SPACES COUNSELING AND COMMUNITY LIMITED
[UEN. 200402955N]

[A company limited by guarantee and not having a 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
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

DIRECTORS' STATEMENT

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

In the opinion of the directors,

a) the financial statements of the Company 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 performance, 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:

Chen Lingshen
Choong Chee Hong
Toh Leh Lim

Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects was, 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.

Independent auditor

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

On behalf of the Board of Directors,

Choong Chee Hong
Director

Toh Leh Lim
Director

Singapore, 31 December 2020

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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 Spaces Counseling and Community 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 performance, changes in the funds and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the 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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Responsibilities of Management and Those Charged with Governance 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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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.

Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore, 31 December 2020

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

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

	2019 Accumulated general funds					2018 Accumulated general funds
	Oogachaga (OC) S$	Spaces Counselling (SPACES) S$	A Nation In Concert (ANIC) S$	Sometimes Light S$	Total funds S$	Total funds S$
REVENUE						
Income from generating funds						
Voluntary income						
<u>At a point in time</u>						
- Donations	107,007	0	0	0	107,007	90,142
Income from charitable activities						
Education programme grants	188,089	0	0	0	188,089	71,675
Room rental fee income	18,794	0	0	0	18,794	5,010
<u>At a point in time</u>						
Counselling fees	36,333	0	0	0	36,333	28,390
Programme income	3,858	0	0	0	3,858	13,291
	247,074	0	0	0	247,074	118,366
Other income						
Sundry income	0	0	0	0	0	559
Total revenue	354,081	0	0	0	354,081	209,067

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

		2019 Accumulated general funds					2018 Accumulated general funds
	Note	Oogachaga (OC) S$	Spaces Counselling (SPACES) S$	A Nation In Concert (ANIC) S$	Sometimes Light S$	Total funds S$	Total funds S$
EXPENDITURE							
Cost of charitable activities							
Advertising and publicity		310	0	0	0	310	290
Bonus		11,950	0	0	0	11,950	11,130
Counselling expenses		4,078	0	0	0	4,078	2,837
CPF contribution		26,018	0	0	0	26,018	24,796
Depreciation	6	38,909	0	0	0	38,909	1,427
Insurance		1,099	0	0	0	1,099	600
Medical fee		251	0	0	0	251	120
Office expenses		840	0	0	0	840	1,499
Postage and courier		52	0	0	0	52	81
Programme expenses		19,260	0	0	0	19,260	19,459
Rental of premise		0	0	0	0	0	40,200
Skill development levy		330	0	0	0	330	325
Staff salaries, bonus and benefits		141,000	0	0	0	141,000	134,681
Staff training		1,688	0	0	0	1,688	637
Telecommunication		2,469	0	0	0	2,469	2,603
Training expenses		0	0	0	0	0	520
Utilities		1,883	0	0	0	1,883	3,471
		250,137	0	0	0	250,137	244,676

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

	2019 Accumulated general funds					2018 Accumulated general funds
	Oogachaga (OC) S$	Spaces Counselling (SPACES) S$	A Nation In Concert (ANIC) S$	Sometimes Light S$	Total funds S$	Total funds S$
EXPENDITURE (CONT'D)						
Governance and administrative costs						
Accounting fee	7,044	336	0	0	7,380	7,055
Audit fee	3,424	0	0	0	3,424	3,424
Bank charges	212	139	140	560	1,051	847
Entertainment and refreshment	104	0	0	0	104	0
General expenses	5,330	0	0	0	5,330	1,747
Repair and maintenance	2,019	0	0	0	2,019	1,040
Website	1,482	0	0	0	1,482	5,396
	19,615	475	140	560	20,790	19,509
Finance costs						
Interest on lease liabilities	3,132	0	0	0	3,132	0
Total expenditure	272,884	475	140	560	274,059	264,185
NET INCOME/(EXPENDITURE)	81,197	(475)	(140)	(560)	80,022	(55,118)
TOTAL FUNDS BROUGHT FORWARD	314,399	2,099	17,553	3,035	337,086	392,204
TOTAL FUNDS CARRIED FORWARD	395,596	1,624	17,413	2,475	417,108	337,086

