

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

UNIQUE ENTITY NUMBER: S80SS0026C

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2020

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)

CORPORATE INFORMATION AS AT 31 JANUARY 2020

1. UNIQUE ENTITY NUMBER (UEN)

SCWO - S80SS0026C
SCWO - Star Shelter - T00CC1406K
SCWO - Service Fund - T09CC0010H

2. INSTITUTIONS OF A PUBLIC CHARACTER (IPC)

SCWO - Star Shelter - IPC000188
SCWO - Service Fund - IPC000679

3. REGISTERED ADDRESS

96 Waterloo Street, Singapore 187967

4. SCWO BOARD MEMBERS

<u>Name</u>	<u>Designation</u>
Dr June Goh	President
Ms Junie Foo	1 st Vice President
Ms Trina Liang-Lin	2 nd Vice President
Ms Lavinia Thanapathy	3 rd Vice President
Ms K. Thanalethimi	Honorary General Secretary
Ms Margaret Thomas	Asst. Honorary Secretary
Ms Avan Chan	Honorary Treasurer
Ms Irene Boey	Asst. Treasurer
Ms Teo Lin Lee	Board Member
Ms Yeo Miu Ean	Board Member
Ms Laina Raveendran Greene	Board Member
Ms Cheryl Chong	Board Member

5. BANKERS

DBS Bank Ltd
Hong Leong Finance Limited

6. AUDITORS

Lo Hock Ling & Co.
Public Accountants And
Chartered Accountants Singapore

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

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 2020, and the statement of comprehensive income, statement of changes in funds and statement of cash flows 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 the Association as at 31 January 2020 and the results, changes in funds and cash flows of the Association for the year ended on that date.

The SCWO Board, has on the date of this statement, authorised these financial statements for issue.

On behalf of the Board



Dr June Goh
President



Ms Avan Chan
Honorary Treasurer

Singapore, 19 MAY 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Council of Women's Organisations (the "Association") set out on pages 6 to 43, which comprise the statement of financial position (balance sheet) as at 31 January 2020, and the statement of comprehensive income, 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 Societies Act, Cap. 311, the Charities Act, Cap. 37 and other relevant regulations (the Charities Act and Regulations) [collectively the "Acts"] and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Association as at 31 January 2020 and the results, changes in funds and cash flows of the Association 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 Corporate Information and Statement by the SCWO Board set out on pages 1 and 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS**

Continued**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 Acts and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The SCWO Board is responsible for overseeing the Association'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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS**

Continued**Auditor's Responsibilities for the Audit of the Financial Statements (Continued)**

- 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 Association'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 Association 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Association have been properly kept in accordance with the provisions of the Acts.

During the financial year, the Association did not conduct any fund-raising appeal 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 the Association as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (ii) the Association 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, 19 MAY 2020

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

Statement of Comprehensive Income for the year ended 31 January 2020

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<u>INCOME</u>			
Bank interest		13,663	9,428
Course fees		3,235	1,550
Donations			
- non-tax deductible		160,924	358,678
- tax deductible		287,390	176,155
Event income		310	1,577
Grants and subsidies	4	539,870	589,166
Income from facilities and other services	5	402,961	399,843
Subscriptions income		14,250	14,710
Sundry income		14,013	6,037
Gain on disposal of property, plant and equipment		440	-
		1,437,056	1,557,144
<u>LESS: EXPENDITURE</u> (as per schedule)		1,505,058	1,436,099
(Deficit)/surplus before tax		(68,002)	121,045
Income tax expense	11	-	-
(Deficit)/surplus for the year	18	(68,002)	121,045
<u>Other Comprehensive Income</u>			
ACWO project expenses	19	-	(1,642)
Depreciation charged to OPF Project Fund	20	(83,433)	(83,433)
Depreciation charged to Building Refurbishment Fund	22	(31,251)	(31,251)
Disbursements from Rebuild Programme Fund - SCWO - Star Shelter	23b	(2,329)	(3,250)
Total other comprehensive income, net of tax		(117,013)	(119,576)
Total comprehensive income for the year		(185,015)	1,469

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

Expenditure for the year ended 31 January 2020

	Notes	2020	2019
		\$	\$
Auditors' remuneration		17,334	14,124
Bank charges		897	819
Board/Agender expenses	3	647	2,474
Cleaning services		28,121	26,716
Contract services		10,241	3,825
Depreciation of property, plant and equipment	13	27,778	43,116
Depreciation of right-of-use assets	14	7,938	-
Employee benefits expense	12	769,115	719,740
Event expenses		8,703	5,511
Fees and charges		8,846	20,449
Foreign workers' levy		10,800	10,800
General expenses		6,242	9,787
Groceries		11,844	10,343
Inspiring Girls expenses		-	2,562
Insurance		6,298	6,571
Interest on lease liabilities		820	-
International meeting		9,700	11,187
International Women's Day Event expenses	10	92,112	90,602
IT Hub expenses	6	6,896	505
IT website expenses		2,702	7,774
Lease of office equipment		-	8,988
Maintenance Support Central (MSC) expenses		130,690	99,339
Medical expenses		6,150	5,320
Membership subscription		1,213	1,208
Newspapers and periodicals		472	463
Postage and courier		721	1,086
Printing and stationery		10,222	11,108
Professional fee		1,798	1,798
Property, plant and equipment written off		60	318
Property tax		20,225	17,250
Refreshments		4,037	4,937
Repairs and maintenance		37,104	35,727
Research		373	364
Residents welfare		17,429	16,808
Security guard services		80,892	72,000
Singapore Women's Hall of Fame (SWHF) expenses	9	90,859	91,319
Skills development levy		1,435	1,363
Staff welfare		1,563	1,575
Telecommunications		11,143	8,438
Training and development		14,417	17,576
Transport		4,107	3,472
Utilities		36,019	37,529
Volunteer allowances		2,868	2,468
Women's Register	7	4,227	8,740
		<u>1,505,058</u>	<u>1,436,099</u>

