**-**	(492)
Interest expense		**2,344**	
Operating cash flows before working capital changes		**(16,819)**	(67,337)
Changes in working capital:			
Prepayments		**(631)**	2,317
Other receivables		**15,414**	(9,305)
Other payables		**(354)**	(1,422)
Provision		**9,944**	(4,519)
Cash flows used in operating activities		**7,554**	(80,266)
Investing activities			
Acquisition of plant and equipment	4	**-**	(3,754)
Proceeds from disposal of plant and equipment		**-**	492
Cash flows used in investing activities		**-**	(3,262)
Financing activities			
Receipt of Care and Share Matching Grant	9	**-**	89,469
Receipt of ComChest Charity Support Fund	9	**111,000**	50,000
Receipt of ComChest Emergency Fund	9	**3,000**	-
Receipt of Job Support Scheme	9	**5,750**	-
Interest paid		**(2,344)**	-
Repayment of lease liability		**(43,674)**	-
Cash flow generated from financing activities		**73,732**	139,469
Net changes in cash and cash equivalents		**81,286**	55,941
Cash and cash equivalents at the beginning of the financial year		**192,473**	136,532
Cash and cash equivalents at the end of the financial year	6	**273,759**	192,473

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

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

1. GENERAL INFORMATION

Epilepsy Care Group (Singapore) (the "Group") is registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37 and is domiciled in the Republic of Singapore. The Group is an approved Institution of Public Character ("IPC") from 09 August 2018 to 08 August 2020 and has been renewed from 09 August 2020 to 08 August 2022.

The Group's registered office and place of operation is located at 2 Kallang Avenue, #08-08 CT Hub, Singapore 339407.

The principal objectives of the Group are:

(a) To provide information to the community regarding the nature, treatment and care of epilepsy;
(b) To provide a forum for persons with epilepsy to provide mutual support, encouragement and financial assistance; and
(c) To support medical research whose principal goal is to improve the diagnosis or management of epilepsy.

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

The financial statements of the Group for the financial year ended 31 March 2020 were authorised for issue by the Management Committee on the date of the Statement by the Management Committee.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

The financial statements of the Group are presented in Singapore dollars ("$").

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 April 2019. The adoption of these new/revised standards and interpretations did not have any material effect on the financial performance or position of the Group, except for the following:

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

2.2 Adoption of new and amended standards and interpretations (cont'd)

<u>FRS 116 *Leases*</u>

FRS 116 supersedes FRS 17 *Leases*, INT FRS 104 *Determining whether an Arrangement contains a Lease*, INT FRS 15 *Operating Leases-Incentives* and INT FRS 27 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The Group adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 April 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 April 2019. Instead, the Group applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The effect of adopting FRS 116 as at 1 April 2019 was as follows:

	Increase $
Plant and equipment	66,349
Borrowing	66,349

The Group has lease contracts for office premises. Before the adoption of FRS 116, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The accounting policy prior to 1 April 2019 is disclosed in Note 2.12.

Upon adoption of FRS 116, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 April 2019 is disclosed in Note 2.12. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

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

2.2 Adoption of new and amended standards and interpretations (cont'd)

FRS 116 *Leases* (cont'd)

Leases previously accounted for as operating leases

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the carrying amount as if the standard had always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The Group also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 01 April 2019:

- right-of-use assets of $66,349 were recognised and presented within plant and equipment.
- additional lease liability of $66,349 was recognised;

The lease liability as at 01 April 2019 can be reconciled to the operating lease commitment as at 31 March 2019, as follows:

	$
Operating lease commitment as at 31 March 2019	69,028
Weighted average incremental borrowing rate	5%
Discounted operating lease commitment as at 01 April 2019	66,349

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

2.3 Standards issued but not yet effective

Certain new standards, amendments to standards and interpretations are issued but effective for annual financial periods beginning on or after 01 April 2020, and which the Group has not been early adopted in preparing these financial statements. None of these are expected to have a significant impact on the Group's financial statements in the year of initial application.

2.4 Functional currency

Functional and presentation currency

The functional currency of the Group is determined to be Singapore dollar ("$"), which is also the presentation currency of the Group's financial statements.

Transactions and balances

Transactions arising in foreign currencies are recorded on initial recognition at the exchange rate approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in statement of financial activities.

2.5 Plant and equipment

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

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

	Estimated useful lives
Furniture and fittings	5 years
Office and general equipment	5 years
Medical and rehabilitation equipment	5 years
Leased premise	2 years

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

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

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

2.5 Plant and equipment (cont'd)

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

2.6 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

Impairment losses are recognised in statement of financial activities.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in statement of financial activities.

2.7 Financial instruments

(a) Financial assets

The Group only has debt instruments.