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	4	420,327	339,361
Other receivables	5	14,147	14,748
		434,474	354,109
Non-current asset			
Plant and equipment	6	88,481	1,706
Total assets		522,955	355,815
LIABILITY			
Current liability			
Other payables	7	17,831	18,729
Lease liabilities	8	37,861	0
		55,692	18,729
Non-current liability			
Lease liabilities	8	50,155	0
Total liability		105,847	18,729
NET ASSETS		417,108	337,086
FUNDS			
Unrestricted funds			
Accumulated general funds	9		
- Oogachaga (OC)		395,596	321,553
- Spaces Counselling (SPACES)		1,624	(5,055)
- A Nation In Concert (ANIC)		17,413	17,553
- Sometimes Light		2,475	3,035
TOTAL FUNDS		417,108	337,086

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

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

	2019 S$	2018 S$
Unrestricted funds – Accumulated general funds		
Balance at beginning of financial year	337,086	392,204
Net income / (expenditure) for the financial year	80,022	(55,118)
Balance at end of financial year	417,108	337,086

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 income / (expenditure) for the financial year		80,022	(55,118)
Adjustment for:			
Depreciation	6	38,909	1,427
Interest on lease liabilities		3,132	
Operating cash flow before changes in working capital		122,063	(53,691)
Changes in working capital:			
- Other receivables		601	6,844
- Other payables		(898)	(1,674)
Net cash generated from / (used in) operating activities		121,766	(48,521)
Cash flows from financing activity			
Repayment of principal portion of lease liabilities		(37,668)	0
Interest paid		(3,132)	0
Net cash used in financing activities		(40,800)	0
Net increase / (decrease) in cash and cash equivalents		80,966	(48,521)
Cash and cash equivalents at beginning of financial year		339,361	387,882
Cash and cash equivalents at end of financial year	4	420,327	339,361

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

Spaces Counseling and Community Limited (the "Company") is a public company limited by guarantee, incorporated and domiciled in Singapore. The address of its registered office is 77 Robinson Road, #16-00 Robinson 77, Singapore 068896 and its principal place of activities is located at 57B Pagoda Street, Singapore 059216.

The principal activities of the Company are those of counselling and community works. The Company has carried out its counselling and community work under the business name of Oogachaga (UEN. 53035413J), A Nation In Concert (UEN. 53070633D) and Sometimes Light (UEN. 53279700X).

Each member of the Company has undertaken to contribute such amounts not exceeding $100 to the assets of the Company in the event the Company is wound up and the monies are required for payment of the liabilities of the Company. The Company has 3 (2018: 3) members at the end of the financial year.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") and the disclosure requirements of 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$"), which is the Company's functional currency. Functional currency is the currency of the primary economic environment in which the Company operates. All financial information presented are denominated in S$ unless otherwise stated.

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Company'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 estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2019

On 1 January 2019, the Company adopted all the new and advised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective on 1 January 2019. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRS.

The adoption of these new or amended FRSs and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial years except for the following:

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Interpretations and amendments to published standards effective in 2019 (Cont'd)

Adoption of FRS 116 Leases

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

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

Lease previously accounted for as operating leases

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

The Company also applied the available practical expedients wherein it:

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

Based on the above, as at 1 January 2019:

- right-of-use asset of S$125,684 were recognised and presented within property, plant and equipment; and
- lease liabilities of S$125,684 were recognised.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

Interpretations and amendments to published standards effective in 2020 (Cont'd)

Lease previously accounted for as operating leases (Cont'd)

The following is the reconciliation of the impact arising from initial application of the new FRS 116 on 1 January 2019 to the financial statements of the Company:

	1 January 2019 (As reported) S$	FRS 116 adjustments S$	1 January 2019 (As restated) S$
Statement of financial position			
Plant and equipment	40,600	125,684	166,284
Lease liabilities			
- Current	0	(37,668)	(37,668)
- Non-current	0	(88,016)	(88,016)

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as at 31 December 2019, as follows:

	S$
Operating lease commitments as at 31 December 2019	40,800
Add: Extension of lease agreement	91,100
Less: Discounting effect using incremental borrowing rate of 2.89%	(6,216)
Lease liabilities as at 1 January 2019	125,684

Standards issued but not yet effective

The following are the new or amended Standards and Interpretations issued that are not yet effective.