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

Statement of Financial Position as at 31 January 2020

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	13	891,516	1,008,141
Right-of-use assets	14	11,246	-
Prepaid differential premium for leasehold property	15	8,942	16,788
		911,704	1,024,929
<u>Current Assets</u>			
Prepaid differential premium for leasehold property	15	7,846	7,846
Receivables	16	124,493	133,709
Fixed deposits with financial institutions	17	1,474,486	915,840
Cash and bank balances		1,108,852	1,702,146
		2,715,677	2,759,541
Total Assets		3,627,381	3,784,470
<u>FUNDS AND LIABILITIES</u>			
<u>FUNDS</u>			
<u>Unrestricted Funds</u>			
Operating Fund	18	16,409	56,144
ACWO Project Fund	19	-	-
OPF Project Fund	20	1,116,036	1,199,469
SCWO - Service Fund	21	154,726	51,101
Building Refurbishment Fund	22	320,879	352,130
		1,608,050	1,658,844
<u>Restricted Funds</u>			
MSC Fund	21	265,796	270,215
SWHF Fund	21	111,322	175,781
SCWO - Star Shelter Funds	23	1,351,780	1,418,049
		1,728,898	1,864,045
Total Funds		3,336,948	3,522,889

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

Statement of Financial Position as at 31 January 2020 (continued)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<u>LIABILITIES</u>			
<u>Non-current liability</u>			
Lease liabilities	24	<u>7,172</u>	<u>-</u>
		<u>7,172</u>	<u>-</u>
<u>Current Liabilities</u>			
Deferred income	25	80,875	42,630
Deferred grants	26	78,938	110,048
Payables	27	118,678	108,903
Lease liabilities	24	<u>4,770</u>	<u>-</u>
		<u>283,261</u>	<u>261,581</u>
Total Funds and Liabilities		<u><u>3,627,381</u></u>	<u><u>3,784,470</u></u>

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

Statement of Changes in Funds for the year ended 31 January 2020

	← Unrestricted Funds →					← Restricted Funds →			Total Funds
	Operating Fund	ACWO Project Fund	OPF Project Fund	SCWO - Service Fund	Building Refurbishment Fund	MSC Fund	SWHF Fund	SCWO - Star Shelter Funds	
Balance as at 1 February 2018	\$ 99,678	\$ 1,642	\$ 1,282,902	\$ 29,099	\$ 383,381	\$ 235,156	\$ -	\$ 1,489,562	\$ 3,521,420
(Deficit)/surplus for the year (note 18)	(43,534)	-	-	22,002	-	35,059	175,781	(68,263)	121,045
Other comprehensive income	-	(1,642)	(83,433)	-	(31,251)	-	-	(3,250)	(119,576)
Total comprehensive income	(43,534)	(1,642)	(83,433)	22,002	(31,251)	35,059	175,781	(71,513)	1,469
Balance as at 31 January 2019	56,144	-	1,199,469	51,101	352,130	270,215	175,781	1,418,049	3,522,889
Adjustment on adoption of FRS 116 Leases on 1 February 2019 (note 2.1.1)	(926)	-	-	-	-	-	-	-	(926)
Restated balance as at 1 February 2019	55,218	-	1,199,469	51,101	352,130	270,215	175,781	1,418,049	3,521,963
(Deficit)/surplus for the year (note 18)	(38,809)	-	-	103,625	-	(4,419)	(64,459)	(63,940)	(68,002)
Other comprehensive income	-	-	(83,433)	-	(31,251)	-	-	(2,329)	(117,013)
Total comprehensive income	(38,809)	-	(83,433)	103,625	(31,251)	(4,419)	(64,459)	(66,269)	(185,015)
Balance as at 31 January 2020	16,409	-	1,116,036	154,726	320,879	265,796	111,322	1,351,780	3,336,948

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

Statement of Cash Flows for the year ended 31 January 2020

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
(Deficit)/Surplus before tax		(68,002)	121,045
Adjustments for:			
Interest income		(13,663)	(9,428)
Interest on lease liabilities	24	820	-
Depreciation of property, plant and equipment	13	40,068	48,134
Depreciation of right-of-use assets	14	7,938	-
Differential premium for leasehold property	15	7,846	-
Property, plant and equipment written off		-	318
Operating (deficit)/surplus before working capital changes		(24,993)	160,069
Increase in fixed deposits with financial institutions		(558,646)	(9,054)
Project funds utilised		(2,329)	(4,892)
Decrease/(increase) in receivables		9,216	(37,251)
Increase in payables and deferred income		48,020	2,474
Net cash from operating activities		(528,732)	111,346
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
(Decrease)/increase in deferred grants received		(31,110)	(18,640)
Purchase of property, plant and equipment	13	(38,127)	(15,625)
Interest received		13,663	9,428
Net cash used in investing activities		(55,574)	(24,837)
<u>CASH FLOWS FROM FINANCING ACTIVITIES:</u>			
Repayment of lease liabilities	24	(8,168)	-
Interest paid on lease liabilities	24	(820)	-
Net cash used in financing activities		(8,988)	-
Net (decrease)/increase in cash and cash equivalents		(593,294)	86,509
Cash and cash equivalents at beginning of the year		1,702,146	1,615,637
Cash and cash equivalents at end of the year	28	1,108,852	1,702,146

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

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

NOTES TO THE FINANCIAL STATEMENTS - 31 January 2020

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

1. GENERAL INFORMATION

- (a) The Singapore Council of Women's Organisations ("SCWO" or the "Association"), an association registered under the Societies Act, Cap. 311, is domiciled in the Republic of Singapore. It operates two charities, namely the SCWO - Service Fund (note 21) and SCWO - Star Shelter (note 23) which are registered under the Charities Act, Cap. 37. Its registered office is located at 96 Waterloo Street Singapore 187967.
- (b) The Association is the national coordinating body of women's organisations in Singapore. Incorporated in March 1980, it seeks to unite the various women's organisations, clubs, committees, groups and women leaders together, working in accordance with its various aims and objectives. It also serves to coordinate these associations into a national movement and to act on their behalf in matters for which it is authorised by its members. It seeks to promote the ideals of "Equal Space, Equal Voice and Equal Worth" for women in Singapore.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Association presents its financial statements in Singapore dollars ("S\$"), 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.

During the financial year, the Association adopted all the applicable new/revised FRSs which are effective on or before 1 February 2019. Except for the adoption of FRS 116 Leases described below, the adoption of these Standards did not have any material effect on the financial performance or position of the Association.

2.1.1 Adoption of FRS effective on 1 February 2019

The Association has adopted FRS 116 in accordance with the requirements of the Standard on its effective date on 1 February 2019.

Upon adoption of FRS 116, the Association applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 February 2019 is disclosed in Note 2.15. The standard provides specific transition requirements and practical expedients, which have been applied by the Association.

