

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

UNIQUE ENTITY NUMBER.: T00CC1406K

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2019

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司



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SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

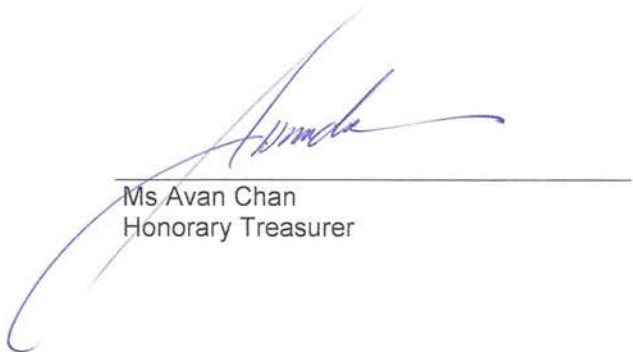
SCWO - STAR SHELTER

STATEMENT BY THE SCWO BOARD

In our opinion, the accompanying financial statements which comprise the statement of financial position (balance sheet) as at 31 January 2019, and the statement of comprehensive income, and statement of changes in funds for the year then ended, and a summary of significant accounting policies and other explanatory notes, are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311, Charities Act, Cap. 37 and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the state of affairs of SCWO - Star Shelter as at 31 January 2019 and the results and changes in funds for the year ended on that date.



Dr June Goh
President



Ms Avan Chan
Honorary Treasurer

Singapore, 21 MAY 2019

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SCWO - Star Shelter, an integral part of SCWO (the "Association") set out on pages 5 to 22, which comprise the statement of financial position (balance sheet) as at 31 January 2019, and the statement of comprehensive income and statement of changes in funds 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 Societies Act, Cap. 311 (the "Societies Act"), Charities Act, Cap. 37 and other relevant regulations (the Charities Act and Regulations) [collectively the "Act"] and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of SCWO - Star Shelter as at 31 January 2019 and the results and changes in funds of SCWO - Star Shelter 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 Association in accordance with the *Accounting and Corporate Regulatory Authority 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 information included in the Statement by the SCWO Board set out on page 1 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 and will 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 identified above 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and SCWO Board for the Financial Statements

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

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

Continued

Responsibilities of Management and SCWO Board for the Financial Statements (continued)

The SCWO Board is responsible for overseeing SCWO - Star Shelter'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 SCWO - Shelter's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on SCWO - Star Shelter'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 SCWO - Star Shelter 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 the SCWO Board 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.

Continued

Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required to be kept by the Association (in respect of SCWO – Star Shelter) have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) during the financial year, the Association did not conduct any fund-raising appeal in respect of SCWO - Star Shelter for which proper accounts and other records of fund-raising appeal are required to be maintained in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act.

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

- (i) the use of the donation moneys was not in accordance with the objectives of SCWO - Star Shelter as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (ii) SCWO - Star Shelter has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

Singapore, 21 MAY 2019

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

Statement of Comprehensive Income for the year ended 31 January 2019

	Notes	2019	2018
		\$	\$
INCOME			
Bank interest		5,542	3,050
Contributions from dormitory residents		4,350	4,175
Donations			
- non-tax deductible		51,812	55,171
- tax deductible		26,610	122,985
Grant from Ministry of Social and Family Development		365,524	364,815
Grant from Tote Board Social Service Fund	9(b)	60,517	47,532
Other grants and subsidies		11,452	2,536
Income from Thriftshop		15,607	85,327
Sundry income		185	553
		541,599	686,144
EXPENSES			
Auditors' remuneration		4,494	4,494
Bank charges		288	443
Cleaning services		23,380	21,620
Contract services		561	293
Depreciation on property, plant and equipment	3	29,742	38,144
Employee benefits expense	4	264,330	252,869
Event expense		69	-
Foreign workers' levy		10,800	10,800
General expenses		1,719	3,433
Groceries		10,343	10,673
Insurance		2,592	2,552
International meeting		5,512	6,654
IT/website expenses		3,260	92
Lease of office equipment		2,996	2,746
Medical expenses		2,000	2,530
Postage and courier		209	329
Printing and stationery		2,837	2,901
Property, plant and equipment written off		251	2,477
Refreshments		953	392
Rental of premises	5	96,000	96,000
Repairs and maintenance		13,476	18,223
Residents welfare		16,808	16,664
Security guard services		72,000	63,400
Skills development levy		509	497
Staff welfare		339	703
Telecommunication expenses		3,563	3,049
Training and development		12,672	9,402
Transport		1,889	2,138
Utilities		26,270	11,945
		609,862	585,463
(Deficit)/surplus for the year		(68,263)	100,681

