

LUPUS ASSOCIATION (SINGAPORE)

[UEN. S91SS0026L]

[Registered under the Societies Act
(Chapter 311) in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2019**

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Fiducia LLP

(UEN. T10LL0955L)

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent,
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

Statement by the Management Committee

Lupus Association (Singapore) [UEN. S91SS0026L]

For the year ended 31 December 2019

In the opinion of the Management Committee, the accompanying financial statements of Lupus Association (Singapore) (the "Society") are drawn up so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2019, and the results, changes in funds and cash flows of the Society for the financial year then ended;

At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on

President	Irene Lim Suan Kim
Vice-President	Leong Keng Hong
Honorary Secretary	Linda Woo
Honorary Treasurer	Lee Soo Hoon Jo
Assistant Honorary Treasurer	Rachel Chow
Welfare Officer	Hiew Hwee Huang
Council Member	Grace Chan
Council Member	Chan Suan Liang
Council Member	Tay Sen Hee
Council Member	Dr Poh Yih Jia
Council Member	Dr Anindita Santosa
Council Member	Dr Stanley Angkodjojo

For and on behalf of the Management Committee,



Irene Lim Suan Kim
President



Lee Soo Hoon Jo
Honorary Treasurer

Singapore, 14 SEP 2020

Independent Auditor's Report

Lupus Association (Singapore) [UEN. S91SS0026L]

For the year ended 31 December 2019

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lupus Association (Singapore) (the "Society"), which comprise the statement of financial position as at 31 December 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2019 and the results, changes in funds and cash flows of the Society for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee 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.

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 misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

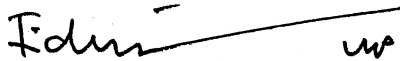
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

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

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



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, **14 SEP 2020**

Partner in charge: Soo Hon Weng
PAB No.: 01089

Statement of Financial Activities

Lupus Association (Singapore) [UEN. S91SS0026L]

For the year ended 31 December 2019

	NOTE	GENERAL FUND	HEALTH ENDOWMENT FUND	TOTAL FUNDS
2019				
INCOME				
Voluntary income				
Donations – Tax exempt	10	-	10,820	10,820
Donations – Non-tax exempt		-	17,426	17,426
Total		-	28,246	28,246
Income from charitable activities				
Membership fees		590	-	590
Sales of items		762	-	762
Programme fees		995	-	995
Total		2,347	-	2,347
Other income				
Interest income		32	-	32
Total income		2,379	28,246	30,625
LESS: EXPENDITURE				
Cost of charitable activities				
Courier and postage		1,475	-	1,475
Depreciation	7	428	-	428
Gifts and condolences to members		148	-	148
Maintenance - office equipment		470	-	470
Members educational talks		-	9,090	9,090
Printing and stationery		4,393	-	4,393
Refreshment		48	-	48
Research grant		-	4,778	4,778
Special extensive treatment		-	3,958	3,958
Telephone and internet		892	-	892
Transport		80	-	80
Total		7,934	17,826	25,760
Staff costs				
CPF and SDL contributions		3,140	-	3,140
Salaries and bonuses		18,200	-	18,200
Staff welfare		613	-	613
Total		21,953	-	21,953
Governance and administrative costs				
Accounting fees		5,495	-	5,495
Audit fees		2,996	-	2,996

Statement of Financial Activities

	NOTE	GENERAL FUND	HEALTH ENDOWMENT FUND	TOTAL FUNDS
Bank charges		637	-	637
Total		9,128	-	9,128
Total expenditure		39,015	17,826	56,841
NET-(DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR		(36,636)	10,420	(26,216)
TOTAL FUNDS BROUGHT FORWARD		(96,579)	472,124	375,545
TOTAL FUNDS CARRIED FORWARD		(133,215)	482,544	349,329

Statement of Financial Activities

Lupus Association (Singapore) [UEN. S91SS0026L]