<u>Initial recognition and measurement</u>

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

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in statement of financial activities.

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

2.7 Financial instruments (cont'd)

(a) Financial assets (cont'd)

Subsequent measurement

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using effective interest method, less impairment. Gains and losses are recognised in statement of financial activities when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

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

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

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

Derecognition

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

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

2.8 Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

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

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

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank that is subject to an insignificant risk of changes in value.

2.10 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

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

2.11 Employee benefits

Defined contribution plan

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

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

2.11 Employee benefits (cont'd)

Short-term benefits

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

2.12 Leases

These accounting policies are applied on and after 01 April 2019:

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group 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 right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

The Group's right-of-use assets are presented within plant and equipment (Note 4).

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

2.12 Leases (cont'd)

These accounting policies are applied on and after 01 April 2019: (cont'd)

As lessee (cont'd)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed 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 Group and payments of penalties for terminating the lease, if the lease term reflects the Group 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.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if 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.

The Group's lease liabilities are included in borrowing (Note 7).

These accounting policies are applied before 01 April 2019:

As lessee

Operating lease payments are recognised as an expense in statement of financial activities on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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

2.13 Revenue

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

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Voluntary income

Voluntary income consists of donations which are recognised upon receipt at a point in time.

Income from charitable activities

Income from charitable activities consist of government grants and subsidy, membership fees, fund-raising and program and activities.

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

(b) Fundraising income is recognised upon receipts at a point in time.

(c) Government rental subsidy and income from program and activities are recognised on accrual basis over time.

(d) Membership fees are recognised over the period of membership.

Activities for generating funds

Revenue from activities for generating funds is recognised upon receipt at a point in time.

Other income

Other income is recognise upon receipt at a point in time.

2.14 Taxation

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

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

2.15 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or

(b) a present obligation that arises from past events but is not recognised because:

(i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
(ii) the amount of the obligation cannot be measured within sufficient reliability.

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

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

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

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

3.1 Judgements made in applying accounting policies

<u>Determination of lease term of contracts with extension options</u>

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (Cont'd)

3.1 Judgements made in applying accounting policies (cont'd)

Determination of lease term of contracts with extension options (cont'd)

The Group has one lease contracts that include extension options. The Group applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Group has no intention to exercise the extension option in the lease term for lease of premises. The extension options for lease of premise is not exercised as part of the lease term due to current economic condition.

As at 31 March 2020, potential future (undiscounted) cash outflows of approximately $43,008 have not been included in lease liabilities because it is not reasonably certain that the leases will be extended.

4. PLANT AND EQUIPMENT

	Note	Furniture and fittings $	Office and general equipment $	Medical and rehabilitation equipment $	Leased premise $	Total $
Cost						
As at 01 April 2018		14,055	27,904	30,325	-	72,284
Additions	8	3,754	-	-	-	3,754
Disposal		-	(492)	-	-	(492)
As at 31 March 2019		17,809	27,412	30,325	-	75,546
Effect of adopting FRS 116		-	-	-	66,349	66,349
As at 31 March 2020		**17,809**	**27,412**	**30,325**	**66,349**	**141,895**
Accumulated depreciation						
As at 01 April 2018		14,055	21,260	25,624	-	60,939
Depreciation		370	2,203	1,447	-	4,020
Disposal		-	(492)	-	-	(492)
As at 31 March 2019		14,425	22,971	27,071	-	64,467
Depreciation	15	751	2,203	1,446	-	4,400
Effect of adopting FRS 116		-	-	-	44,233	44,233
As at 31 March 2020		**15,176**	**25,174**	**28,517**	**44,233**	**113,100**
Net carrying amount						
As at 31 March 2020		**2,633**	**2,238**	**1,808**	**22,116**	**28,795**
As at 31 March 2019		3,384	4,441	3,254	-	11,079

4. PLANT AND EQUIPMENT (Cont'd)

Right-of-use assets

Right-of-use assets under leasing arrangement are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 17.

5. OTHER RECEIVABLES

	2020	2019
	$	$
Deposits	**8,300**	8,878
Grant receivables	**6,250**	26,819
Sundry receivables	**5,758**	25
	20,308	35,722

6. BANK BALANCE

	2020	2019
	$	$
Cash at bank	**273,759**	192,473

7. BORROWING

	2020	2019
	$	$
Lease liability - current	**22,675**	-

Reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes		
	01.04.2019	**Cash flows**	**Accretion of interest**	**Others**	**31.03.2020**
	$	**$**	**$**	**$**	**$**
Lease liability					
- Current	43,674	(46,018)	2,344	22,675	**22,675**
- Non-current	22,675	-	-	(22,675)	**-**
	66,349	(46,018)	2,344	-	**22,675**

