CENTRE FOR FATHERING LIMITED
[UEN. 200101825N]
[IPC No. IPC000149]

[A company limited by guarantee and
not having share capital]
[Incorporated in the Republic of Singapore]

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

CONTENTS

Fiducia LLP
(UEN. T10LL0955L)
Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre
Singapore 408571
T: (65) 6846.8376
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DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Centre for Fathering Limited (the "Company") for the financial year ended 31 December 2019.

In the opinion of the directors,

a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and the financial perfomance, changes in funds and cash flows of the Company for the financial year then ended; and

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

Directors

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

Lawrence Teh Yew Kiat
Tan Cheng Lin Laura (Mrs Laura Hwang Cheng Lin)
Sipiere Virginia Christine
Ramlee Bin Buang
Richard Hoon Thye Woei
Soh Lena
Faye Ong Hui-Ming
Muhamad Imaduddien Bin Abd Karim
Nahata Vikas
Lim Song Khiang
Chan Weng Yip
Magnus Keith Yu-Jene
Wong Seng Yoong
Lim Cheen Yee (Appointed on 10 June 2019)

Arrangements to enable directors to acquire benefits

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

Other matters

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

DIRECTORS' STATEMENT (CONT'D)

Independent auditors

The independent auditor, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

Richard Hoon Thye Woei Director	Lim Cheen Yee Director

Singapore,

Fiducia LLP
Public Accountants and
Chartered Accountants of Singapore

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Independent auditor's report to the members of:

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REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Centre for Fathering Limited (the "Company"), 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 year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and of the financial activities, changes in the funds and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement 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.

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Chartered Accountants of Singapore

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(CONT'D)

Independent auditor's report to the members of:

CENTRE FOR FATHERING LIMITED
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Responsibilities of Management and Directors for the Financial Statements

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

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

Those charged with governance comprises the directors. Their responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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(CONT'D)

Independent auditor's report to the members of:

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

(b) the Company 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,

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	Unrestricted fund	Restricted funds						
2019		General fund S$	Care and Share Matching Grant S$	Community Chest Charity Support fund S$	Dads For Life S$	NCSS - Research S$	NPTD fund S$	Total restricted funds S$	Total unrestricted and restricted funds S$
INCOME									
Income from generating funds									
Donations									
- Tax exempt	6	35,055	0	0	0	0	0	0	35,055
- Non-tax exempt	6	20,203	0	0	0	0	0	0	20,203
Grant received									
- NCSS Research Grant		0	0	0	0	79,430	0	79,430	79,430
- MSF funding		0	0	0	295,000	0	535,450	830,450	830,450
- Community chest		0	0	50,000	0	0	0	50,000	50,000
Activities from generating funds									
Fund raising activities									
- Charity Golf	5	256,960	0	0	0	0	0	0	256,960
- Charity Movie	5	4,300	0	0	0	0	0	0	4,300
- Photo Exhibition	5	92,933	0	0	0	0	0	0	92,933
- LSH Book Launch	5	23,490	0	0	0	0	0	0	23,490
- 20th Gala Dinner	5	55,000	0	0	0	0	0	0	55,000
		487,941	0	50,000	295,000	79,430	535,450	959,880	1,447,821
Income from charitable activities									
Programme fee - talks/camps/workshops	5	59,754	0	0	(240)	0	0	(240)	59,514
Other income									
Interest income	5	21,787	0	0	0	0	0	0	21,787
Miscellaneous income	5	48,031	0	0	2,630	1,600	0	4,230	52,261
		69,818	0	0	2,630	1,600	0	4,230	74,048
Total income		617,513	0	50,000	297,390	81,030	535,450	963,870	1,581,383

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONT'D)