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

Statement of Comprehensive Income
for the year ended 31 January 2019 (continued)

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		\$	\$
<u>Other Comprehensive Income</u>			
Disbursements from Rebuild Programme Fund	8	<u>(3,250)</u>	<u>(1,930)</u>
Other comprehensive income, net of tax		<u>(3,250)</u>	<u>(1,930)</u>
Total comprehensive (loss)/income for the year		<u><u>(71,513)</u></u>	<u><u>98,751</u></u>

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

Statement of Financial Position as at 31 January 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Asset</u>			
Property, plant and equipment	3	28,333	54,942
		<u>28,333</u>	<u>54,942</u>
<u>Current Assets</u>			
Receivables	6	64,384	59,947
Fixed deposits with financial institutions	7	610,349	604,931
Cash and bank balances		794,650	849,790
		<u>1,469,383</u>	<u>1,514,668</u>
Total Assets		<u><u>1,497,716</u></u>	<u><u>1,569,610</u></u>
<u>FUNDS AND LIABILITIES</u>			
<u>Restricted Funds</u>			
Star Shelter General Fund		1,357,562	1,425,825
Rebuild Programme Fund	8	60,487	63,737
Total Funds		<u>1,418,049</u>	<u>1,489,562</u>
<u>Current Liabilities</u>			
Deferred grants	9	-	10,194
Payables	10	79,667	69,854
Total Liabilities		<u>79,667</u>	<u>80,048</u>
Total Funds and Liabilities		<u><u>1,497,716</u></u>	<u><u>1,569,610</u></u>

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

Statement of Changes in Funds
for the year ended 31 January 2019

	Restricted Funds		
	Star Shelter General Fund	Rebuild Programme Fund	Total Funds
	\$	\$	\$
Balance as at 1 February 2017	1,325,144	65,667	1,390,811
Surplus for the year	100,681	-	100,681
Other comprehensive income	-	(1,930)	(1,930)
Total comprehensive income for the year	100,681	(1,930)	98,751
Balance as at 31 January 2018	1,425,825	63,737	1,489,562
Deficit for the year	(68,263)	-	(68,263)
Other comprehensive income	-	(3,250)	(3,250)
Total comprehensive loss for the year	(68,263)	(3,250)	(71,513)
Balance as at 31 January 2019	1,357,562	60,487	1,418,049

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

NOTES TO THE FINANCIAL STATEMENTS - 31 January 2019

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

1. GENERAL INFORMATION

- (a) SCWO - Star Shelter is a charity registered under the Charities Act Cap. 37 and an Institution of a Public Character. It is an integral part of the Singapore Council of Women's Organisations (the "Association"), an association registered under the Societies Act, Cap. 311. Its registered office is located at 96 Waterloo Street Singapore 187967.
- (b) SCWO - Star Shelter provides temporary refuge for victims of family violence and others in need of protection, regardless of race, language, creed or religion.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Association presents its financial statements in Singapore dollars, which is also its functional currency.

These financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below, and comply with Singapore Financial Reporting Standards ("FRSs"), including related Interpretations promulgated by the Accounting Standards Council.