8. DEFERRED CAPITAL GRANT

	2020	2019
	$	$
Current		
- Care & Share Matching Grant ❶	**3,650**	3,649
- ComChest Charity Support Fund ❷	**751**	751
	4,401	4,400
Non-current		
- Care & Share Matching Grant ❶	**396**	4,046
- ComChest Charity Suppoty Fund ❷	**1,882**	2,633
	2,278	6,679
Total deferred capital grant	**6,679**	11,079

❶ The Care & Share Matching grant is a dollar-for-dollar donation provided by the government to encourage donation and to develop social service related voluntary welfare organization ("VWOs") and their programmes to better serve beneficiaries. The matching grant can be used for capability building, capacity building, new initiatives/expansion of existing services and critical existing needs.

Movement of Care & Share Matching grant during the financial year.

	2020	2019
	$	$
At beginning of the financial year	**7,695**	11,345
Amortisation	**(3,649)**	(3,650)
At end of the financial year	**4,046**	7,695

❷ The ComChest Charity Support Fund is a grant received from NCSS for the programme to empower service users and families. It can be used for capital expenditure and capability building for community engagements with the aim of unlocking resources for service users.

Movement of ComChest Charity Support Fund during the financial year.

	Note	2020	2019
		$	$
At beginning of the financial year		**3,384**	-
Addition	4	**-**	3,754
Amortisation		**(751)**	(370)
At end of the financial year		**2,633**	3,384

9. DEFERRED INCOME

	2020 $	2019 $
Care and Share Matching Grant	**101,606**	101,606
ComChest Charity Support Fund	**25,406**	24,067
ComChest Emergency Fund	**2,250**	-
Job Support Scheme	**5,750**	-
	135,012	125,673

Movement in deferred income is as follows:

	Note	2020 $	2019 $
At beginning of the financial year		**125,673**	19,649
Grant received		**119,750**	139,469
Grant used to purchase fixed assets	8	**-**	(3,754)
Amortisation of deferred income		**(110,411)**	(29,691)
At end of the financial year		**135,012**	125,673

10. OTHER PAYABLES

	2020 $	2019 $
Accrued expenses	**4,268**	4,862
Advances	**440**	200
	4,708	5,062

11. PROVISION

	2020 $	2019 $
Provision for unutilised leave	**13,259**	3,315

12. DONATIONS

	2020 $	2019 $
Donation (non-tax deductible)	**81,780**	3,167
Donation (tax deductible)	**10,240**	16,107
	92,020	19,274

13. FUND-RAISING

	Note	2020 $	2019 $
ECG Flag Day (non-tax deductible)		**-**	14,050
ECG Flag Day (tax deductible)		**-**	6,193
ECG Flag Day proceeds		**-**	30,679
	20	**-**	50,922

14. COST OF CHARITABLE ACTIVITIES

	2020 $	2019 $
Activities/programme expenses	**4,978**	14,635
Membership fees	**135**	295
ComChest Emergency Fund expense	**750**	-
	5,863	14,930

15. GOVERNANCE AND ADMINISTRATIVE COSTS

	Note	2020 $	2019 $
Accounting fees		**3,000**	3,000
Audit fees		**3,103**	3,317
Bank charges		**117**	65
CPF contribution	19	**13,964**	15,071
Depreciation of plant and equipment	4	**48,633**	4,020
Entertainment		**188**	-
Expenses for dragon boat		**1,710**	1,300
General office expenses		**484**	1,374
Gifts		**114**	-
Insurance		**317**	161
IBE Associate membership		**349**	169
Medical fees		**125**	151
Balance brought forward to next page		**72,104**	28,628

15. GOVERNANCE AND ADMINISTRATIVE COSTS (Cont'd)

	Note	2020 $	2019 $
Balance carried forward from previous page		**72,104**	28,628
Miscellaneous expenses		**120**	400
Postage and courier		**255**	567
Printing and stationery		**3,826**	8,883
Refreshment		**260**	754
Rental of premises		**-**	47,084
Repair and maintenance		**266**	108
Resource material		**194**	-
Salary and bonus	19	**98,561**	90,251
Skill development levy		**132**	132
Staff claim		**40**	262
Stamp duty		**-**	344
Telephone		**1,820**	2,611
Traning - course and skills		**-**	300
Transportation		**69**	2,506
Water and electricity		**490**	1,314
		178,137	184,144

16. TAXATION

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

17. LEASE

Group as a lessee

The Group has lease contract for office premise. The Group's obligation under these leases are secured by the lessor's title of the leased assets. The Group is restricted from assigning and subleasing the leased asset. There is one lease contract that include extension option which is further discussed below.