For the year ended 31 December 2019

	NOTE	GENERAL FUND	HEALTH ENDOWMENT FUND	TOTAL FUNDS
2018				
INCOME				
Voluntary income				
Donations – Tax exempt	10	-	65,901	65,901
Donations – Non-tax exempt		-	29,119	29,119
Total		-	95,020	95,020
Income from charitable activities				
Membership fees		400	-	400
Sales of items		604	-	604
Programme fees		85	-	85
Total		1,089	-	1,089
Other income				
Interest income		32	-	32
Other income - grant		45	-	45
Total		77	-	77
Total income		1,166	95,020	96,186
LESS: EXPENDITURE				
Cost of charitable activities				
Courier and postage		2,116	-	2,116
Depreciation	7	776	-	776
Gifts and condolences to members		279	-	279
Maintenance - office equipment		150	-	150
Members educational talks		-	3,682	3,682
Printing and stationery		5,944	-	5,944
Refreshment		139	-	139
Special extensive treatment		-	3,629	3,629
Telephone and internet		866	-	866
Transport		219	-	219
Total		10,489	7,311	17,800
Staff costs				
CPF and SDL contributions		2,833	-	2,833
Medical expenses		29	-	29
Salaries and bonuses		16,400	-	16,400
Staff welfare		604	-	604
Total		19,866	-	19,866
Governance and administrative costs				
Accounting fees		5,423	-	5,423
Audit fees		2,996	-	2,996

Statement of Financial Activities

	NOTE	GENERAL FUND	HEALTH ENDOWMENT FUND	TOTAL FUNDS
Bank charges		261	-	261
Total		8,680	-	8,680
Total expenditure		39,035	7,311	46,346
NET (DEFICIT)/SURPLUS FOR THE FINANCIAL YEAR		(37,869)	87,709	49,840
TOTAL FUNDS BROUGHT FORWARD		(58,710)	384,415	325,705
TOTAL FUNDS CARRIED FORWARD		(96,579)	472,124	375,545

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

Statement of Financial Position

Lupus Association (Singapore) [UEN. S91SS0026L]

As at 31 December 2019

	NOTE	2019	2018
ASSETS			
Current assets			
Cash and cash equivalents	5	350,573	377,261
Other receivables	6	900	-
Total current assets		351,473	377,261
Non-current asset			
Property, plant and equipment	7	856	1,284
Total assets		352,329	378,545
LIABILITY			
Current liability			
Other payables	8	3,000	3,000
Total liability		3,000	3,000
NET ASSETS		349,329	375,545
UNRESTRICTED FUNDS			
General fund	9	(133,215)	(96,579)
Health endowment fund - General	9	374,366	363,946
Health endowment fund - General Medical Subsidy	9	108,178	108,178
TOTAL FUNDS		349,329	375,545

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

Statement of Changes in Funds

Lupus Association (Singapore) [UEN. S91SS0026L]

For the year ended 31 December 2019

	2019	2018
Unrestricted funds		
General fund		
Balance at beginning of financial year	(96,579)	(58,710)
Net (deficit) for the financial year	(36,636)	(37,869)
Balance at end of financial year	(133,215)	(96,579)
Health Endowment Fund - General		
Balance at beginning of financial year	363,946	276,237
Net surplus for the financial year	10,420	87,709
Balance at end of financial year	374,366	363,946
Health Endowment Fund - Members' medical subsidy		
Balance at beginning and end of financial year	108,178	108,178
Total funds		
Balance at beginning of financial year	375,545	325,705
Net (deficit)/surplus for the financial year	(26,216)	49,840
Balance at end of financial year	349,329	375,545

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

Statement of Cash Flows

Lupus Association (Singapore) [UEN. S91SS0026L]