	Note	Unrestricted fund	Restricted funds						
2019 (CONT'D)		General fund S$	Care and Share Matching Grant S$	Community Chest Charity Support fund S$	Dads For Life S$	NCSS - Research S$	NPTD fund S$	Total restricted funds S$	Total unrestricted and restricted funds S$
EXPENDITURE									
Cost of charitable activities									
Advertising and promotion		0	550	0	80	0	4,282	4,912	4,912
Cost of merchandise and resources		4,073	3,780	388	226	0	3,165	7,559	11,632
Event management fees		360	0	0	567	0	465,450	466,017	466,377
Event venue		72,063	1,483	4,161	3,145	0	13,480	22,269	94,332
Professional fees		0	13,920	28,400	0	0	11,820	54,140	54,140
Refreshments		2,405	1,214	92	1,059	673	1,205	4,243	6,648
Salaries and bonuses	7	152,886	148,050	12,331	207,279	0	12,250	379,910	532,796
Staff CPF	7	22,981	22,086	0	33,744	0	2,084	57,914	80,895
Seminar and training		981	1,446	0	453	0	0	1,899	2,880
LSH book launch – share of surplus		102,03	0	0	0	0	0	0	10,203
Media and development cost		0	0	5,631	0	0	23,760	29,391	29,391
Outreach activities		0	8,721	562	4,973	0	7,147	21,403	21,403
Transportation		0	1,119	769	(7)	0	0	1,881	1,881
Website and administrative resources		0	0	0	4,396	0	722	5,118	5,118
		265,952	202,369	52,334	255,915	673	545,365	1,056,656	1,322,608
Governance and other administrative costs									
Audit fee		6,127	0	0	0	0	0	0	6,127
Bank charges		1,935	0	0	0	0	0	0	1,935
Computer expenses		1,592	228	0	0	0	0	228	1,820
Depreciation	10	58,340	3,983	0	0	0	0	3,983	62,323
Insurance		6,958	0	0	0	0	0	0	6,958
Medical fees		301	366	0	429	0	0	795	1,096
Online transaction fees		5	0	0	0	0	0	0	5
Postage and courier charges		176	5	0	109	0	0	114	290
Balance c/f		75,434	4,582	0	538	0	0	5,120	80,554

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONT'D)

	Note	Unrestricted fund	Restricted funds						
2019 (CONT'D)		General fund S$	Care and Share Matching Grant S$	Community Chest Charity Support fund S$	Dads For Life S$	NCSS - Research S$	NPTD fund S$	Total restricted funds S$	Total unrestricted and restricted funds S$
EXPENDITURE (CONT'D)									
Governance and other administrative costs (Cont'd)									
Balance b/f		75,434	4,582	0	538	0	0	5,120	80,554
Printing and stationery		2,547	2,248	1,627	6,801	0	2,675	13,351	15,898
Professional fee and admin support		53,762	0	0	15,921	0	0	15,921	69,683
Project costs		0	4,661	0	0	12,636	0	17,297	17,297
General expenses		30	198	0	14	0	0	212	242
Rental on operating leases - office premise		5,131	0	0	0	0	0	0	5,131
Repair and maintenances		0	33,314	0	0	0	0	33,314	33,314
SDL		416	322	0	437	0	0	759	1,175
Telecommunications		5,612	0	0	0	0	0	0	5,612
Transportation		340	65	216	708	0	423	1,412	1,752
Upkeep of office		12,273	44	0	103	0	0	147	12,420
Utilities		7,683	0	0	0	0	0	0	7,683
Volunteer appreciation expenses		0	0	1,029	0	0	0	1,029	1,029
Welfare and refreshment		789	223	143	52	0	0	418	1,207
		164,017	45,657	3,015	24,574	12,636	3,098	88,980	252,997
Total expenditure		429,969	248,026	55,349	280,489	13,309	548,463	1,145,636	1,575,605
Net surplus/(deficit)		187,544	(248,026)	(5,349)	16,901	67,721	(13,013)	(181,766)	5,778
Transfer between fund	12	120,845	(120,845)	0	0	0	0	(120,845)	0
Total funds at the beginning of year		1,776,917	606,646	16,929	(14,776)	0	39,257	648,056	2,424,973
Total funds at the end of year		2,085,306	237,775	11,580	2,125	67,721	26,244	345,445	2,430,751

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONT'D)

