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 2020

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
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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 2020.

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 2020 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 or 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 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.

Independent auditor

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

On behalf of the Board of Directors,

DocuSigned by:
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Choong Chee Hong
Director

DocuSigned by:
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Toh Leh Lim
Director

Singapore, 10 December 2021

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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 2020, 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 2020 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 (set out on page 2), 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.

DocuSigned by:
Fiducia LLP
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Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 10 December 2021

Partner in charge: Gan Chek Huat
PAB No.: 01939

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	2020 Unrestricted funds					2019 Unrestricted funds
	Oogachaga (OC) S$	Spaces Counselling (SPACES) S$	A Nation In Concert (ANIC) S$	Sometimes Light S$	Accumulated general funds S$	Accumulated general funds S$
INCOME						
Income from generating funds						
Voluntary income						
– Donations	108,081	0	0	0	108,081	107,007
Income from charitable activities						
Education programme grants	181,817	0	0	0	181,817	188,089
Room rental fee income	16,120	0	0	0	16,120	18,794
Counselling fees	28,235	0	0	0	28,235	36,333
Programme income	0	0	0	0	0	3,858
	226,172	0	0	0	226,172	247,074
Other income						
Rental concessions - COVID-19	5,376	0	0	0	5,376	0
Property tax rebates	1,224	0	0	0	1,224	0
Jobs Support Scheme	49,988	0	0	0	49,988	0
	56,588	0	0	0	56,588	0
Total income	390,841	0	0	0	390,841	354,081

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

		2020 Unrestricted funds					2019 Unrestricted funds
	Note	Oogachaga (OC) S$	Spaces Counselling (SPACES) S$	A Nation In Concert (ANIC) S$	Sometimes Light S$	Accumulated general funds S$	Accumulated general funds S$
EXPENDITURE							
Cost of charitable activities							
Advertising and publicity		4,589	0	0	0	4,589	310
Counselling costs		9,990	0	0	0	9,990	4,078
CPF contributions		32,836	0	0	0	32,836	26,018
Depreciation	6	41,502	0	0	0	41,502	38,909
Insurance		428	0	0	0	428	1,099
Medical fee		130	0	0	0	130	251
Office expenses		6,060	0	0	0	6,060	840
Postage and courier		200	0	0	0	200	52
Programme expenses		7,230	0	0	0	7,230	19,260
Skill development levy		405	0	0	0	405	330
Staff salaries, bonuses and benefits		198,172	0	0	0	198,172	152,950
Staff training		1,018	0	0	0	1,018	1,688
Telecommunication		3,035	0	0	0	3,035	2,469
Utilities		1,135	0	0	0	1,135	1,883
		306,730	0	0	0	306,730	250,137

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

	2020 Unrestricted funds					2019 Unrestricted funds
	Oogachaga (OC) S$	Spaces Counselling (SPACES) S$	A Nation In Concert (ANIC) S$	Sometimes Light S$	Accumulated general funds S$	Accumulated general funds S$
EXPENDITURE (CONT'D)						
Governance and administrative costs						
Accounting fee	7,380	0	0	0	7,380	7,380
Audit fee	4,494	0	0	0	4,494	3,424
Bank charges	216	251	90	395	952	1,051
Donations	0	0	0	5,200	5,200	0
Entertainment and refreshment	19	0	0	0	19	104
General expenses	2,187	0	0	0	2,187	5,330
Repair and maintenance	279	21	0	0	300	2,019
Website	1,051	0	0	0	1,051	1,482
	15,626	272	90	5,595	21,583	20,790
Finance costs						
Interest on lease liabilities	2,039	0	0	0	2,039	3,132
Total expenditure	324,395	272	90	5,595	330,352	274,059
NET INCOME /(EXPENDITURE) FOR THE YEAR	66,446	(272)	(90)	(5,595)	60,489	80,022
TOTAL FUNDS BROUGHT FORWARD	395,596	1,624	17,413	2,475	417,108	337,086
TOTAL FUNDS CARRIED FORWARD	462,042	1,352	17,323	(3,120)	477,597	417,108