For the year ended 31 December 2019

	NOTE	2019	2018
Cash flows from operating activities			
Net (deficit)/surplus for the financial year		(26,216)	49,840
Adjustments for:			
Depreciation	7	428	776
Interest income		(32)	(32)
Operating cash flow before changes in working capital		(25,820)	50,584
Changes in working capital			
Other receivables		(900)	95
Other payables		-	(684)
Net cash (used in)/generated from operating activities		(26,720)	49,995
Cash flows from investing activity			
Interest income		32	32
Net cash used in investing activity		32	32
Net (decrease)/increase in cash and cash equivalents		(26,688)	50,027
Cash and cash equivalents			
Cash and cash equivalents at beginning of financial year		377,261	327,234
Cash and cash equivalents at end of financial year (Note 5)		350,573	377,261
Net change in cash and cash equivalents		(26,688)	50,027

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

Notes to the Financial Statements

Lupus Association (Singapore) [UEN. S91SS0026L]

For the year ended 31 December 2019

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

1. General information

Lupus Association (Singapore) (the “Society”) is registered and domiciled in Singapore. The Society’s registered office is c/o Department of Rheumatology and Immunology, Tan Tock Seng Hospital, 11 Jalan Tan Tock Seng, Singapore 308433.

The Society was registered on 9 May 1991 under the Societies Act (Chapter 311) and is registered under the Charities Act, Chapter 37 since 31 July 1992. The Society has been accorded an Institutions of a Public Character (“IPC”) status from 6 May 2017 to 5 May 2019. The Society has renewed its IPC status from 6 May 2019 to 5 May 2021.

The principal activities of the Society are those of promotion and support of medical research on Lupus illnesses and development of community awareness of Lupus and related illnesses.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (“FRSs”) and the disclosure requirements of the Societies Act (Chapter 311) and Charities Act (Chapter 37). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (“S\$”), which is the Society’s functional currency. Functional currency is the currency of the primary economic environment in which the Society operates. All financial information presented are denominated in S\$ unless otherwise stated.

The preparation of the financial statements in conformity with FRSs requires management to exercise its judgment in the process of applying the Society’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.1.1 Interpretations and amendments to published standards effective in 2019

On 1 January 2019, the Society has adopted all the new and revised FRSs and Interpretations of FRSs (“INT FRSs”) that are relevant to its operations and effective on 1 January 2019. Changes to the Society’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the accounting policies of the Society and had no material effect on the amounts reported for the current or prior financial years.

2.1.2 Standards issued but not yet effective

The Society did not early adopt the following relevant new/revised FRSs, INT FRSs and amendments to FRSs that were issued but not yet effective:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to References to the conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 Definition of Material	1 January 2020
Amendments to FRS 103 Definition of a Business	1 January 2020
Amendments to FRS 109, FRS 39 and FRS 107 Interest Rate Benchmark Reform	1 January 2020
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Amendments to FRS 116 Covid-19 – Related Rent Concession	1 June 2020

Management believes that the adoption of the revised standards above will have no material impact on the financial statements in the period of initial application.

2.2 Income recognition

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

Income is recognised when the Society satisfies a performance obligation by transferring a promised good and 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 income recognised is the amount allocated to the satisfied performance obligation.

2.2.1 Donations

Donations are taken up and accrued as and when they are committed. Uncommitted donations, income from charity events and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Interest income

Interest income on bank current accounts and fixed deposits placed with banks are recognised on a time-proportion basis using the effective interest method.

2.2.3 Programme fees

Programme fee is recognised in the statement of financial activities when the services are performed.

2.2.4 Membership fees

Membership fees are recognised on receipt basis.

2.2.5 Other income

Other income is recognised upon receipt of income.

2.3 Expenditure recognition

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the operations where possible. Where costs are not wholly attributable to an operation, they are apportioned on a basis consistent with the use of resources.

2.3.1 Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Society and an apportionment of overhead and shared costs.

2.3.2 Other expenditure

Other expenditure include the costs of governance arrangement, which relate to the general running of the Society, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.4 Property, plant and equipment

2.4.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

2.4.2 Depreciation

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

Computer - 5 years
Furniture and fittings - 5 years
Office equipment - 5 years

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

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

2.4.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

2.4.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is recognised in the statement of financial activities.

2.5 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years.

2.6 Financial assets

2.6.1 Classification and measurement

The Society classifies its financial assets into amortised cost measurement category.