As these financial statements are in respect of SCWO - Star Shelter only, the statement of cash flows in accordance with FRS 7 Statement of Cash Flows has not been prepared. Separately, the Association has prepared combined financial statements incorporating the results of all operating segments of SCWO, including SCWO - Star Shelter, which presents a statement of cash flows of the Association as a whole.

During the financial year, the Association adopted all the applicable new/revised FRSs which are effective on or before 1 February 2018.

2.1.1 Adoption of FRSs effective on 1 February 2018

On 1 February 2018, the Association adopted the new or amended FRSs that are mandatory for application for the current financial year. Changes to the Association's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs, as disclosed below.

(a) Adoption of FRS 109 Financial Instruments

The Association has adopted the new Standard retrospectively from 1 February 2018, in line with the transition provisions permitted under the Standard. Comparatives for financial year 2018 are not restated and there are no significant differences between the carrying amounts at 31 January 2018 and 1 February 2018 that are required to be recognised in the opening accumulated funds. The accounting policies for financial instruments under FRS 109 are disclosed in note 2.10.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

2.1.1 Adoption of FRSs effective on 1 February 2018 (continued)

(a) Adoption of FRS 109 Financial Instruments (continued)

The effects on adoption of FRS 109 are described below:

Financial assets at amortised cost

Cash and cash equivalents and receivables, previously classified as "loans and receivables" under FRS 39 and measured on amortised cost basis, continue to be accounted for using the amortised cost model under FRS 109.

Receivables are assessed for impairment on a forward-looking basis under the expected credit loss impairment model of FRS 109, whereas previously, impairment under FRS 39 was recognised only when there is objective evidence of incurred losses. The adoption of FRS 109 did not result in impairment allowances recognised as at 1 February 2018.

(b) Adoption of FRS 115 Revenue from Contracts with Customers

The Association has adopted the new Standard using the modified retrospective approach. Comparative information for FY2018 are not restated.

The adoption of FRS 115 on 1 February 2018 did not result in significant changes to the recognition criteria for the Association's revenue arrangements. The accounting policies for revenue recognition are disclosed in note 2.4.

2.2 Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Association's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(A) *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) *Depreciation on property, plant and equipment*

The costs of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment are disclosed in note 2.8. Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amount of property, plant and equipment and the depreciation charge for the year are disclosed in note 3 to the financial statements.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant Accounting Estimates and Judgments (continued)

(A) *Key sources of estimation uncertainty* (continued)

(ii) *Expected Credit Losses on Receivables*

Expected credit losses ("ECLs") are probability-weighted estimates of credit losses over the life of a financial instrument. In estimating ECLs to determine the probability of default of its debtors, the Association has used historical information, such as past credit loss experience. Where applicable, historical data are adjusted to reflect the effects of current conditions based on observable market information, which involved significant estimates and judgement.

Based on the management's assessment, there are no ECLs on the Association's receivables as at balance sheet date.

(B) *Critical judgments made in applying accounting policies*

In the process of applying the Association's accounting policies, the management has made certain judgments, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

Impairment of non-financial assets

The carrying amounts of the Association's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated based on the higher of the value in use and the asset's fair value less cost of disposal. Estimating the value in use requires the Association to make an estimate of the expected future cash flows from the continuing use of the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

2.3 FRSs issued but not yet effective

The Association has not applied any new FRS that has been issued but is not yet effective. The board plans to adopt these FRSs in the financial year commencing on or after their respective effective dates.

The new FRS issued but is not yet effective that is relevant to the Association's financial statements is as follows:

<u>New FRS relevant to the Association's financial statements:</u>	<u>Effective for annual period beginning on or after</u>
FRS 116 Leases	1 January 2019

The nature of the impending changes in accounting policy on adoption of the above new FRS is described below.