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 S$	2019 S$
ASSETS			
Current assets			
Cash and cash equivalents	4	502,198	420,327
Other receivables	5	16,867	14,147
		519,065	434,474
Non-current assets			
Plant and equipment	6	49,936	88,481
Total assets		569,001	522,955
LIABILITIES			
Current liabilities			
Other payables	7	41,249	17,831
Lease liabilities	8	38,661	37,861
		79,910	55,692
Non-current liabilities			
Lease liabilities	8	11,494	50,155
Total liabilities		91,404	105,847
NET ASSETS		477,597	417,108
FUNDS			
Unrestricted funds			
Accumulated general funds	9		
- Oogachaga (OC)		462,042	395,596
- Spaces Counselling (SPACES)		1,352	1,624
- A Nation In Concert (ANIC)		17,323	17,413
- Sometimes Light		(3,120)	2,475
TOTAL FUNDS		477,597	417,108

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

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	2020 S$	2019 S$
Unrestricted funds		
Accumulated general funds		
Balance at beginning of financial year	417,108	337,086
Net income for the financial year	60,489	80,022
Balance at end of financial year	477,597	417,108

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 S$	2019 S$
Cash flows from operating activities			
Net income for the financial year		60,489	80,022
Adjustment for:			
Depreciation	6	41,502	38,909
Interest on lease liabilities	8	2,039	3,132
Operating cash flow before changes in working capital		104,030	122,063
Changes in working capital:			
- Other receivables		(2,720)	601
- Other payables		23,418	(898)
Net cash generated from operating activities		124,728	121,766
Cash flows from investing activity			
Purchases of plant and equipment	6	(2,957)	0
Net cash used in investing activity		(2,957)	0
Cash flows from financing activity			
Repayment of principal portion of lease liabilities		(37,861)	(37,668)
Interest paid		(2,039)	(3,132)
Net cash used in financing activities		(39,900)	(40,800)
Net increase in cash and cash equivalents		81,871	80,966
Cash and cash equivalents at beginning of financial year		420,327	339,361
Cash and cash equivalents at end of financial year	4	502,198	420,327

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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 incorporated and domiciled in Singapore. The Company's registered address and 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) and Sometimes Light (UEN. 53279700X).

The Company is a company limited by guarantee. The Company was incorporated on 12 March 2004 and was registered as a charity on 25 September 2004.

A member of the Company whose membership has been terminated either of his own accord or by the Board or by such other committee set up by the Board shall forfeit all claim to the rights and privileges as a member thereof and shall cease to be a member of the Company. Notwithstanding the termination of his membership, he shall be liable within one year from the date of termination, for payment of the debts and liabilities of the Company contracted before he ceased to be a member, and the costs, charges and expenses of winding up the Company (if applicable) to such amount as may be required not exceeding the sum of Singapore Dollars One Hundred (S$100) only. At the end of the financial year end, the Company has 3 members (2019: 3 members).

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 the Charities Act, Chapter 37 and Regulations. 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.

2.1.1 Interpretations and amendments to published standards effective in 2020

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

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

Except for the adoption of amendment to FRS 116 Leases as described below, 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 no material effect on the amounts reported for the current or prior financial year.

<u>Early adoption of Amendments to FRS 116 Leases – COVID-19 Related Rent Concessions</u>

The Company has elected to early adopt the amendments to FRS 116 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

(a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;

(b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and

(c) there is no substantive change to other terms and conditions of the lease.

The Company has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of S$5,376 was recognised as negative variable lease payments in the statement of financial activities during the year.

2.1.2 Standards issued but not yet effective

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

Description	Effective for annual periods beginning on or after
Amendments to:	
- FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116 Interest Rate Benchmark Reform - Phase 2	1 January 2021
- FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
- FRS 103 Reference to the Conceptual Framework	1 January 2022
- FRS 37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
- FRS 1 Classification of Liabilities as Current or Non-current	1 January 2023
- FRS 110 and FRS Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Annual Improvements to FRSs 2018 - 2020	1 January 2022

The directors expect that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the year of initial application.

2. Significant accounting policies (Cont'd)

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 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 income recognised is the amount allocated to the satisfied performance obligation.

2.2.1 Income 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.

2.2 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.

Operating grant are recognised on accrual basis.

2.3 Expenditure 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.

2.3.1 Cost of charitable activities

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

2. Significant accounting policies (Cont'd)

2.4 Expenditure recognition (Cont'd)

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.