Description	Annual periods commencing on
Amendments to:	
- References to the Conceptual Framework in FRS Standards	1 January 2020
- FRS 1 and FRS 8 *Definition of material*	1 January 2020
- FRS 103 *Definition of a Business*	1 January 2020
- FRS 109, FRS 9 and FRS 107 *Interest Rate Benchmark Reform*	1 January 2020
- FRS 116 *Covid-19 – Related Rent Concession*	1 June 2020
- FRS 117 *Insurance contracts*	1 January 2021
- FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture*	To be determined

The directors expect that the adoption of the other standards and interpretations do not have material impact on the financial statements in the period of the initial application.

2. Significant accounting policies (Cont'd)

2.2 Income recognition

Revenue 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.

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

2.2.1 Revenue from counselling fees and programme income

Income from services is recognised when the services have been performed and rendered. (i.e. at a point in time).

2.2.2 Room rental fee income

Room rental fee income arising from leases on office premises is accounted for on a straight-line basis over the lease terms.

2.2.3 Donations

Donations are recognised when received. (i.e. at a point in time).

2.2.4 Other income

Other income is recognised when received.

2.3 Government grants

Government grants are recognised as income in the financial statements over the periods necessary to match them with the related costs, which they are intended to compensate on a systematic basis.

2.4 Expenses recognition

All expenditure is 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 charitable activities
Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company.

2.4.2 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements.

2. Significant accounting policies (Cont'd)

2.5 Employee Benefits

2.5.1 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 contributions have been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

2.5.2 Employee leaves entitlement

Employee entitlements to annual leave are recognised when they accrued 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.

2.6 Leases

The accounting policies are applied before the initial application date of FRS 116, 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.

These accounting policies are applied on and after the initial application date of FRS 116, 1 January 2019:

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

The Company applies a single recognition and measurement approach for all 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.

Right-of-use assets

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

2.6 Leases (Cont'd)

Right-of-use assets (Cont'd)

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 2.1. The Company's right-of-use assets are presented within plant and equipment as disclosed in Note 16.

Lease liabilities

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

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. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.7 Income taxes

The Company as a charity registered under the Charities Act (Cap. 37) is exempted from income tax under the provisions of Section 13(zm) of the Income Tax Act (Cap. 134).

2. Significant accounting policies (Cont'd)

2.8 Financial assets

The Company classifies its financial assets as at amortised cost

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.

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

At initial recognition

The Company measures a financial asset 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.

At subsequent measurement

Debt instruments of the Company mainly comprise of cash and cash equivalents and trade 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 represents 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.

The Company assesses on forward looking basis the expected credit losses ("ECL") associated with its debt instruments carried at amortised cost.

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.

2.9 Cash and cash equivalents

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

2. Significant accounting policies (Cont'd)

2.10 Plant and equipment

2.10.1 Measurement

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

The cost of an item of plant and equipment 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.

2.10.2 Depreciation

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

	Useful lives
Computer	1 year
Furniture and fitting	5 years
Office equipment	5 years
Renovation	3 years
Premises	Over the remaining lease term

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

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

2.10.3 Subsequent expenditure

Subsequent expenditure relating to 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 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.

2.10.4 Disposal

On disposal of an item of plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities. Any amount in revaluation reserve relating to that asset is transferred to general funds directly.

2. Significant accounting policies (Cont'd)

2.11 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 of disposal and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, 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 comprehensive income.

An impairment loss for an asset is reversed 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. A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

2.12 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 "Trade and other payables" and "Lease liabilities".

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

Financial liabilities are derecognised when the obligations under the liability is discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability 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.

2.13 Other payables

Other payables represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

2. Significant accounting policies (Cont'd)

2.14 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.

2.15 Borrowing cost

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. This includes those costs on borrowings acquired specifically for the construction or development of properties and assets under construction, as well as those in relation to general borrowings used to finance the construction or development of properties and assets under construction.

The actual borrowing costs incurred during the period up to the issuance of the temporary occupancy permit less any investment income on temporary investment of these borrowings, are capitalised in the cost of the property under development. Borrowing costs on general borrowings are capitalised by applying a capitalisation rate to construction or development expenditures that are financed by general borrowings.