	Note	Unrestricted fund	Restricted funds						
2018		General fund S$	Care and Share Matching Grant S$	Community Chest Charity Support fund S$	Dads For Life S$	NPTD fund S$	President's Challenge S$	Total restricted funds S$	Total unrestricted and restricted funds S$
INCOME									
Income from generating funds									
Donations									
- Tax exempt	6	16,960	0	0	0	0	0	0	16,960
- Non-tax exempt	6	1,270	0	0	0	0	0	0	1,270
Grant received									
- MSF funding		0	0	0	101,250	578,000	0	679,250	679,250
- Community Chest		0	0	50,000	0	0	0	50,000	50,000
Activities from generating funds									
Fund raising activities									
- Charity Golf	5	350,471	0	0	0	0	0	0	350,471
- Charity Concert	5	92,530	0	0	0	0	0	0	92,530
		461,231	0	50,000	101,250	578,000	0	729,250	1,190,481
Income from charitable activities									
Programme fee - talks/camps/workshops	5	61,865	0	0	0	0	0	0	61,865
Other income									
Interest income	5	28,790	0	0	0	0	0	0	28,790
Miscellaneous income	5	21,500	0	0	0	0	0	0	21,500
		50,290	0	0	0	0	0	0	50,290
Total income		573,386	0	50,000	101,250	578,000	0	729,250	1,302,636

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONT'D)

	Note	Unrestricted fund	Restricted funds						
2018 (CONT'D)		General fund S$	Care and Share Matching Grant S$	Community Chest Charity Support fund S$	Dads For Life S$	NPTD fund S$	President's Challenge S$	Total restricted funds S$	Total unrestricted and restricted funds S$
EXPENDITURE									
Cost of charitable activities									
Advertising and promotion		731	2,798	308	0	0	0	3,106	3,837
Cost of merchandise and resources		25,553	10,271	0	68	5,650	0	15,989	41,542
Event insurance		0	76	0	0	0	0	76	76
Event management fees		10,617	710	0	3,370	416,903	0	420,983	431,600
Event venue		11,088	1,634	0	1,162	1,206	0	4,002	15,090
Professional fees		0	33,575	18,000	140	0	0	51,715	51,715
Refreshments		12,907	5,233	21	2,317	9,937	0	17,508	30,415
Salaries and bonuses	7	223,736	145,338	12,350	195,237	12,000	0	364,925	588,661
Staff CPF	7	32,787	23,862	2,100	28,901	2,040	0	56,903	89,690
Seminar and training		0	1,550	0	0	0	0	1,550	1,550
Media and development cost		0	0	0	0	66,310	0	66,310	66,310
Outreach activities		0	5,405	0	1,071	30,087	0	36,563	36,563
Transportation		360	1,118	150	64	860	0	2,192	2,552
Website and administrative resources		0	3,167	0	3,441	31,900	0	38,508	38,508
		317,779	234,737	32,929	235,771	576,893	0	1,080,330	1,398,109
Governance and other administrative costs									
Audit fee		4,334	0	0	0	0	0	0	4,334
Bank charges		1,154	0	0	0	0	0	0	1,154
Computer expenses		560	1,995	0	0	0	0	1,995	2,555
Depreciation	10	48,250	79,961	0	0	0	0	79,961	128,211
Insurance		700	0	0	0	0	0	0	700
Medical fees		342	418	0	308	0	0	726	1,068
Online transaction fees		33	0	0	0	0	0	0	33
Postage and courier charges		971	12	0	279	116	0	407	1,378
Balance c/f		56,344	82,386	0	587	116	0	83,089	139,433

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (CONT'D)

	Note	Unrestricted fund	Restricted funds						
2018 (CONT'D)		General fund S$	Care and Share Matching Grant S$	Community Chest Charity Support fund S$	Dads For Life S$	NPTD fund S$	President's Challenge S$	Total restricted funds S$	Total unrestricted and restricted funds S$
EXPENDITURE (CONT'D)									
Governance and other administrative costs (Cont'd)									
Balance b/f		56,344	82,386	0	587	116	0	83,089	139,433
Printing and stationery		5,873	1,168	0	465	96	0	1,729	7,602
Professional fee		8,840	0	0	0	0	0	0	8,840
Rental on operating leases – office premise		5,125	0	0	0	0	0	0	5,125
Repair and maintenances		3,242	32,145	0	0	0	0	32,145	35,387
SDL		415	321	72	427	30	0	850	1,265
Telecommunications		4,486	88	0	223	0	0	311	4,797
Transportation		1,903	783	70	782	0	0	1,635	3,538
Upkeep of office		3,657	191	0	0	0	0	191	3,848
Utilities		8,248	0	0	0	0	0	0	8,248
Volunteer appreciation expenses		185	57	0	0	0	0	57	242
Welfare and refreshment		1,179	0	0	0	0	0	0	1,179
		99,497	117,139	142	2,484	242	0	120,007	219,504
Total expenditure		417,276	351,876	33,071	238,255	577,135	0	1,200,337	1,617,613
Net surplus/(deficit)		156,110	(351,876)	16,929	(137,005)	865	0	(471,087)	(314,977)
Transfer between fund	12	307,368	(329,417)	0	0	0	22,049	(307,368)	0
Total funds at the beginning of year		1,313,439	1,287,939	0	122,229	38,392	(22,049)	1,426,511	2,739,950
Total funds at the end of year		1,776,917	606,646	16,929	(14,776)	39,257	0	648,056	2,424,973