2.5 Employee compensation

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 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.

When the Company is the 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.

2.6.1 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.

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 2.11. The Company's right-of-use assets are presented within plant and equipment as disclosed in Note 6.

2. Significant accounting policies (Cont'd)

2.6 Leases (Cont'd)

When the Company is the lessee (Cont'd)

2.6.2 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.

The Company has applied the amendment to FRS 116 Leases: Covid-19-Related Rent Concessions. The Company applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Company chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Company assesses whether there is a lease modification.

2.6.3 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 tax

The Company is a charity registered under the Charities Act, Chapter 37 since 25 September 2004. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act, Chapter 134.

2. Significant accounting policies (Cont'd)

2.8 Financial assets

2.8.1 Classification and measurement

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.

<u>At initial recognition</u>

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.

<u>At subsequent measurement</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 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.

2.8.2 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.

2. Significant accounting policies (Cont'd)

2.8 Financial assets (Cont'd)

2.8.3 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Company 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 Company 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 state relating to that asset is reclassified to profit or loss.

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.

2.10 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.

Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

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

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.

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

2. Significant accounting policies (Cont'd)

2.10 Plant and equipment (Cont'd)

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.

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 "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.

2. Significant accounting policies (Cont'd)

2.12 Financial liabilities (Cont'd)

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

2.14 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 costs

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. Borrowing costs may include interest in respect of lease liabilities recognised in accordance with FRS 116.

2.16 Borrowings

Borrowings are presented as current liabilities unless the Company has an unconditional right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowings, including lease liabilities, are initially recognised at fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

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 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. The 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 are discussed below.

Useful lives of plant and equipment

The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful will be adjusted accordingly. The carrying amount of the plant and equipment as at 31 December 2020 and 2019 are disclosed in Note 6 of the financial statements.

3.2 Critical judgements in applying the entity's accounting policies

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

4. Cash and cash equivalents

	2020 S$	2019 S$
Cash at banks	502,198	420,327

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

5. Other receivables

	2020 S$	2019 S$
Grant receivables - Jobs Support Scheme	5,127	0
Deposits	10,600	10,600
Prepayments	1,140	3,547
	16,867	14,147

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees (Singapore citizens and Permanent Residents) during this period of economic and pandemic uncertainty. JSS payouts are intended to offset local employees' wages and help protect their jobs.

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

6. Plant and equipment

2020	Balance b/f S$	Additions S$	Adjustments S$	(Disposals) S$	Balance c/f S$
At cost					
Computer	11,936	2,808	0	(9,226)	5,518
Furniture and fittings	15,264	0	0	(11,769)	3,495
Office equipment	8,574	149	0	(6,701)	2,022
Renovation	4,826	0	9,045	(4,826)	9,045
Premises	125,684	0	0	0	125,684
	166,284	2,957	9,045	(32,522)	145,764

	Balance b/f S$	Depreciation charge S$	Adjustments S$	(Written back/off) S$	Balance c/f S$
Accumulated depreciation					
Computer	11,936	2,808	0	(9,226)	5,518
Furniture and fittings	15,262	0	0	(11,769)	3,493
Office equipment	7,596	511	0	(6,701)	1,406
Renovation	4,826	0	9,045	(4,826)	9,045
Premises	38,183	38,183	0	0	76,366
	77,803	41,502	9,045	(32,522)	95,828

	Balance b/f S$	Balance c/f S$
Carrying amount		
Computer	0	0
Furniture and fittings	2	2
Office equipment	978	616
Renovation	0	0
Premises	87,501	49,318
	88,481	49,936

6. Plant and equipment (Cont'd)

2019	Balance b/f S$	Effect of FRS 116 S$	Additions 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
Premises	0	125,684	0	125,684
	40,600	125,684	0	166,284

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

	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

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

	2020 S$	2019 S$
Accruals	26,495	13,624
Provision for unutilised leaves	9,299	4,207
Deferred grant income - Jobs Support Scheme	5,455	0
	41,249	17,831

The deferred grant income – Jobs Support Scheme (JSS) will be recognised as a grant income, on a systematic basis, over the estimated 17 months of economic uncertainty till August 2021 in which the entity recognises the related salary costs.