FRS 116 Leases

FRS 116, which replaces *FRS 17 Leases* and the related Interpretations when it becomes effective, requires lessees to recognise most leases on the balance sheet to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The Standard includes two recognition exemptions for lessees - short-term leases and leases of 'low value' assets.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 FRSs issued but not yet effective (continued)

FRS 116 Leases (continued)

Lessor accounting requirements under FRS 116 are substantially the same as the current FRS 17. A lessor continues to classify its leases as either operating leases or finance leases, and to account for those two types of leases differently.

Potential impact on financial statements

The Association will adopt FRS 116 retrospectively in accordance with the requirements of the Standard on 1 February 2019 when the Standard becomes effective for the Association.

Based on preliminary assessment of the Association's existing operating lease arrangements as a lessee, the board expects all of the operating leases to be recognised as right-of-use assets with corresponding lease liabilities under the new Standard.

2.4 Revenue Recognition

The accounting policies for revenue recognition under FRS 115 are as follows:

Revenue is measured based on the consideration to which the Association 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 Association 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 overtime. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

- (i) Government grants are recognised as income when there is reasonable assurance that the conditions attached to the grants will be complied and the grants will be received.
- (ii) Donations and contributions income are recognised in profit or loss upon receipt. Donations and contributions received in connection with events held are matched against the respective event expenditure.
- (iii) Income from thriftshop is recognised at a point in time upon the transfer of rewards of ownership of the goods to the customer, which generally coincides with the delivery and acceptance of the goods sold.
- (iv) Interest income is recorded on a time-proportion basis, using the effective interest method, unless collectability is in doubt.

2.5 Fund Accounting

Monies received for specific purposes are credited directly to the respective fund accounts. Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Assets and liabilities of the specific funds are pooled in the balance sheet.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Employee Benefits

(i) *Defined Contribution Plans*

The Association makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

(ii) *Short-term Compensated Absences*

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

2.7 Income Taxes

As a registered charity under the Charities Act, Cap. 37, the income of SCWO - Star Shelter is exempt from tax under Section 13(1)(zm) of the Income Tax Act, Cap. 134.

2.8 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

Depreciation is calculated on the straight line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives. The annual rates of depreciation are as follows:

Office equipment, furniture & fittings	10 years
Office renovations	3 years
Computers	3 years
Air-conditioners	3 years

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

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year-end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and shall be included in profit or loss when the item is derecognised.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Impairment of Non-Financial Assets

The carrying amounts of the Association's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposal and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

An impairment loss on a non-revalued asset is recognised in profit or loss. An impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

2.10 Financial Assets

Financial assets are recognised on the balance sheet when the Association becomes a contractual party to the contractual provisions of the financial instrument.

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

- (a) The accounting for financial assets from 1 February 2018 under FRS 109 is as follows:

Financial assets are classified into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The basis of classification depends on the Association's business model and the contractual cash flow characteristics of the financial assets.

At initial recognition

At initial recognition, the Association measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at FVPL are expensed in profit or loss. Receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

At subsequent measurement

The Association's financial assets comprising receivables, bank deposits and cash and cash equivalents, are measured at amortised cost subsequent to initial recognition, as these are contractual cash flows which represent solely payments of principal and interest. A gain or loss on a financial asset 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.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial Assets (continued)

- (a) The accounting for financial assets from 1 February 2018 under FRS 109 is as follows: (continued)

Impairment of Financial Assets

The Association assesses on forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost, and recognises a loss allowance accordingly.

At each reporting date, the debt instruments are assessed to determine whether there is significant increase in credit risk since initial recognition. If there is a significant increase in credit risk since initial recognition, lifetime expected credit losses will be calculated and recognised in the loss allowance. If credit risk on the debt instrument has not increased significantly since initial recognition, the loss allowance is measured based on 12-month expected credit losses. Adjustments to the loss allowance are recognised in profit or loss as an impairment gain or loss.

For receivables, the Association applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

- (b) Prior to 1 February 2018, the accounting for financial assets under FRS 39 were as follows:

Classification

The Association's financial assets were categorised as loans and receivables.