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

The Association also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

2.1.1 Adoption of FRSs effective on 1 February 2019 (continued)

The Association also applied the available practical expedients wherein it: (continued)

- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The Association adopted FRS 116 on 1 February 2019 (date of initial adoption) using the modified retrospective method of adoption. Under this method, the Standard is applied retrospectively with the cumulative effect of initial application recognised as an adjustment to the opening balance of funds. The Association elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 February 2019. Instead, the Association applied the Standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The Association has lease contracts for office equipment. Before the adoption of FRS 116, the Association classified each of its leases (as lessee) at the inception date as an operating lease. The accounting policy prior to 1 February 2019 is disclosed in note 2.15.3.

The effects of adopting FRS 116 as at 1 February 2019 are as follows:

	Increase/(decrease) \$
Right-of-use assets	19,184
Lease liabilities	20,110
Association's operating fund	(926)

A reconciliation of the operating lease commitments as at 31 January 2019 and the lease liabilities recognised as at 1 February 2019 is as follows:

	\$
Operating lease commitments disclosed as at 31 January 2019 (note 30)	21,721
Association's incremental borrowing rate as at 1 February 2019	5.0%
Discounted lease liabilities as at 1 February 2019 (note 24)	(A) 20,110

The associated right-of-use assets ("ROU") were measured on a retrospective basis as if the new rules had always been applied.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.1 Basis of Preparation (continued)

2.1.1 Adoption of FRSs effective on 1 February 2019 (continued)

ROU recognised as at 1 February 2019 was as follows:

	\$
Cost (note 14)	39,690
Less: Accumulated depreciation (note 14)	<u>(20,506)</u>
	(B) <u>19,184</u>
Net impact on operating fund as at 1 February 2019	(A) - (B) <u>926</u>

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.

2.2.1 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 13 to the financial statements.

(ii) *Leases – Estimating the Incremental Borrowing Rate*

The Association cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Association would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Association 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Association estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

2. SIGNIFICANT ACCOUNTING POLICIES

2.2 Significant Accounting Estimates and Judgments (continued)

2.2.1 Key sources of estimation uncertainty (continued)

(iii) *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.

2.2.2 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 as at the balance sheet date but is not yet effective.

The management does not anticipate the adoption of the new FRS in future financial periods to have any material impact on the financial statements in the period of initial application.

2.4 Revenue Recognition

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.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue Recognition (continued)

- (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 sponsorship 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) Membership subscriptions are recognised when due and received.
- (iv) 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.
- (v) Fees for courses/events are recognised at a point in time when services are rendered/consumed.
- (vi) Interest income is recognised on a time-proportion basis, using the effective interest method, unless collectibility 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.

2.6 Income Taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised outside profit or loss, in which case, it is recognised in other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred income tax is provided, using the balance sheet liability method, on all temporary differences at the balance sheet date arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

Deferred tax is charged or credited to other comprehensive income if the tax relates to items that are credited or charged, in the same or a different period, to other comprehensive income.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.7 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.

2.8 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:

Leasehold property	over a period of 30 years expiring on 17 July 2027
Leasehold property improvements	16 years
Office equipment, furniture and fittings	10 years
Office renovation	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

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.

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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial Assets (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.

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. Receivables with a short duration are not discounted.

2.12 Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and cash with banks that are subject to insignificant risks of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash. Fixed deposits with original maturities over 3 months are excluded from cash and cash equivalents.

2.13 Financial liabilities

Financial liabilities included payables and lease liabilities.

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

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Financial liabilities 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

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Leases

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

The Association 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.

2.15.1 As lessee

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

(a) *Right-of-use assets*

The Association 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 Association 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 2.9.

(b) *Lease liabilities*

At the commencement date of the lease, the Association 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 Association and payments of penalties for terminating the lease, if the lease term reflects the Association 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.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.15 Leases (continued)

2.15.1 As lessee (continued)

(b) *Lease liabilities (continued)*

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

(c) *Short-term leases and leases of low-value assets*

The Association applies the short-term lease recognition exemption to its short-term leases (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 rental of assets 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.

2.15.2 As lessor

Leases in which the Association does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Association's property, plant and equipment is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.15.3 Prior to 1 February 2019, the accounting policies applied to leases were as follows:

Operating leases

Leases whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases.

When the Association is the lessee, operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Related Parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Association if that person:
 - (i) Has control or joint control over the Association;
 - (ii) Has significant influence over the Association; or
 - (iii) Is a member of the key management personnel of the Association.
- (b) An entity is related to the Association if any of the following conditions applies:
 - (i) The entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary are related to each other).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Association.

3. BOARDAGENDER

The income and expenditure in respect of the BoardAgender for the year ended 31 January 2020 are included in the Statement of Comprehensive Income as follows:

	<u>2020</u>	<u>2019</u>
<u>Income</u>	\$	\$
Care and share grant	-	1,054
Event income	-	785
Membership fees received	3,500	4,400
Non tax-deductible donations	-	3,000
	3,500	9,239
<u>Less: Expenses</u>		
Event expenses	80	1,758
IT website expenses	179	186
Postages and courier	-	3
Refreshments	279	218
Transport	70	197
ENETS Transaction fee	39	112
	647	2,474
Surplus for the year	2,853	6,765

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

4. GRANTS AND SUBSIDIES

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
(a) <u>SCWO - Star Shelter</u>			
Grants from			
- Ministry of Social and Family Development (MSF)		362,440	365,524
- Tote Board Social Service Fund	26(d)(ii)	6,170	60,517
Other grants and subsidies		9,416	11,452
	23(a)	378,026	437,493
(b) <u>SCWO - Service Fund</u>			
Grants from			
- Community Chest Charity Support Fund – MSC	8, 26(e)	26,854	18,591
- MSF care and share	26(a)	14,256	15,047
- National Heritage Board	9, 26(c)	16,400	16,100
- Tote Board Social Service Fund - MSC	8, 26(d)(i)	104,334	101,935
		161,844	151,673
(a) + (b)		539,870	589,166

The above grants will be restricted for use under the various programmes as disclosed in note 26.