2.16 Events after reporting period

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

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies, there are no significant items in the financial statements which require the exercise of critical judgement on the part of the management.

4. Cash and cash equivalents

	2019 S$	2018 S$
Cash in banks	420,327	339,361

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

5. Other receivables

	2019 S$	2018 S$
Deposits	10,600	10,380
Prepayments	3,547	4,368
	14,147	14,748

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

6. Plant and equipment

2019	Balance b/f S$	Effect of FRS 116 S$	Additions S$	(Disposals) S$	Balance c/f S$
At cost					
Computer	11,936	0	0	0	11,936
Furniture and fittings	15,264	0	0	0	15,264
Office equipment	8,574	0	0	0	8,574
Renovation	4,826	0	0	0	4,826
Premises	0	125,684	0	0	125,684
	40,600	125,684	0	0	166,284

	Balance b/f S$	Effect of FRS 116 S$	Depreciation charge S$	(Written back/off) S$	Balance c/f S$
Accumulated depreciation					
Computer	11,936	0	0	0	11,936
Furniture and fittings	15,178	0	84	0	15,262
Office equipment	6,954	0	642	0	7,596
Renovation	4,826	0	0	0	4,826
Premises	0	0	38,183	0	38,183
	38,894	0	38,909	0	77,803

6. Plant and equipment (Cont'd)

	Balance b/f S$	Balance c/f S$
Carrying Amount		
Computer	0	0
Furniture and fittings	86	2
Office equipment	1,620	978
Renovation	0	0
Premises	0	87,501
	1,706	88,481

2018	Balance b/f S$	Additions S$	(Disposals) S$	Balance c/f S$
At cost				
Computer	11,936	0	0	11,936
Furniture and fittings	15,264	0	0	15,264
Office equipment	8,574	0	0	8,574
Renovation	4,826	0	0	4,826
	40,600	0	0	40,600

	Balance b/f S$	Depreciation charge S$	(Written back/off) S$	Balance c/f S$
Accumulated depreciation				
Computer	11,807	129	0	11,936
Furniture and fittings	14,744	434	0	15,178
Office equipment	6,090	864	0	6,954
Renovation	4,826	0	0	4,826
	37,467	1,427	0	38,894

	Balance b/f S$	Balance c/f S$
Carrying Amount		
Computer	129	0
Furniture and fittings	520	86
Office equipment	2,484	1,620
Renovation	0	0
	3,133	1,706

Right-of-use assets acquired under leasing arrangements are presented with owned assets of the same class. Details of such leased assets are disclosed in Note 10.

7. Other payables

	2019 S$	2018 S$
Accruals	13,624	14,522
Provision for unutilised leave	4,207	4,207
	17,831	18,729

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

8. Lease liabilities

	2019 S$	2018 S$
Current	37,861	0
Non-current	50,155	0
	88,016	0

A reconciliation of liabilities arising from financing activities is as follows:

			Non-cash changes		
	1 January 2019 S$	Cash flows S$	Accretion of interest S$	Others S$	31 December 2019 S$
Lease liabilities					
- Current	37,668	(40,800)	3,132	37,861	37,861
- Non-current	88,016	0	0	(37,861)	50,155
	125,684	(40,800)	3,132	0	88,016

9. Accumulated general funds

The accumulated general funds represent the accumulated income of the Company. It is unrestricted and is for the purpose of meeting the expenditure in accordance with the objectives of the Company.

9.1 Oogachaga (OC)

This is for the counselling and support related to sexuality issues for lesbian, gay, bisexual, transgender and questioning communities as well as those who seek understanding on sexuality and sexual health issues.

9.2 A Nation in Concert (ANIC)

This is an all-inclusive platform for all people to showcase their talents and abilities, embrace diversity, celebrate lives and foster the spirit of sharing and giving.

9.3 Sometimes Light

Their focus is on providing corporate training services and motivational course as well as leadership development and training programs.

10. Leases

The carrying amount of right-of-use assets classified within plant and equipment is as follows:

	Premises S$
At 1 January 2019	125,684
Depreciation	(38,183)
At 31 December 2019	87,501

The amounts recognised in the statement of financial activities are as follows:

	2019 S$
Depreciation of right-of-use assets	38,183
Interest on lease liabilities	3,132
	41,315

The Company had total cash outflows for leases of S$40,800 in 2019.