Loans and receivables, comprising receivables, bank deposit and cash and cash equivalents, are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Receivables with a short duration are not discounted.

Impairment of loans and receivables

When there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivable, an impairment loss is recognised. The amount of the impairment loss is measured as the difference between the carrying value of the receivable and the present value of the estimated future cash flows discounted at the original effective interest rate. The carrying amount of the receivable is reduced directly or through the use of an allowance account. The amount of the loss is recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss shall be reversed either directly or by adjusting an allowance account. The amount of the reversal shall be recognised in profit or loss.

2.11 Receivables

Receivables that do not have a significant financing component are measured at their transaction price at initial recognition, and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses, as explained in note 2.10 (a).

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and cash at bank which are subject to insignificant risks of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

2.13 Payables

Financial liabilities are recognised on the balance sheet when the Association becomes a party to the contractual provisions of the financial instrument.

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables with a short duration are not discounted.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2.14 Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

3. PROPERTY, PLANT AND EQUIPMENT

	Office equipment, furniture and fittings	Office renovations	Computers	Air-conditioners	Total
	\$	\$	\$	\$	\$
<u>Cost</u>					
At 1 February 2017	36,779	79,112	1,996	9,733	127,620
Additions	7,789	27,760	2,664	-	38,213
Written off	(8,220)	-	(997)	-	(9,217)
At 31 January 2018 and 1 February 2018	36,348	106,872	3,663	9,733	156,616
Additions	2,100	-	1,284	-	3,384
Written off	(629)	-	(999)	-	(1,628)
At 31 January 2019	37,819	106,872	3,948	9,733	158,372
<u>Accumulated Depreciation</u>					
At 1 February 2017	19,273	42,756	1,996	6,245	70,270
Charge for the year	3,636	31,559	888	2,061	38,144
Written off	(5,743)	-	(997)	-	(6,740)
At 31 January 2018 and 1 February 2018	17,166	74,315	1,887	8,306	101,674
Charge for the year	3,696	23,303	1,316	1,427	29,742
Written off	(378)	-	(999)	-	(1,377)
At 31 January 2019	20,484	97,618	2,204	9,733	130,039
<u>Carrying amount</u>					
At 31 January 2019	17,335	9,254	1,744	-	28,333
At 31 January 2018	19,182	32,557	1,776	1,427	54,942

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

4. EMPLOYEE BENEFITS EXPENSE

	\$	\$
Salaries and related costs	230,593	218,959
Employer's contributions to Central Provident Fund	33,737	33,910
	264,330	252,869

Employee benefits expense includes benefits paid to key management personnel employed by the Association as follows:-

	<u>2019</u>	<u>2018</u>
	\$	\$
Salaries and related costs	81,541	80,322
Employer's contributions to Central Provident Fund	13,862	13,655
	95,403	93,977

None (2018: none) of the three highest paid staff received more than \$100,000 each in annual remuneration.

5. RENTAL OF PREMISES

This relates to the imputed cost for the space occupied by SCWO - Star Shelter at SCWO premises located at 96 Waterloo Street allocated based on comparable rental rate within the vicinity.

6. RECEIVABLES

	<u>2019</u>	<u>2018</u>
	\$	\$
Grants receivable from		
- Ministry of Social and Family Development	48,676	55,900
- Professional Capability Fund (note 9a)	348	-
- Tote Board Social Service Fund (note 9b)	5,054	-
Prepayments	10,306	4,047
	64,384	59,947

Grants receivable are unsecured, non-interest bearing and expected to be received within 3 to 6 months.

7. FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS

All fixed deposits mature within 6 months (2018: one year) and earn interest at rates ranging from 0.20% to 1.55% (2018: 0.20% to 1.15%) per annum.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

8. REBUILD PROGRAMME FUND

	<u>2019</u>	<u>2018</u>
	\$	\$
Balance at beginning of financial year	63,737	65,667
Less: Disbursements	<u>(3,250)</u>	<u>(1,930)</u>
Balance at end of financial year	<u>60,487</u>	<u>63,737</u>

The Rebuild Programme Fund is set up to help SCWO - Star Shelter residents rebuild their homes by giving them rebuild home loans, room rental and transport allowance assistance.

Rebuild home loans disbursed from the Rebuild Programme Fund are non-interest bearing and have no fixed repayment terms. All loans extended to residents are recorded as funds disbursed, while any loan repayments are recorded as funds received.

9. DEFERRED GRANTS

a) Professional Capability Grant

This grant was received from the Ministry of Social and Family Development ("MSF") VWOs - Capability Fund ("VCF"). The grant is administered by National Council of Social Service.

The grant was disbursed by MSF VCF specifically to fund:

- (i) For FY2018, the Clinical Supervision Consultancy Project ("project") undertaken by the Association for SCWO - Star Shelter during that year.
- (ii) For FY2019, course fee for acquiring Recognised Social Work Qualifications.

b) Tote Board Social Service Fund Grant

This grant was received pursuant to the Grant Agreement dated 1 April 2016 between SCWO and the National Council of Social Service (NCSS) as administrator of the Tote Board Social Service Fund which was for a period of 1 year and 3 months from 1 April 2016 to 30 June 2017. The first agreement was superseded by a 2nd agreement dated 1 April 2017 covering a 3-month period from 1 April 2017 to 30 June 2017 and then subsequently superseded by a 3rd agreement dated 1 July 2017 which covers a period of 1 year and 9 months from 1 July 2017 to 31 March 2019. The 3rd agreement was superseded by a 4th agreement dated 1 April 2018 covering a period of 1 year from 1 April 2018 to 31 March 2019.

NCSS agrees to provide funding, based on the agreed terms and conditions, for the operations of SCWO - Star Shelter at 96 Waterloo Street, SCWO Centre, Singapore 187967. The operations of SCWO - Star Shelter provides temporary refuge for victims of family violence and others in need of protection, regardless of race, language, creed or religion.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

9. DEFERRED GRANTS (continued)

Details of the grant movements during the financial year are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
(a) <u>Professional Capability Grant</u>		
Balance at beginning of the year	216	2,376
Grant received during the year	9,764	-
Grant receivable as at year end (note 6)	348	-
Grant recognised as income during the year	<u>(10,328)</u>	<u>(2,160)</u>
Balance as deferred grant at 31 January	<u>-</u>	<u>216</u>
(b) <u>Tote Board Social Service Fund Grant</u>		
Balance at beginning of the year	9,978	-
Grant received during the year	45,485	57,510
Grant receivable as at year end (note 6)	5,054	-
Grant recognised as income during the year	<u>(60,517)</u>	<u>(47,532)</u>
Balance as deferred grant at 31 January	<u>-</u>	<u>9,978</u>
Total (a) + (b)	<u>-</u>	<u>10,194</u>

10. PAYABLES

	<u>2019</u>	<u>2018</u>
	\$	\$
Amount due to SCWO operating fund	58,234	47,894
Amount due to SCWO - Service Fund	-	10
Accruals	<u>21,433</u>	<u>21,950</u>
	<u>79,667</u>	<u>69,854</u>

The above payables are unsecured, non-interest bearing and are normally settled within 90 days or on demand.

11. FINANCIAL RISKS MANAGEMENT

The Association is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, liquidity risk and interest rate risk. The board reviews and agrees on policies for managing each of these risks and they are summarised below:

11.1 Credit risk

Credit risk is the potential risk of financial loss resulting from the failure of customers or other counterparties to settle their financial and contractual obligations to the Association as and when they fall due.

The Association's main financial assets consist of cash and cash equivalents and fixed deposits with financial institutions. Cash and bank deposits are placed with financial institutions which are regulated.