5. INCOME FROM FACILITIES AND OTHER SERVICES

	<u>2020</u>	<u>2019</u>
	\$	\$
Contributions from rental of meeting rooms	83,483	80,223
Contributions from dormitory residents	4,175	4,350
Maintenance contributions from tenants	3,136	3,136
Thriftshop	312,167	312,134
	402,961	399,843

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

6. IT HUB

The income and expenditure in respect of the IT Hub for the year ended 31 January 2020 are included in the Statement of Comprehensive Income as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>Income</u>		
IT Membership subscriptions	1,800	1,750
IT Course fees	3,235	1,550
Care and Share grant	6,101	-
	11,136	3,300
<u>Less: Expenses</u>		
Depreciation on property, plant and equipment (note 13)	6,317	216
Event expenses	529	245
General expenses	32	-
Refreshments	18	44
	6,896	505
Surplus for the year	4,240	2,795

7. WOMEN'S REGISTER

The income and expenditure in respect of the Women's Register for the year ended 31 January 2020 are included in the Statement of Comprehensive Income as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>Income</u>		
Care and Share grant	3,782	7,797
Membership fees received	400	160
Donations		
- Non-tax deductible	-	550
- Tax deductible	150	-
Registration fees from talks/presentations	310	792
	4,642	9,299
<u>Less: Expenses</u>		
IT website expenses	183	186
Event expenses	3,951	8,374
Other expenses	93	180
	4,227	8,740
Surplus for the year	415	559

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

8. MAINTENANCE SUPPORT CENTRAL

Maintenance Support Central ("MSC") is an initiative by the Association and operates under the SCWO - Service Fund. It is a multi-service drop-in centre that provides support and assistance to improve the enforcement of maintenance orders. Through its services, MSC aims to empower clients with knowledge pertaining to their marital rights and provide them all-rounded support together with our community partners.

The income and expenditure in respect of the MSC for the year ended 31 January 2020 are included in the Statement of Comprehensive Income as follows:

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<u>Income</u>			
Counselling fee		395	50
Community Chest Charity Support Fund grant	4b	26,854	18,591
Donations			
- Non-tax deductible		7,704	13,352
- Tax deductible		1,000	-
Registration fees from talks		180	470
Tote Board Social Service Fund grant	4b	104,334	101,935
		140,467	134,398
<u>Less: Expenses</u>			
Salaries and related costs	12	100,431	74,492
Employer's contributions to Central Provident Fund	12	17,076	12,671
Depreciation on property, plant and equipment	13	5,973	4,802
# Rental expenses	11	14,196	-
Other expenses		7,210	7,374
		144,886	99,339
(Deficit)/surplus for the year	21	(4,419)	35,059

This relates to the imputed cost for the space occupied by MSC at SCWO's premises located at 96 Waterloo Street, allocated based on comparable rental rate within the vicinity.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

9. SINGAPORE WOMEN'S HALL OF FAME

The Singapore Women's Hall of Fame ("SWHF") was launched on 14 March 2014 to recognise and honour the outstanding women of Singapore in all fields of endeavour. Through an annual induction ceremony where more outstanding women are honoured, the SWHF also shares, through our rigorous outreach efforts, these inspiring stories with students and the public to inspire and educate.

The income and expenditure in respect of the SWHF for the year ended 31 January 2020 are included in the Statement of Comprehensive Income as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>Income</u>		
Grant from		
- National Heritage Board (note 4(b))	16,400	16,100
Donations and sponsorships		
- Non-tax deductible	-	250,070
- Tax deductible	10,000	1,000
Sundry income	<u>4,811</u>	<u>650</u>
	31,211	267,820
<u>Less: Expenses</u>		
Coffee table books	5,575	5,575
Contract staff	1,267	14,647
Event expenses	76,533	61,392
General expenses	4,264	3,459
IT website expenses	2,156	5,671
Printing and stationery	648	4
Refreshments	272	395
Trophies expenses	<u>144</u>	<u>176</u>
	<u>90,859</u>	<u>91,319</u>
(Deficit)/surplus for the year	<u>(59,648)</u>	<u>176,501</u>
The (deficit)/surplus for the year attributable to:		
SWHF Fund (note 21)	(64,459)	175,781
SCWO – Service Fund General Reserves	<u>4,811</u>	<u>720</u>
	<u>(59,648)</u>	<u>176,501</u>

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

10. INTERNATIONAL WOMEN'S DAY (IWD) EVENT

The income and expenditure in respect of the IWD event for the year ended 31 January 2020 are included the Statement of Comprehensive Income as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
<u>Income</u>		
Donations		
- Non-tax deductible	33,720	33,601
- Tax deductible	149,750	129,200
	183,470	162,801
<u>Less: Expenses</u>		
Collaterals	5,459	6,659
Gifts and souvenirs	329	554
IWD dinner expenses	71,819	69,593
Performance expenses	2,200	1,926
Photography expenses	2,960	2,960
Postage and courier	271	488
Prizes	600	-
Refreshments	516	467
Rental of equipment	353	-
Sound and lighting equipment	6,955	6,420
Supply and installation of customised ramp	-	1,271
Transport expenses	650	264
	92,112	90,602
Surplus for the year	91,358	72,199

11. INCOME TAX EXPENSE

Income tax expense for the financial year ended 31 January 2020 is nil (2019: nil).

Reconciliation of income tax expense:

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
(Deficit)/surplus before tax		(68,002)	121,045
Less: (Surplus)/deficit arising from:			
- SCWO - Service Fund	21	(103,625)	(22,002)
- MSC Fund	21	4,419	(35,059)
- SCWO - Star Shelter	23	63,940	68,263
- SWHF Fund	21	64,459	(175,781)
Add: Rental income from:			
- Service Fund	21	15,804	30,000
- MSC Fund	8	14,196	-
- Star Shelter	23	96,000	96,000
		* 87,191	* 82,466
Taxation at statutory rate of 17%		14,822	14,019
Tax effects of:-			
Non-taxable income		(9)	(43)
Non-deductible expenses		3,069	3,722
Realisation of deferred tax assets previously not recognised		(20,863)	(15,791)
Deferred tax on net temporary differences not recognised		2,981	(1,907)
		-	-

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

11. INCOME TAX EXPENSE (continued)

- * This amount excludes the surpluses/deficit of SCWO - Star Shelter and SCWO - Service Fund as these are registered charities whose income are exempted from income tax under section 13(1) (zm) of the Income Tax Act, Cap.134.

As at the balance sheet date, the Association has unabsorbed tax losses amounting to approximately \$869,000 (2019: \$848,228), which are available for set-off against future taxable surpluses, subject to compliance with the Income Tax Act and the approval of the Comptroller of Income Tax.