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	Note	2019 S$	2018 S$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,762,446	1,470,888
Other receivables	9	67,557	221,787
		1,830,003	1,692,675
Non-current asset			
Property, plant and equipment	10	760,491	785,265
Total assets		2,590,494	2,477,940
LIABILITIES			
Current liabilities			
Other payables	11	159,743	52,967
NET ASSETS		2,430,751	2,424,973
Unrestricted fund			
General fund	12	2,085,306	1,776,917
Restricted funds			
Care and Share Matching Grant		237,775	606,646
Community Chest Charity Support Fund		11,580	16,929
Dads for Life		2,125	(14,776)
National Population and Talent Division Fund		26,244	39,257
National Council of Social Service Research Fund		67,721	0
	12	345,445	648,056
TOTAL FUNDS		2,430,751	2,424,973

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

STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Balance at beginning of year S$	Net surplus/ (deficit) for the year S$	Transfer from/(to) S$	Balance at end of year S$
2019				
Unrestricted fund				
General fund	1,776,917	187,544	120,845	2,085,306
Restricted funds				
Care and Share Matching Grant	606,646	(248,026)	(120,845)	237,775
Community Chest Charity Support Fund	16,929	(5,349)	0	11,580
Dads for Life	(14,776)	16,901	0	2,125
National Council of Social Service Research Fund	0	67,721	0	67,721
National Population and Talent Division	39,257	(13,013)	0	26,244
	648,056	(181,766)	0	345,445
Total Funds	2,424,973	5,778	0	2,430,751

	Balance at beginning of year S$	Net surplus/ (deficit) for the year S$	Transfer from/(to) S$	Balance at end of year S$
2018				
Unrestricted fund				
General fund	1,313,439	156,110	307,368	1,776,917
Restricted funds				
Care and Share Matching Grant	1,287,939	(351,876)	(329,417)	606,646
Community Chest Charity Support Fund	0	16,929	0	16,929
Dads for Life	122,229	(137,005)	0	(14,776)
National Population and Talent Division	38,392	865	0	39,257
President's Challenge	(22,049)	0	22,049	0
	1,426,511	(471,087)	(307,368)	648,056
Total Funds	2,739,950	(314,977)	0	2,424,973

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

	Note	2019 S$	2018 S$
Cash flows from operating activities			
Net deficit for the year		5,778	(314,977)
Adjustments for:			
- Depreciation	10	62,322	128,211
- Interest income		(21,787)	(28,790)
Operating cash flow before working capital changes		46,313	(215,556)
Changes in working capital			
- Other receivables		150,522	(200,078)
- Other payables		106,776	(38,122)
Net cash generated from / (used in) operating activities		303,611	(453,756)
Cash flows from investing activities			
Purchases of property, plant and equipment	10	(37,548)	0
Interest received		25,495	32,579
Net cash (used in) / generated from investing activities		(12,053)	32,579
Net increase / (decrease) in cash and cash equivalents		291,558	(421,177)
Cash and cash equivalents at beginning of financial year		1,470,888	1,892,065
Cash and cash equivalents at end of financial year	8	1,762,446	1,470,888

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL 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

Centre for Fathering Limited (the "Company") is incorporated and domiciled in Singapore. The Company's registered office is located at 1 Coleman Street, #05-05 The Adelphi, Singapore 179803. The principal place of business is located at 1 Woodlands Road, #04-03 The Tennery, Singapore 677899.

The principal activities of the Company are to support men in their role as fathers and to strengthen marriage, the foundation of good parenting.