(a) Carrying amounts of right-of-use asset classified within plant and equipment

	Leased premises $
At 01 April 2019	66,349
Depreciation	(44,233)
At 31 March 2020	**22,116**

17. LEASE (Cont'd)

Group as a lessee (cont'd)

(b) Lease liabilities

The carrying amounts of lease liabilities (included under borrowing) and the movements during the financial year are disclosed in Note 7.

(c) Amounts recognised in statement of financial activities

	2020
	$
Depreciation of right-of-use asset (FRS 116)	**44,233**
Interest expense on lease liabilities (FRS 116)	**2,344**
Total amount recognised in statement of financial activities	**46,577**

(d) Total cash outflow

The Group has total cash outflows for leases of $46,019 in 2020.

(e) Extension options

The Group has one lease contract that include extension option. This option is negotiated by management to provide flexibility in managing and align with the Group's needs. Management exercises significant judgement in determining whether this extension option is reasonably certain to be exercised (Note 3.1).

18. COMMITMENT

Operating lease commitments – as a lessee

The Group leases premises under non-cancellable operating lease agreements. These leases have varying terms.

As at 31 March 2019, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	2019
	$
Not later than one year	46,019
Later than one year but not later than five years	23,009
	69,028

Minimum lease payments recognised as an expense in statement of financial activities for the financial year ended 31 March 2019 amounted to $47,084.

18. COMMITMENT (Cont'd)

As disclosed in Note 2.2, the Group has adopted FRS 116 on 01 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 March 2020.

19. RELATED PARTY TRANSACTIONS

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

	Note	**2020**	2019
		$	$
Compensation of key management personnel			
Salary and bonus	15	**98,561**	90,251
CPF contribution	15	**13,964**	15,071
		112,525	105,322
Number of executive of the Group in remuneration bands:			
Above $100,000		**1**	1
Transaction with the related party (Executive Director)			
Expenses paid by the related party on behalf of the Group		**7,132**	6,800

20. FUND-RAISING

30/70 Fund-raising Efficiency Ratio

	Note	**2020**	2019
		$	$
Income from fund-raising event	13	**-**	50,922
Cost of fund-raising event		**-**	2,023
Fund-raising efficiency ratio		**-**	3.97%

The fund-raising efficiency ratio has been computed as (**E**+**S**)/(**R**+**S**), where **E** refers to the total expenses relating to fund-raising; **R** refers to the total gross receipts from fund-raising, other than receipts from sponsorships; and **S** refers to the total cost or value of sponsored goods and services relating to fund-raising.

21. OVERSEAS TRANSACTIONS

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

Country	Nature of expenditures	**2020** **$**	2019 $
Indonesia	Event expenses	**-**	5,827

22. FAIR VALUE OF ASSETS AND LIABILITIES

No financial assets or liabilities were measured at fair value as at financial year end.

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

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

23. FINANCIAL INSTRUMENTS

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

	Note	**2020** **$**	2019 $
Financial assets			
Other receivables	5	**20,308**	35,722
Bank balance	6	**273,759**	192,473
Financial assets carried at amortised cost		**294,067**	228,195
Financial liabilities			
Other payables	10	**4,708**	5,062
Borrowing	7	**22,675**	-
Less: Fees received in advance	10	**(440)**	(200)
Financial liabilities carried at amortised cost		**26,943**	4,862

24. FUND MANAGEMENT

The primary objective of the Group'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 Group 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 years ended 31 March 2020 and 2019 respectively.

The Group is not subjected to externally imposed capital requirements.

25. FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks arising from its operations and use of financial instruments. The key financial risks include liquidity risk. The managements committee reviews and agrees on policies and procedures for the management of this risk, which are executed by management. It is, and has been, throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken. There has been no significant change to the Group's exposure arising from this financial risk or the manner in which it manages and measures this risk.

Liquidity risk

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

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

26. SUBSEQUENT EVENT AFTER REPORTING DATE

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Governments and central banks have responded with monetary and fiscal interventions to stabilise economic conditions.

Subsequent to the reporting date, the consequences of the COVID-19 outspread have experienced decline in donation, grants turned down and there are increase in unpaid memberships fee. In mitigation, the Group apply more funds to cover the unpaid memberships fee and fundraising through national digital platform such as giving.sg. Besides, ComChest Emergency Fund are still given to the Group to implement Covid-19 safety measures.

The Group is in surplus, net current and net asset position for the period from 01 January 2020 to 30 June 2020. As at the reporting date, the Group is also in net current and net asset and is able to continue as a going concern.

The Group has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as at and for the financial year ended 31 March 2020 have not been adjusted to reflect their impact. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Group for future periods.