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

8. Lease liabilities

	2020 S$	2019 S$
Current	38,661	37,861
Non-current	11,494	50,155
	50,155	88,016

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

			Non-cash changes		
	1 January 2020 S$	Cash flows S$	Accretion of interest S$	Others S$	31 December 2020 S$
Current	37,861	(39,900)	2,039	38,661	38,661
Non-current	50,155	0	0	(38,661)	11,494
	88,016	(39,900)	2,039	0	50,155

			Non-cash changes		
	1 January 2019 S$	Cash flows S$	Accretion of interest S$	Others S$	31 December 2019 S$
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. Accumulated general funds (Cont'd)

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

<u>Nature of the Company's leasing activities</u>

The Company leases premises for the purpose of business operations.

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

	2020 S$	2019 S$
<u>Premises</u>		
At 1 January	87,501	125,684
Depreciation	(38,183)	(38,183)
At 31 December	49,318	87,501

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

	2020 S$	2019 S$
Depreciation of right-of-use assets	38,183	38,183
Interest on lease liabilities	2,039	2,039
Rental concessions – COVID-19	(5,376)	0
Property tax rebates	(1,224)	0
	33,622	41,315

c) The Company had total cash outflows for leases of S$39,900 (2019: S$40,800).

d) The carrying amount 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 11.2.

11. Related party transactions

There was no transaction between the Company and related party for the financial years ended 31 December 2020 and 2019.

Compensation of key management personnel

The directors and executive director are the key management personnel. The executive director have received the following compensation during the financial year:

	2020 S$	2019 S$
Salaries and bonuses	72,225	67,150
Contributions to CPF	12,278	11,416
	84,503	78,566

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

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 bank balances and borrowings.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial period.

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:

	2020	2019
Fixed rate instruments	S$	S$
Financial liabilities		
Lease liabilities	50,155	88,016

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

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

12. Financial risk management (Cont'd)

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:

2020	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	502,198	0	502,198
Other receivables (excluding prepayments)	15,727	0	15,727
	517,925	0	517,925
Financial liabilities, at amortised cost			
Other payables (excluding provisions and deferred income)	(26,495)	0	(26,495)
Lease liabilities	(39,600)	(11,550)	(51,150)
	(66,095)	(11,550)	(77,645)
Net financial assets / (liabilities)	451,830	(11,550)	440,280

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			
Other payables (excluding provisions and deferred income)	(13,624)	0	(13,624)
Lease liabilities	(39,900)	(51,150)	(91,050)
	(53,524)	(51,150)	(103,379)
Net financial assets / (liabilities)	377,403	(51,150)	327,248

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 2020 and 2019.

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 the non-current 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:

	2020 S$	2019 S$
Financial assets, at amortised cost	517,925	430,927
Financial liabilities, at amortised cost	76,650	101,640

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. Impact of COVID 19 (Coronavirus Disease 2019)

The COVID-19 pandemic has affected almost all countries of the world and resulted in border closures, production stoppages, workplace closures, movement controls, and other measures imposed by various governments. The Company's significant operations are in Singapore which have been affected by the spread of COVID-19 in 2020. The nature of the Company's operation are those of counselling and community works. The impact of COVID-19 on the Company's financial performance reflected in this set of financial statements for the year ended 31 December 2020 are summarised below:

i. The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Board is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the service disruption.

ii. The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020 to 1 June 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for the local and the global supply chains, all businesses are required to suspend all in-person activities and the Company's physical operations were temporarily closed to adhere to the respective governments' movement control measures.

iii. The Company was granted a total of 2 months rental waiver for the months of April to May 2020 for S$5,376 as part of the Government's rental relief framework in an assistance package to help business and cushion the impact of COVID-19.

iv. The government has also implemented assistance measures that might mitigate some of the impact of COVID-19 on the Company's results and liquidity.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Company cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021. If the situation persists beyond the Company Management current expectations, the Company's assets may be subject to further write-downs in the subsequent financial periods.

18. Events after reporting period

On 27 January 2021, the Company has entered a deed of transfer with PostSuperFutureAsia Ltd., a registered company and domiciled in Singapore, to transfer the ownership of Sometimes Light.

19. Authorisation of financial statements

The financial statements were authorised for issue in accordance with a resolution of the Directors of the Company on 10 December 2021.