The Company is a company limited by guarantee. The Company was incorporated in 17 March 2001 and was registered as a charity on 19 September 2001. The Company has been accorded an Institutions of a Public Character ("IPC") status from 1 April 2019 to 30 September 2021.

Every member of the Company undertakes to contribute to the assets of the Company in the event of the same being wound up during the time he is a member, or within one year afterwards for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and the costs, charges and expenses of winding up the same, and for adjusting the rights of the contributors amongst themselves, such amount as may be required, not exceeding the sum of ten (10) Singapore Dollar.

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 Charities Act, Chapter 37. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar ("S$"), which is the Company's functional currency.

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

2.1.1 Interpretations and amendments to published standards effective in 2019

In the current financial year, the Company has adopted all the new and revised FRS and interpretations of FRS ("INT FRS") that are relevant to its operations and effective on 1 January 2019. The adoption of the standard did not have any material effect on the financial statements.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had not material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.2 Standard issued but not yet effective

The Company has not adopted the following relevant new/revised FRS and amendments to FRSs that were issued but not yet effective:

Description	Effective for annual periods commencing on
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 103: Definition of a Business	1 January 2020
Amendments to FRS 1 and FRS 8 Definition of Material	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

The directors expect that the adoption of the revised standards above will have no material impact on the financial statements in the period of initial adoption.

2.2 Income recognition

Income is measured based on the consideration to which the Company 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 Company 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. Income is recognised as follows:

2.2.1 Donations

Donations are taken up and accrued as and when they are committed. Those 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 Rendering of services – talks and seminars

Income from the rendering of services is recognised when the services have been performed and rendered.

2.2.3 Interest income

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

2.2.4 Other income

Other income is recognised upon receipt of income.

2. Significant accounting policies (Cont'd)

2.3 Government grants

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 statement of financial position and is amortised to the statement of financial activities over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.4 Expenditure recognition

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

2.4.1 Cost of generating funds

Cost of generating funds comprises all directly attributable costs incurred in the generating voluntary income and fundraising activities.

2.4.2 Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Company.

2.4.3. Governance and administrative costs

Governance costs include the cost of governance arrangement, which are related to the general running of the Company, providing governance infrastructure and ensuring public accountability.

2.5 Financial assets

(a) Classification and measurement

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

The classification of debt instruments depends on the Company'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 Company reclassifies debt instruments when and only when its business model for managing those assets changes.

<u>At initial recognition</u>

At initial recognition, the Company 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.

2. Significant accounting policies (Cont'd)

2.5 Financial assets (Cont'd)

(a) Classification and measurement (Cont'd)

<u>At subsequent measurement</u>

<u>Debt instrument</u>

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

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company 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.

(b) Impairment

The Company 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.

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Academy 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 Academy 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. Significant accounting policies (Cont'd)

2.6 Property, plant and equipment

2.6.1 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 and restoration is included as a consequence of acquiring or using the property, plant and equipment.

2.6.2 Depreciation

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

	Useful lives
Community space	20 years
Computers	3 years
Furniture and fittings	3 years
Renovation	3 years
Office equipment	3 years

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

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

2.6.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that have 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 Company 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.

2.6.4 Disposal

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

2. Significant accounting policies (Cont'd)

2.7 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) 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, the 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 is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed 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 this 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 accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the statement of financial activities.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions that are subject to an insignificant risk of changes in value.

2.9 Financial liabilities

Financial liabilities are recognised when the Company 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".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expire. 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.

2.10 Other payables

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

2. Significant accounting policies (Cont'd)

2.11 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company 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.

2.12 Funds

Restricted funds balance 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 Board of Directors. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Board of Directors retains full control over the use of unrestricted funds for any of the Company's purposes.

2.13 Leases

2.13.1 These accounting policies are applied before the initial application date of FRS116, 1 January 2019:

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities.

2.13.2 These accounting policies are applied on and after the initial application date of FRS116, 1 January 2019:

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(a) As lessee

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

<u>Right-of-use assets</u>

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). 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.

2. Significant accounting policies (Cont'd)

2.13 Leases (Cont'd)

2.13.2 These accounting policies are applied on and after the initial application date of FRS116, 1 January 2019: (Cont'd)

(a) As lessee (Cont'd)

Right-of-use assets (Cont'd)

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.7.

Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

For contract that contain both lease and non-lease components, the Company allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Company has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

In calculating the present value of lease payments, the Company 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.

2. Significant accounting policies (Cont'd)

2.13 Leases (Cont'd)

2.13.2 These accounting policies are applied after the initial application date of FRS116, 1 January 2019: (Cont'd)

(a) As lessee (Cont'd)

Lease liabilities (Cont'd)

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a changes in the Company's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in the statement of financial activities if the carrying amount of the right-of-use asset has been reduced to zero.

Short term and low value leases

The Company has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, except for sublease arrangements. Lease payments relating to these leases are expensed to the statement of financial activities on a straight-line basis over the lease term.

Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in the statement of financial activities in the periods that triggered those lease payments.

2.14 Employee compensation

2.14.1 Defined contribution plans

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

2.14.2 Employee leaves entitlement

Employees' 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. Significant accounting policies (Cont'd)

2.15 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.16 Borrowings

Borrowings are initially recognised at their fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and their redemption values is recognised in the statement of financial activities over the period of borrowings using the effective interest method.

Borrowings, which are due to be settled within twelve months after the reporting date, are included in current borrowings in the statement of financial position.

2.17 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.

2.18 Events after the reporting date

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events 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 Company'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 assumption 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.

3.1 Judgements made in applying accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Government grants

Government grants to meet operating expenses are recognised as income in statement of financial activities on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Company will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Company if the conditions are not met.

3. Significant accounting judgements and estimates (Cont'd)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Estimated useful lives of property, plant and equipment

The Company reviews annually the estimated useful lives of property, plant and equipment based on factors such as operating plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. The carrying amount of property, plant and equipment and the depreciation charge for the financial year is disclosed in Note 10.

4. Income tax

The Company is a registered charity under the Charities Act, Chapter 37 since 19 September 2001. Consequently, the income of the Company is exempted from tax under the provisions of Section 13(1) of the Income Tax Act.

5. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

	2019 S$	2018 S$
Revenue from:		
Donations		
- Tax exempt	35,055	16,960
- Non-tax exempt	20,203	1,270
Fund raising events		
- Charity golf	256,960	350,471
- Charity concert	0	92,530
- Charity movie	4,300	0
- Photo exhibition	92,933	0
- LSH book launch	23,490	0
- Gala Diner	55,000	0
	432,683	443,001
Event and activities	59,514	61,865
	547,455	515,096

All the revenues are recognised at a point in time.

6. Donation

	Note	2019 S$	2018 S$
Tax exempt donations		467,738	246,009
Non-tax exempt donations		20,203	215,222
		487,941	461,231
The donations were allocated as follows:			
• Donation – non-tax exempt		35,055	1,270
• Donation - tax exempt		20,203	16,960
• Fund raising	5	432,683	443,001
		487,941	461,231

The Company issued tax-deductible receipts for donations totaling S$458,332 (2018: S$240,490) pursuant to its Institution of a Public Character ("IPC") status.

7. Staff costs

	2019 S$	2018 S$
Staff salaries and bonuses	532,796	588,661
Employer's contributions to CPF	80,895	89,690
	613,691	678,351

8. Cash and cash equivalents

	2019 S$	2018 S$
Cash on hand	418	338
Cash at bank	352,392	106,339
Fixed deposits	1,409,636	1,364,211
	1,762,446	1,470,888

The fixed deposits matured within 3 to 11 months (2018: 1 to 11 months) from the financial year end and earn interest at rate of 0.40% to 1.85% (2018: 1.24% to 1.89%) per annum.

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

9. Other receivables

	2019 S$	2018 S$
Fee receivables	7,260	1,360
Deposits	1,867	1,637
Grant receivables	50,000	201,250
Interest receivables	2,937	6,645
Other receivables	356	3,860
Prepayments	5,137	7,035
	67,557	221,787

9. Other receivables (Cont'd)

Fee receivables are non-interest bearing and are generally on 30 days' terms.

Other receivables are non-trade in nature, unsecured, interest-free and repayable on demand.