The classification of debt instruments depends on the Society's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Society reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

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

At subsequent measurementDebt instrument

Debt instruments of the Society mainly comprise of cash and cash equivalents and other receivables.

There are three prescribed subsequent measurement categories, depending on the Society's business model in managing the assets and the cash flow characteristic of the assets. The Society managed these group of financial assets by collecting the contractual cash flow and these cash flows represented solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

2.6.2 Impairment

The Society assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For cash and cash equivalents and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.6.3 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Society commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

2.7 Cash and cash equivalents

Cash and cash equivalents include deposits with financial institutions which are subject to an insignificant risk of change in value.

2.8 Financial liabilities

Financial liabilities are recognised when the Society becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables" on the statement of financial position.

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

2.9 Other payables

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs will be recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.10 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.11 Employee compensation

2.11.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Society has no further payment obligations once the contributions have been paid. The Society's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

2.11.2 Employee leave entitlement

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

2.12 Funds

Restricted fund balances are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Management Committee. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

2.13 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.14 Events after the reporting period

Events after the reporting period that provide additional information about the Society's position at the reporting date (adjusting events) are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Significant accounting judgements and estimates

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

The Management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

	2019	2018
4. Revenue from contracts with customers		
(a) Disaggregation of revenue from contracts with customers		
Revenue from:		
Donations	28,246	95,020
Membership fees	590	400
Sale of items	762	604
Programme fees	995	85
Total	30,593	96,109

Revenue is recognised at a point in time.

(b) There are no contract liabilities balances.

	2019	2018
5. Cash and cash equivalents		
Cash at bank	334,433	361,153
Fixed deposit	16,140	16,108
Total	350,573	377,261

The fixed deposit mature within 1 month (2018: 1 month) from the financial year end and earn interest at rate of 0.20% (2018: 0.20% per annum).

Fixed deposit is included as cash and cash equivalents as this can be readily converted into cash without incurring significant penalty.

At the reporting date, the carrying amounts of cash and cash equivalents approximate their fair values.

	2019	2018
6. Other receivables		
Prepayments	900	-

At the reporting date, the carrying amounts of other receivables approximate their fair values.

	2019	2018
7. Property, plant and equipment		
Computer		
Cost		
Beginning and end of financial year	5,730	5,730
Accumulated depreciation		
Beginning of financial year	5,730	5,382
Depreciation	-	348
End of financial year	5,730	5,730
Carrying amount	-	-
Furniture and fittings		
Cost		
Beginning and end of financial year	2,201	2,201
Accumulated depreciation		
Beginning and end of financial year	2,201	2,201
Carrying amount	-	-
Office equipment		
Cost		
Beginning and end of financial year	8,945	8,945
Accumulated depreciation		
Beginning of financial year	7,661	7,233
Depreciation	428	428
End of financial year	8,089	7,661
Carrying amount	856	1,284

	2019	2018
Total		
Cost		
Beginning and end of financial year	16,876	16,876
Accumulated depreciation		
Beginning of financial year	15,592	14,816
Depreciation	428	776
End of financial year	16,020	15,592
Carrying amount	856	1,284
	2019	2018

8. Other payables

Accrued expenses	3,000	3,000
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At the reporting date, the carrying amounts of other payables approximate their fair values.

9. Unrestricted funds

The unrestricted funds mainly consist of the following:

General fund

This fund was established for the purpose of meeting operating expenses incurred by the Society. General fund are expendable at the discretion of the Management Committee for the achieving of their overall objectives.

Health endowment fund - General

This fund is used for subsidising costs for educational costs to promote activities for health.

Health endowment fund - Members' medical subsidy

This fund is used for subsidising costs for special treatments or medical purposes in particular.

10. Tax deductible receipts

Tax deductible receipts issued by the Society for donations received during the financial year, pursuant to its Institutions of a Public Character ("IPC") status, are recorded as follows:

	2019	2018
Statement of financial activities:		
Voluntary income - donations	10,820	65,901

11. Income tax

The Society is a charity registered under the provisions of the Charities Act (Chapter 37) since 31 July 1992. Consequently, the income of the Society exempted from tax under Section 13 of the Income Tax Act, Chapter 134.