Deferred tax assets arising from the above tax losses are not recognised in the accounts due to the uncertainty of future taxable surpluses being available against which the tax losses can be utilised.

12. EMPLOYEE BENEFITS EXPENSE

Employee benefits expense incurred by SCWO, excluding the amount incurred by MSC, is as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Salaries and related costs	665,923	623,949
Employer's contributions to Central Provident Fund	103,192	95,791
	* 769,115	* 719,740
Employee benefits expense incurred by the MSC is as follows:		
Salaries and related costs (note 8)	100,431	74,492
Employer's contributions to Central Provident Fund (note 8)	17,076	12,671
	117,507	87,163
Total Employee Benefits Expense	886,622	806,903

- * This amount included \$240,939 (2019: \$227,702) and \$287,230 (2019: \$264,330) which are charged to the SCWO - Service Fund (note 21) and SCWO - Star Shelter Fund (note 23) respectively.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

13. PROPERTY, PLANT AND EQUIPMENT

<u>Cost</u>	Leasehold property	Leasehold property improvements	Office equipment, furniture and fittings	Office renovation	Computers	Air- conditioners	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$
At 1 February 2018	2,496,122	500,024	124,456	130,673	67,283	67,938	3,386,496
Additions	-	-	3,365	2,415	9,845	-	15,625
Written off	-	-	(1,299)	-	(6,773)	-	(8,072)
At 31 January 2019 and 1 February 2019	2,496,122	500,024	126,522	133,088	70,355	67,938	3,394,049
Additions	-	-	15,297	4,526	18,304	-	38,127
Written off	-	-	(1,050)	-	(9,171)	-	(10,221)
At 31 January 2020	2,496,122	500,024	140,769	137,614	79,488	67,938	3,421,955
<u>Accumulated depreciation</u>							
At 1 February 2018	1,721,803	218,759	72,072	93,648	58,051	66,511	2,230,844
Charge for the year	83,433	31,251	11,565	26,732	8,410	1,427	162,818
Written off	-	-	(981)	-	(6,773)	-	(7,754)
At 31 January 2019 and 1 February 2019	1,805,236	250,010	82,656	120,380	58,688	67,938	2,385,908
Charge for the year	83,433	31,251	13,172	13,409	13,487	-	154,752
Written off	-	-	(1,050)	-	(9,171)	-	(10,221)
At 31 January 2020	1,888,669	281,261	94,778	133,799	64,004	67,938	2,530,439
<u>Carrying amount</u>							
At 31 January 2020	607,453	218,763	45,991	3,825	15,484	-	891,516
At 31 January 2019	690,886	250,014	43,866	12,708	10,667	-	1,008,141

The board is of the opinion that there is no impairment in the carrying amount of the leasehold property as at the balance sheet date.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

13. PROPERTY, PLANT AND EQUIPMENT (continued)

The depreciation charge for the year has been allocated as follows:

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
Building Refurbishment Fund	22	31,251	31,251
OPF Project Fund	20	83,433	83,433
<u>Income and expenditure statement</u>			
- Depreciation of IT Hub	6	6,317	216
- Depreciation of MSC property, plant and equipment	8	5,973	4,802
* - Depreciation of other property, plant and equipment		27,778	43,116
		40,068	48,134
		154,752	162,818

* Depreciation of other property, plant and equipment included \$2,661 (2019: \$2,244) and \$13,737 (2019: \$29,742) which are charged to SCWO - Service Fund (note 21) and SCWO - Star Shelter (note 23) respectively.

14. RIGHT-OF-USE ASSETS

	<u>Office equipment</u>
	\$
<u>Cost</u>	
On date of adoption of FRS 116 Leases – 1 February 2019	39,690
Addition	-
At 31 January 2020	39,690
<u>Accumulated Depreciation</u>	
On date of adoption of FRS 116 Leases – 1 February 2019	20,506
Charge for the year	7,938
At 31 January 2020	28,444
<u>Net carrying amount</u>	
At 31 January 2020	11,246

The Association leases office equipment for a lease period of 5 years. The lease agreement does not impose any covenants but leased assets may not be used as security for borrowing purpose.

The right-of-use assets are depreciated over 5 years, which is the shorter of the assets' useful life and the lease term on a straight-line basis.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

15. PREPAID DIFFERENTIAL PREMIUM FOR LEASEHOLD PROPERTY

Prepaid differential premium for leasehold property pertains to fees levied by Singapore Land Authority ("SLA") relating to permission granted for the change of use of two units in the leasehold property from café and meeting room to Thriftshop during the year. The permission for this change of use of the 2 units of leasehold property located at 96 Waterloo Street #01-01 & #01-07 will expire in August 2021 and April 2027 respectively.

	<u>2020</u>	<u>2019</u>
	\$	\$
The prepaid differential premium is represented by:		
Current asset	7,846	7,846
Non-current asset	<u>8,942</u>	<u>16,788</u>
	<u>16,788</u>	<u>24,634</u>

The amount of prepaid differential premium expensed to the Statement of Comprehensive Income during the year amounted to \$7,846 (2019: \$19,895).

16. RECEIVABLES

	<u>2020</u>	<u>2019</u>
	\$	\$
* Grants receivable from		
- Ministry of Social and Family Development	54,214	48,676
- Professional Capability Fund	9,764	348
- Tote Board Social Service Fund	8,730	13,572
Sundry receivables	2,508	1,625
Deposits	3,748	3,818
Prepayments	<u>45,529</u>	<u>65,670</u>
	<u>124,493</u>	<u>133,709</u>

Sundry receivables and deposits are unsecured, non-interest bearing and expected to be repayable on demand.

* Grants receivable are expected to be received within 3 to 6 months (2019: 3 to 6 months) from the balance sheet date.

17. FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS

Fixed deposits mature within 12 months (2019: 6 months) and earn interest at rates ranging from 0.75% to 1.60% (2019: 0.20% to 1.60%) per annum.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

18. OPERATING FUND

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
Balance at beginning of financial year		56,144	99,678
Upon adoption of FRS 116 on 1 February 2019		(926)	-
Adjusted balance at beginning of financial year		55,218	99,678
(Deficit)/surplus for the year		(68,002)	121,045
Less/Add:			
(Surplus)/deficit from:			
- SCWO - Service Fund	21	(103,625)	(22,002)
- MSC Fund	21	4,419	(35,059)
- SWHF Fund	21	64,459	(175,781)
- SCWO - Star Shelter	23	63,940	68,263
(Deficit)/surplus for the year relating to SCWO Operating Fund		(38,809)	(43,534)
Balance at end of financial year		16,409	56,144

19. ACWO PROJECT FUND

This Fund was set up when SCWO became a member of the ASEAN Confederation of Women's Organisations ("ACWO"). The fund is used to pay for membership dues, and for sponsorship of SCWO delegates to attend and support ACWO General Assemblies, regional seminars and centralised workshops.

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance at beginning of financial year	-	1,642
Less: Expenses	-	(1,642)
Balance at end of financial year	-	-

20. OPF PROJECT FUND

This refers to the Office Purchase Fund that was set up to fund the construction of the SCWO Centre and its related property, plant and equipment.

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance at beginning of financial year	1,199,469	1,282,902
Less: Depreciation charge for the year (note 13)	(83,433)	(83,433)
Balance at end of financial year	1,116,036	1,199,469

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

21. SCWO - SERVICE FUND

SCWO - Service Fund is a charity registered under the Charities Act Cap. 37 and an Institution of a Public Character set up to promote and improve the status of women in all fields, in particular education, economics, social welfare and community involvement, culture and sports.

Fund movements during the year are as follows:

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<u>Unrestricted Funds – SCWO - Service Fund</u>			
<u>General Reserves</u>			
Accumulated surplus at beginning of the year		51,101	29,099
Add: Income			
Donations		199,374	148,545
- tax deductible		77,140	43,194
- non-tax deductible		30,656	15,047
Grants and subsidies		193,032	214,302
Other income			
		500,202	421,088
Less: Expenses			
Depreciation on property, plant and equipment	13	2,661	2,244
Employee benefits expense	12	240,939	227,702
IWD event expenses	10	92,112	90,602
Other expenses		45,061	48,538
# Rental of premises	11	15,804	30,000
		396,577	399,086
Surplus for the year	11	103,625	22,002
Accumulated surplus at end of the year	*	154,726	51,101
<u>Restricted Funds - MSC Fund</u>			
Accumulated surplus at beginning of the year		270,215	235,156
(Deficit)/surplus for the year	8, 11	(4,419)	35,059
Accumulated surplus at end of the year	*	265,796	270,215
<u>Restricted Funds – SWHF Fund</u>			
Accumulated surplus at beginning of the year		175,781	-
(Deficit)/surplus for the year	9,11	(64,459)	175,781
Accumulated surplus at end of the year	*	111,322	175,781
Total Funds in SCWO Service Fund	*	531,844	497,097

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

The SCWO - Service Fund general reserves are designated funds to be used only for specified purposes as stated above.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

21. SCWO - SERVICE FUND (continued)

The MSC Fund and SWHF Fund are restricted for the respective operations of MSC and SWHF only, for the benefit of its intended clients (notes 8 and 9). In keeping with the grantors' intent for the use of monies, the surplus will not be transferred out of the programme for other purposes.

22. BUILDING REFURBISHMENT FUND

The building refurbishment fund was set up to fund the cost of renovating the SCWO Centre.

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance at beginning of the financial year	352,130	383,381
Depreciation charge (note 13)	<u>(31,251)</u>	<u>(31,251)</u>
Balance at end of financial year	<u>320,879</u>	<u>352,130</u>

23. SCWO - STAR SHELTER FUNDS

SCWO - Star Shelter is a charity registered under the Charities Act Cap. 37 and an Institution of a Public Character managed by SCWO. Its primary purpose is to provide temporary refuge for victims of family violence and others in need of protection, regardless of race, language, creed or religion.

Fund movements during the year are as follows:

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
(a) <u>SCWO - Star Shelter General Fund</u>			
Balance at beginning of financial year		1,357,562	1,425,825
<u>Add: Income</u>			
Donations			
- tax deductible		88,016	26,610
- non-tax deductible		69,243	51,812
Grants and subsidies	4a	378,026	437,493
Other income		29,844	25,684
		<u>565,129</u>	<u>541,599</u>
<u>Less: Expenses</u>			
Depreciation on property, plant and equipment	13	13,737	29,742
Employee benefits expense	12	287,230	264,330
Other expenses		232,102	219,790
# Rental of premises	11	96,000	96,000
		<u>629,069</u>	<u>609,862</u>
Deficit for the year		<u>(63,940)</u>	<u>(68,263)</u>
Balance at end of financial year		<u>1,293,622</u>	<u>1,357,562</u>
(b) <u>Rebuild Programme Fund</u>			
Balance at beginning of financial year		60,487	63,737
Disbursements from Rebuild Programme Fund		<u>(2,329)</u>	<u>(3,250)</u>
Balance at end of financial year		<u>58,158</u>	<u>60,487</u>

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

23. SCWO - STAR SHELTER FUNDS (continued)

The accumulated funds consist of the following:

	<u>2020</u>	<u>2019</u>
	\$	\$
(a) SCWO - Star Shelter General Fund	1,293,622	1,357,562
(b) Rebuild Programme Fund*	58,158	60,487
	<u>1,351,780</u>	<u>1,418,049</u>

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.

* Rebuild Programme Fund was set up to help SCWO - Star Shelter's residents rebuild their homes by giving them rebuild home loans as well as 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.

SCWO - Star Shelter General Fund and the Rebuild Programme Fund are restricted for the operations of SCWO - Star Shelter and used only for the specified purposes as stated above.

24. LEASE LIABILITIES

	<u>2020</u>	<u>2019</u>
	\$	\$
Upon adoption of FRS 116 on 1 February 2019	20,110	-
Additions	-	-
Repayment during the year	(8,168)	-
At 31 January 2020	<u>11,942</u>	<u>-</u>

Lease liabilities are represented by:

	<u>2020</u>	<u>2019</u>
	\$	\$
Current	4,770	-
Non-current	7,172	-
	<u>11,942</u>	<u>-</u>

Lease liabilities are amortised using the incremental borrowing rate of 5.00% per annum over the lease period of 5 years.