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

10. Property, plant and equipment

	Community Space S$	Computers S$	Furniture and fittings S$	Office equipment S$	Renovation S$	Total S$
Cost						
At 1 January 2018 and 31 December 2018	989,032	13,290	15,147	11,777	369,624	1,398,870
Additions	2,000	2,548	0	0	33,000	37,548
At 31 December 2019	991,032	15,838	15,147	11,777	402,624	1,436,418
Accumulated depreciation						
At 1 January 2018	156,597	12,404	12,579	10,387	293,427	485,394
Depreciation	49,452	875	1,262	800	75,822	128,211
At 31 December 2018	206,049	13,279	13,841	11,187	369,249	613,605
Depreciation	49,551	151	865	380	11,375	62,322
At 31 December 2019	255,600	13,430	14,706	11,567	380,624	675,927
Carrying amount						
31 December 2018	782,983	11	1,306	590	375	785,265
31 December 2019	735,432	2,408	441	210	22,000	760,491

11. Other payables

	2019 S$	2018 S$
Other payables	22,946	0
Accrued expenses	62,947	52,967
Contract liabilities	73,850	0
	159,743	52,967

Other payables are non-interest bearing and are generally on 30 days' term. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

The contract liabilities relate to the funding received in advance from Ministry of Social and Family Development ("MSF") for Dad for Life Movement Programme ("DFL") for the unsatisfied performance obligation in providing the services to operate the programme up to March 2020. Revenue will be recognised when the services rendered over the funding period.

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

12. Funds

Funds comprise of unrestricted and restricted funds.

12.1 Unrestricted fund

General fund

General fund are expendable at the discretion of the Board of Directors for the achieving of the Company's overall objectives.

12. Funds

12.1 Restricted funds

Restricted funds comprise:

a. Care and Share Matching Grant

Care and Share Matching Grant is a grant from Ministry of Social and Family Development ("MSF"), based on qualifying donations, to develop the charitable agency's capabilities and capacity in the provision of social services and programmes for its beneficiaries. The unused funds for projects that are withdrawn or terminated prematurely may be clawed back if the new proposed projects were not approved by MSF.

During the current year, the Board has transferred expenditure of S$120,845 from General Fund to Care and Share Matching Grant. The expenditure was incurred for Care and Share Matching Grant under Critical Existing Needs for financial year ended 2018.

In 2018, the Board has transferred expenditure of S$329,417 from General Fund to Care and Share Matching Grant. The expenditure was incurred for Care and Share Matching Grant under Critical Existing Needs from year ended 2013 to year end 2017.

b. Community Chest Charity Support Fund

This fund is to run ICAN (Involvement-Consistency-Awareness-Nurturance) workshops for incarcerated father in Prisons and Drug Rehabilitation Centre so they are better prepared to integrate back with their families, including training for ICAN for staff Vulnerable Children's Home/halfway houses/orphanages.

c. Dads for Life

This fund is established for the purpose to inspire and involve fathers to be good influencers in their children's lives.

d. National Population and Talent Division Fund

The grant from National Population and Talent Division ("NPTD") is meant to support Centre for Fathering in driving the national Celebrating Fathers campaign, which comprises campaign conceptualisation, media placements, event management, publicity collateral, national event "Dad's Day Out", goodie bags with Fathering tools/resources, media branding spots on Celebrating Fathers and social media campaigns to drive publicity for the event, to educate audience and impart key messages. It covers the management of a campaign microsite, includes creative conceptualisation and design setup, remapping of URLs, development of site, design integration and implementation, webhosting, content management and traffic reporting. Finally, it also covers the management of social media, which encompasses a monthly editorial calendar, manage content creation, community management, monthly/annual reporting, social media strategy and execution to drive traffic to webpage and FB media.

12. Funds (Cont'd)

12.1 Restricted funds (Cont'd)

e. President Challenge

This fund is to engage family life educators to develop, promote and conduct the programmes, as well as to employ one programme executive to run the programmes.

This programme ended in FY 2017 and the Board have approved to transfer the general fund to restricted fund – President's Challenge fund to support the deficit balance under the President's Challenge fund.

f. National Council of Social Service Research Fund

This fund is to run an exploratory mixed-method investigation of the socio cultural challenges to effective parenting experienced by Malay-Muslim fathers in Singapore.

13. Related party transactions

(a) Related party transactions and balances

There was no transaction between the Company and related party for the financial year ended 31 December 2019 and 31 December 2018.

At the reporting date, none of the directors received any remuneration from the company.