12. Related party transactions**(a) Related party transactions and balances**

There are no transactions with related parties during the current and previous year.

(b) Compensation of key management personnel

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Society. The key management personnel in this regard is the President of the Society.

No remuneration was paid to any members of the Management Committee during the current and previous year.

13. Commitments

The Company has service commitments in respect to web development design.

The future payable under the agreement contracted for at the reporting date but not recognised as liabilities was as follows:

	2019	2018
Service commitments		
Commitments for the service	4,500	-
Recorded as prepayment	(900)	-
Total	3,600	-

14. Financial instruments by category

The aggregate carrying amounts of financial assets and financial liability at amortised costs are as follows:

	2019	2018
Financial instruments		
Financial asset, at amortised cost	350,573	377,261
Financial liability, at amortised cost	3,000	3,000

15. Financial risk management

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee on an informal basis. The Society has limited exposure to the following risk through its charitable activities:

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

Liquidity risk

Liquidity risk reflects the risk that the Society will have insufficient resources to meet its financial liabilities as and when they fall due.

The Society is primarily funded by donations from public, membership fees and programme fees. The Society monitors its liquidity risk and maintains a level of cash and bank balances deemed adequate by the Management Committee to finance the Society's activities and to mitigate the effects of fluctuation in cash flows. The Management Committee ensures that the Society has sufficient cash on demand to meet expected expenses.

The table below summarises the profile of the Society's financial liability at the reporting date based on contractual undiscounted payments.

	2019	2018
Payable within one year		
Financial liability	3,000	3,000

Interest rate risk

Changes in interest rates do not have a material impact on the Society as it does not have any interest-bearing liabilities. The following table sets out the carrying amount, by maturity, of the Society's financial instruments, that are exposed to interest rate risk.

2019

2018

Within one year – fixed rated

Financial asset - fixed deposit

16,140

16,108

The responsibility for managing the above risks is vested in the Management Committee.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Society's exposure to credit risk arises primarily from cash and cash equivalents.

Credit risk on liquid funds is limited because the counterparty is a bank with high credit rating assigned by international credit agencies. For other receivables, the Society adopts the policy of dealing only with high credit quality counterparties.

16. Fair values

As at 31 December 2019, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values due to short-term nature.

17. Management of conflict of interest

There is no paid staff on the Society's Management Committee.

The Society's Management Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Society's Management Committee may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

18. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2019 is as follows:

	2019	2018	Increase/(decrease)
	S\$	S\$	%
(A) Unrestricted funds - General fund	(133,215)	(96,579)	37.93
(B) Restricted or designated funds	N/A	N/A	N/A
(C) Endowment funds - General and Members' medical subsidy	482,544	472,124	2.21
(D) Total funds	349,329	375,545	(6.98)
(E) Total annual operating expenditure	56,841	46,346	22.64
(F) Ratio of funds to annual operating expenditure (D/E)	6.15	8.10	

Reference:

C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.

D. Total Funds include unrestricted, restricted/designated and endowment funds.

E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Expenditure.

The Society's Reserve Policy is as follows:

The reserve of the Society provide financial stability and the means for the development of the Society's activities. The Management Committee intends to maintain the reserves at a level sufficient for its operating needs. The Society reviews the level of reserves regularly for the Society's continuing obligations.

19. Events after the reporting period

An outbreak of COVID-19 (Coronavirus Disease 2019) had been reported in China on 31 December 2019. At the date of the financial statements, while the outbreak has been most severe in Asia, it has spread to various regions around the world, including Australia, Europe, Middle East and the United States of America. While the full impact to the Society cannot be quantified reliably, the Society's performance subsequent to the reporting date is likely to be negatively impacted as a result of regional and global travel restrictions, quarantine and/or illness of employees, loss of donors/grantors, supply chain disruptions, and other forms of interruptions to business.

20. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Management Committee on **14 SEP 2020**