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

	<u>Cash changes</u>			<u>Non-cash changes</u>		
	1 February 2019	Repayment of principal	Repayment of interest	Accretion of interests	Other	
	\$	\$	\$	\$	\$	\$
Lease liabilities						
- Current	8,168	(8,168)	(820)	820	4,770	4,770
- Non-current	11,942	-	-	-	(4,770)	7,172
	<u>20,110</u>	<u>(8,168)</u>	<u>(820)</u>	<u>820</u>	<u>-</u>	<u>11,942</u>

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

25. DEFERRED INCOME

	<u>2020</u>	<u>2019</u>
	\$	\$
* Donations income for IWD 2021	73,100	30,400
Other income received in advance	<u>7,775</u>	<u>12,230</u>
	<u>80,875</u>	<u>42,630</u>

* The donations received in advance are tax-deductible donations received during the financial year in respect of International Women's Day 2020 which was originally planned to be held on 19 June 2020. However, due to the COVID-19 pandemic, the original date may not be viable and the event has now been pushed back to 27 March 2021.

26. DEFERRED GRANTS

(a) Care and Share Grant

This is a matching grant from MSF, a national fund-raising and volunteerism movement for the social service sector, with the objectives of bringing the nation together to show care and concern for the less fortunate; recognise the contributions made by Voluntary Welfare Organisations; and invest in building capability in social service sector to meet future needs. The grant is administered by NCSS.

The grant is disbursed by MSF based on the qualified donations raised by SCWO - Service Fund using the calculation basis stated in the funding agreement.

The amount of grant recognised as income relates to the amount that is matched with the qualifying expenditures incurred by SCWO - Service Fund during the financial year.

(b) Professional Capability Grant

There were two grants received from the Ministry of Social and Family Development ("MSF") VWOs - Capability Fund ("VCF"). These grants are administered by the National Council of Social Service.

(i) The first grant was disbursed to fund the Clinical Supervision Consultancy Project undertaken by the Association for SCWO - Star Shelter. This grant was for a period of 1 year and 6 months from 1 October 2016 to 31 March 2018.

(ii) The second grant was disbursed to fund the course fees for an employee to acquire recognised Social Work Qualifications. The course lasted over a period of 2 years from January 2018 to December 2019. The first tranche of 50% of the grant was disbursed in February 2018. The second tranche of 40% will be disbursed upon completion of the course and submission of documentary proof and the last tranche of 10% will be disbursed upon completion of a 1-year bond.

(c) Heritage Participation Grant

This grant is received from the National Heritage Board ("NHB"), a statutory board of the Singapore government, under the Ministry of Culture, Community and Youth ("MCCY"). The grant is administered by NHB.

The grant is disbursed by NHB to individuals and organisations who wish to start community heritage projects, including but not limited to exhibition on places of historic interest, publication of community related stories, and various heritage programmes and events.

The grant is disbursed by NHB based on the total estimated project cost submitted by the SCWO - Service Fund, capped at a maximum of \$32,800, and subject to the terms and conditions as agreed. The project took place between 2 November 2019 and 19 January 2020.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

26. DEFERRED GRANTS (continued)

(d) Tote Board Social Service Fund Grant

(i) Maintenance Support Central

The grant agreement dated 1 April 2017 was between SCWO and the National Council of Social Service (NCSS) as administrator of the Tote Board Social Service Fund. The agreement was for a two-year period from 1 April 2017 to 31 March 2019 and was subsequently superseded by a 2nd agreement dated 1 April 2018 which covers a one-year period from 1 April 2018 to 31 March 2019. The 2nd agreement was superseded by a 3rd agreement dated 1 April 2019 which covers a three-year period from 1 April 2019 to 31 March 2022.

Pursuant to the above Grant Agreement, the grantor, NCSS, agrees to provide funding, based on agreed terms and conditions, for the operations of MSC at 96 Waterloo Street, SCWO Centre, Singapore 187967. MSC operates as a multi-service drop-in centre that provides support and assistance to improve the enforcement of maintenance orders. Through its services, MSC aims to empower clients with knowledge pertaining to their marital rights and provide them all-rounded support together with our community partners.

(ii) SCWO - Star Shelter

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 ("TBSSF") 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. With effect from 1 April 2019, funding has ceased as the percentage for government co-funded established programmes was scaled down such that government and TBSSF funding does not exceed 75% of Total Operating Expenditure ("TOE"). SCWO-Star Shelter falls under this category as MSF is funding at 75% of TOE.

(e) Community Chest Charity Support Fund Grant

This grant is received from NCSS to support the Association's initiatives under MSC as a multi-service drop-in centre that provides support and assistance to improve the enforcement of maintenance orders. Through its services, MSC aims to empower clients with knowledge pertaining to their marital rights and provide them all-rounded support together with our community partners.

The Grant Agreement dated 1 March 2018 signed between the Association and NCSS covers a two-year period from 1 March 2018 to 29 February 2020 with yearly funding of \$50,000, subject to terms and conditions as agreed.

(f) Bless Our City Grant

This grant was received from the Central Singapore Community Development Council ("CDC") to help residents of SCWO-Star Shelter specifically in the areas of job upskilling and reskilling.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

26. DEFERRED GRANTS (continued)

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

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
(a) <u>Care and Share Grant</u>			
Balance at beginning of the year		78,639	93,686
Grant recognised as income during the year	4	<u>(14,256)</u>	<u>(15,047)</u>
Balance as deferred grant at 31 January		<u>64,383</u>	<u>78,639</u>
(b) <u>Professional Capability Grant</u>			
Balance at beginning of the year		-	216
Grant received during the year		-	9,764
Grant receivable as at year end		9,416	348
Grant recognised as income during the year		<u>(9,416)</u>	<u>(10,328)</u>
Balance as deferred grant at 31 January		<u>-</u>	<u>-</u>
(c) <u>Heritage Participation Grant</u>			
Balance at beginning of the year		-	8,050
Grant received during the year		16,400	8,050
Grant recognised as income during the year	4	<u>(16,400)</u>	<u>(16,100)</u>
Balance as deferred grant at 31 January		<u>-</u>	<u>-</u>
(d) <u>Tote Board Social Service Fund Grant</u>			
(i) <u>Maintenance Support Central</u>			
Balance at beginning of the year		-	16,758
Grant received during the year		104,334	76,659
Grant receivable as at year end		-	8,518
Grant recognised as income during the year	4	<u>(104,334)</u>	<u>(101,935)</u>
Balance as deferred grant at 31 January		<u>-</u>	<u>-</u>
(ii) <u>SCWO - Star Shelter</u>			
Balance at beginning of the year		-	9,978
Grant received during the year		6,170	45,485
Grant receivable as at year end		-	5,054
Grant recognised as income during the year	4	<u>(6,170)</u>	<u>(60,517)</u>
Balance as deferred grant at 31 January		<u>-</u>	<u>-</u>
(e) <u>Community Chest Charity Support Fund Grant</u>			
<u>Maintenance Support Centre</u>			
Balance at beginning of the year		31,409	-
Grant received during the year		-	50,000
Grant recognised as income during the year	4	<u>(26,854)</u>	<u>(18,591)</u>
Balance as deferred grant at 31 January		<u>4,555</u>	<u>31,409</u>