(b) Compensation of key management personnel

The remuneration of the key management personnel compensation for the financial year is as follows:

	2019 S$	2018 S$
Salaries, allowance and bonuses	228,730	244,803
CPF and SDL contributions	29,616	30,254
Secondment fee	63,683	0
	322,029	275,057

Remuneration band	No. of key management personnel	No. of key management personnel
- S$100,001 to S$150,000	1	1
- S$100,000 and below	3	2

14. Financial instruments by category

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

	2019 S$	2018 S$
Financial assets, at amortised cost	1,824,866	1,685,640
Financial liabilities, at amortised cost	85,893	52,967

15. Financial risk management

The Company is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk and liquidity risk. The directors review and agree policies and procedures for the management of these risks. The Company does not apply hedge accounting.

Risk management is carried out under policies approved by the Board of Directors. The Board reviews and agrees on policies and procedures for management of these risks.

15.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation, resulting in financial loss to the Company. The Company's major class of financial assets are cash and cash equivalents and other receivables.

The maximum exposure to credit risk for financial assets is the carrying amount of the class of financial instruments presented in the statement of financial position.

For banks and financial institutions, the Company mitigates its credit risks by transacting only with counterparties who are rated “A” and above by independent rating agencies. For other receivables, the Company adopts the policy of dealing only with high credit quality counterparties.

There are no significant concentration of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

15.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company’s financial instruments will fluctuate because of changes in market interest rates. The Company’s exposure to interest rate risk arises primarily from their cash and cash equivalents and borrowings.

The Company does not expect any significant effect on the Company’s income or expenditure arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

Sensitivity analysis for interest rate risk

At the reporting date, the interest rate profile of the Company’s interest-bearing financial instruments was as follows:

	2019 S$	2018 S$
Fixed rate instruments		
Financial assets		
Fixed deposits	1,409,636	1,364,211

15. Financial risk management

15.2 Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk (cont'd)

The sensitivity analysis is based on changes in the interest rates of variable rate financial instruments.

Sensitivity analysis for interest rate risk is not presented as the Company do not have significant exposure to market risk for changes in interest rate.

At the reporting date, the Company does not have variable rate interest-bearing financial instruments.

15.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations due to shortage of funds. The Company exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

Management monitors and ensures that the Company maintains a level of cash and cash equivalents deemed adequate to finance the Company's operations.

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting period based on the contractual undiscounted repayment obligations:

	Within one year	Later than one year but not later than five years	Total
2019	S$	S$	S$
Financial assets			
Cash and cash equivalents	1,762,446	0	1,762,446
Other receivables (excluding prepayments)	62,420	0	62,420
	1,824,886	0	1,824,886
Financial liabilities			
Other payables (excluding contract liabilities)	(85,893)	0	(85,893)
Net financial assets	1,738,973	0	1,738,973
2018			
Financial assets			
Cash and cash equivalents	1,470,888	0	1,470,888
Other receivables (excluding prepayments)	214,752	0	214,752
	1,685,640	0	1,685,640
Financial liabilities			
Other payables	(52,967)	0	(52,967)
Net financial assets	1,632,673	0	1,632,673

16. Fair values

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

17. Reserve position and policy

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

		2019	2018	Increase (Decrease)
		S$'000	S$'000	%
A	Unrestricted Funds			
	Accumulated general funds	2,085	1,777	17.33
B	Restricted or Designated Funds			
	Designated funds	0	0	0
	Restricted funds	345	648	(46.76)
C	Endowment Funds	0	0	
D	Total Funds	2,430	2,425	0.21
E	Total Annual Operating Expenditure	1,576	1,618	(2.60)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.32	1.10	

Reference:
C. An endowment fund consists of assets, funds or property, which is 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 Generating Funds, Cost of Charitable Activities and Governance and Other Administrative Costs.

The Company's Reserve Policy is as follows:

The Company will endeavour to maintain a reserve of three years' operating expenses, to be kept as fixed deposits and cash-on-hand.

The Company's reserve policy remains unchanged from previous years.

18. 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 these 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 Company cannot be quantified reliably, the Company's performance subsequent to the reporting period is likely to be negatively impacted as a result of regional and global travel restrictions, quarantine and/or illness of employees, loss of customers, supply chain disruptions, and other forms of interruptions to business.

19. 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 Board of Directors of the Company on