The carrying amounts of lease liabilities and the movements during the year are disclosed in Note 8 and the maturity analysis of lease liabilities is disclosed in Note 12.2.

11. Commitments

At the reporting date, the Company leases office premise under non-cancellable operating lease agreements. Commitments in relation to non-cancellable operating lease contracted for, but not recognised as liabilities are as follows:

	2019 S$	2018 S$
Not later than one year	0	40,800

As disclosed in Note 2.1 the Company has adopted FRS 116 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the statement of financial position as at 31 December 2019, except for short-term and low-value leases.

12. Financial risk management

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

12.1 Interest rate risk

The Company's income and operating cash flows are not substantially affected by changes in market interest rates, as they do not have significant interest-bearing assets or liabilities as at the reporting date.

12.2 Liquidity risk

In the management of liquidity risk, the Company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

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

2019	Within one year S$	Later than one year but not later than five years S$	Total S$
Financial assets, at amortised cost			
Cash and cash equivalents	420,327	0	420,327
Other receivables (excluding prepayments)	10,600	0	10,600
	430,927	0	430,927
Financial liabilities, at amortised cost			
Accruals	(13,624)	0	(13,624)
Lease liability	(39,900)	(51,150)	(91,050)
	(53,524)	(51,150)	(104,674)
	377,403	(51,150)	326,253

2018	Within one year S$	Later than one year but not later than five years S$	Total S$
Financial assets, at amortised cost			
Cash and cash equivalents	339,361	0	339,361
Other receivables (excluding prepayments)	10,380	0	10,380
	349,741	0	349,741
Financial liability, at amortised cost			
Accruals	(14,522)	0	(14,522)
	335,219	0	335,219

12. Financial risk management (Cont'd)

12.3 Credit risk

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

Risk management

The Company adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Company mitigates its credit risks by transacting only with a counterparty with high ratings.

For other parties, the Company manages its credit risk by ensuring that the counterparty has sufficient financial assets and other committed credit lines to settle its financial and contractual obligations to the Company, as when they fall due.

The Company has no significant concentration of credit risk.

Impairment of financial assets

The Company does not expect to incur material credit losses on their risk management of financial assets

Financial assets that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Other receivables that are neither past due nor impaired are with creditworthy debtors with good payment record with the Company.

There are no credit loss allowance for financial asset at amortised cost as at 31 December 2019 and 2018.

13. Fair values

The carrying amounts of the financial assets and liability recorded in the financial statements of the Company approximate their fair values due to their short-term nature.

The carrying amount of lease liabilities approximate their fair values as they are subject to interest rates close to market rate of interest for similar arrangements with financial institutions.

14. Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial assets and financial liabilities at amortised cost are as follows:

	2019 S$	2018 S$
Financial assets, at amortised cost	430,927	349,741
Financial liabilities, at amortised cost	102,327	14,522

15. Fund management

The primary objective of the Company is to ensure it maintains sufficient cash in order to support its activities. Its approach to management of funds is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

16. Management of conflict of interest policy

During the financial year, none of the directors received any remuneration from the Company.

The directors are required to disclose any interest that they may have, whether directly or indirectly, that the Company may enter into or in any organisations that the Company has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Company's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Company director 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.

17. Events after reporting period disclosed

The Novel Coronavirus (COVID-19) outbreak in early 2020 did not have a material impact on the performance of the Company. However, since the outbreak was declared a Public Health Emergency of International Concern, the measures taken to contain the spread of the virus, including quarantines, social distancing, and closures of non-essential services have triggered a disruption to the Company's activities resulting in the rescheduling of its projects and events.

Under Singapore government's exceptional budgets to help the Singapore economy over this difficulty, the Company has received various cash grants such as property tax, rental and foreign worker's levy rebates, Job Support Scheme as well as the government co-funded temporary bridging loan to tide over this difficult period. Meanwhile, the Company has adequate cash reserves to sustain over this challenging period. The Company's operations are expected to resume slowly where the Company will exercise prudent steps to ride through the recovery period and continue to operate with cautious optimism.

18. Authorisation of financial statements

The financial statements were authorised for issue in accordance with a resolution of the Directors of the Company on 31 December 2020.