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

26. DEFERRED GRANTS (continued)

Details of the grants movements during the financial year are as follows: (continued)

	<u>2020</u>	<u>2019</u>
	\$	\$
(f) <u>Bless Our City Grant</u>		
Balance at beginning of the year	-	-
Grant received during the year	10,000	-
Grant recognised as income during the year	-	-
	-	-
Balance as deferred grant at 31 January	10,000	-
Total deferred grants as at 31 January (a) + (b) + (c) + (d) + (e) + (f)	78,938	110,048

27. PAYABLES

	<u>2020</u>	<u>2019</u>
	\$	\$
Sundry payables	635	590
Deposits received	3,050	3,050
Accruals	97,780	91,783
Provision for unutilised leave	17,213	13,480
	118,678	108,903

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

28. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise the following balance sheet amount:

	<u>2020</u>	<u>2019</u>
	\$	\$
Cash and bank balances	1,108,852	1,702,146

29. RELATED PARTIES

For the purpose of these financial statements, parties are considered to be related to the Association if the Association's management has the ability, directly or indirectly, to control the party or exercise influence over the party in making financial and operating decisions, or vice versa, or where the Association and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the financial year, the Association did not have any transactions with related parties.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

29. RELATED PARTIES (continued)

Key management personnel compensation

Employee benefits paid to key management personnel employed by the Association based on terms agreed by the parties concerned are as follows:-

	<u>2020</u>	<u>2019</u>
	\$	\$
Short-term employment benefits	<u>120,578</u>	<u>115,718</u>

All Board members of the Association are volunteers and do not receive monetary remuneration for their contribution.

During the financial year, only one (2019: one) of the three highest paid staff received more than \$100,000 but less than \$200,000 in annual remuneration.

30. LEASE COMMITMENTS

The Association leases office equipment from a non-related party under non-cancellable operating lease.

There are two such leases, both with tenures of 5 years commencing from 1 April 2015 and 1 October 2017, with no renewal option.

The lease terms do not contain restrictions on the Association's activities concerning additional debt and further leasing.

As at 31 January 2019, future minimum lease payments under non-cancellable operating leases where the Association was the lessee were as follows:

	<u>2019</u>
	\$
Payable within 1 year	8,988
Payable after 1 year but not later than 5 years	<u>12,733</u>
	<u>21,721</u>

The above operating lease commitments were based on known rental rates as at the date of this report and did not include any revision in rates which might be determined by the lessor.

The Association has adopted FRS 116 Leases on 1 February 2019. These leases have been recognised as right-of-use assets and lease liabilities on the Statement of Financial Position accordingly.

31. 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:

(i) 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.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

31. FINANCIAL RISKS MANAGEMENT (continued)

(i) Credit risk (continued)

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.

At the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Recognition of expected credit losses (ECL)

The Association's financial assets that are subject to credit losses where the expected credit loss model has been applied are receivables.

The Association assesses on forward looking basis the expected credit losses on its receivables, and recognises a loss allowance in accordance with FRS 109.

Based on the Association's historical collection trend, all outstanding receivables are generally settled on demand and there is a low risk of default. Receivables are assessed on a collective basis to determine whether there are changes in credit risk. Lifetime expected credit losses are recognised for specific receivables for which credit risk is deemed to have increased significantly.

Based on the management's assessment, there is no significant ECL on the Association's receivables as at balance sheet date.

(ii) Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting financial obligations due to shortage of funds.

The Association monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Association's operations and to mitigate the effects of fluctuations in cash flows.

The table below summarises the maturity profile of the Association's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	<u>Within 1 year</u>	<u>More than 1 year but less than 5 years</u>	<u>Total</u>
	\$	\$	\$
<u>2020</u>			
Payables	118,678	-	118,678
Lease liabilities	5,243	7,490	12,733
	<u>123,921</u>	<u>7,490</u>	<u>131,411</u>
<u>2019</u>			
Payables	108,903	-	108,903
	<u>108,903</u>	<u>-</u>	<u>108,903</u>

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS

31. FINANCIAL RISKS MANAGEMENT (continued)

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Association's financial instruments will fluctuate because of changes in market interest rates.

The Association does not have any interest-bearing financial liabilities. Its only exposure to changes in interest rates relates to interest-earning bank deposits. The Association monitors movements in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

The interest rates and terms of maturity of financial assets of the Association are disclosed in note 17 to the financial statements.

32. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The carrying amounts of cash and bank balances, fixed deposits with financial institutions, receivables and payables approximate their fair values due to their short term nature.

The fair value of lease liabilities is estimated using the expected future payments discounted at the incremental borrowing rate as disclosed in note 24 to the financial statements.

33. FINANCIAL INSTRUMENTS BY CATEGORY

The aggregate carrying amounts of financial instruments by category, as specified in FRS 109, as at balance sheet date are as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Financial assets at amortised cost	2,662,302	2,686,025
Financial liabilities at amortised cost	113,407	95,423

34. RESERVES MANAGEMENT

The Association's reserves management objective is to safeguard the Association's ability to continue as a going concern and to maintain an optimal reserve in order to support its operations and principal activities.

The Association aims to maintain its reserves at a level equivalent to at least 3 times the current annual operating expenses. The Association regularly monitors its cash flows and manages its funds to ensure that they are adequate to fulfill continuing obligations.

The funds in notes 19 to 23 are designated or restricted funds to be used only for specified purposes.

The Association is not subject to externally imposed reserve requirements.

There were no changes to the Association's approach to reserves management since the previous financial year.

35. FUND-RAISING APPEAL

During the financial year, the Association did not conduct any fund-raising appeal which requires disclosure in accordance with Regulation 7 of the Charities (Fund-raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

36. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue by the SCWO Board on **19 MAY 2020**

