

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

UNIQUE ENTITY NUMBER.: T00CC1406K

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)

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 2020, 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 2020 and the results and changes in funds for the year ended on that date.



Dr June Goh
President



Ms Avan Chan
Honorary Treasurer

Singapore, 19 MAY 2020

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 23, which comprise the statement of financial position (balance sheet) as at 31 January 2020, 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 2020 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 - Star 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, 19 MAY 2020

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

Statement of Comprehensive Income for the year ended 31 January 2020

	Notes	2020	2019
		\$	\$
INCOME			
Bank interest		8,835	5,542
Contributions from dormitory residents		4,175	4,350
Donations			
- non-tax deductible		69,243	51,812
- tax deductible		88,016	26,610
Grant from Ministry of Social and Family Development		362,440	365,524
Grant from Tote Board Social Service Fund	9(b)	6,170	60,517
Other grants and subsidies		9,416	11,452
Income from Thriftshop		15,608	15,607
Sundry income		1,226	185
		<u>565,129</u>	<u>541,599</u>
EXPENSES			
Auditors' remuneration		4,601	4,494
Bank charges		279	288
Cleaning services		24,800	23,380
Contract services		1,676	561
Depreciation on property, plant and equipment	3	13,737	29,742
Employee benefits expense	4	287,230	264,330
Event expense		738	69
Foreign workers' levy		10,800	10,800
General expenses		1,701	1,719
Groceries		11,844	10,343
Insurance		2,345	2,592
International meeting		6,383	5,512
IT/website expenses		-	3,260
Lease of office equipment		-	2,996
Medical expenses		2,730	2,000
Postage and courier		166	209
Printing and stationery		3,345	2,837
Property, plant and equipment written off		-	251
Refreshments		569	953
Rental of premises	5	96,000	96,000
Repairs and maintenance		15,154	13,476
Residents welfare		17,429	16,808
Security guard services		80,892	72,000
Skills development levy		545	509
Staff welfare		588	339
Telecommunication expenses		5,746	3,563
Training and development		13,029	12,672
Transport		1,529	1,889
Utilities		25,213	26,270
		<u>629,069</u>	<u>609,862</u>
Deficit for the year		<u>(63,940)</u>	<u>(68,263)</u>

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 2020 (continued)

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<u>Other Comprehensive Income</u>			
Disbursements from Rebuild Programme Fund	8	<u>(2,329)</u>	<u>(3,250)</u>
Other comprehensive loss, net of tax		<u>(2,329)</u>	<u>(3,250)</u>
Total comprehensive loss for the year		<u>(66,269)</u>	<u>(71,513)</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 2020

	<u>Notes</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Asset</u>			
Property, plant and equipment	3	15,876	28,333
		<u>15,876</u>	<u>28,333</u>
<u>Current Assets</u>			
Receivables	6	64,558	64,384
Fixed deposits with financial institutions	7	915,780	610,349
Cash and bank balances		438,217	794,650
		<u>1,418,555</u>	<u>1,469,383</u>
Total Assets		<u><u>1,434,431</u></u>	<u><u>1,497,716</u></u>
<u>FUNDS AND LIABILITIES</u>			
<u>Restricted Funds</u>			
Star Shelter General Fund		1,293,622	1,357,562
Rebuild Programme Fund	8	58,158	60,487
Total Funds		<u>1,351,780</u>	<u>1,418,049</u>
<u>Current Liabilities</u>			
Deferred grants	9	10,000	-
Payables	10	72,651	79,667
Total Liabilities		<u>82,651</u>	<u>79,667</u>
Total Funds and Liabilities		<u><u>1,434,431</u></u>	<u><u>1,497,716</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 2020

	Restricted Funds		
	Star Shelter General Fund	Rebuild Programme Fund	Total Funds
	\$	\$	\$
Balance as at 1 February 2018	1,425,825	63,737	1,489,562
Deficit for the year	(68,263)	-	(68,263)
Other comprehensive loss	-	(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
Deficit for the year	(63,940)	-	(63,940)
Other comprehensive loss	-	(2,329)	(2,329)
Total comprehensive loss for the year	(63,940)	(2,329)	(66,269)
Balance as at 31 January 2020	1,293,622	58,158	1,351,780

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 2020

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 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 116 Leases

The Association has adopted FRS 116 retrospectively 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.

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 FRS 116 Leases (continued)

The Association also applied the available practical expedients wherein it:

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

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.

(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.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant Accounting Estimates and Judgments (continued)

(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 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.

- (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.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Property, Plant and Equipment (continued)

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.

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.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Financial Assets (continued)

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.

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 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. Fixed deposits with original maturities over 3 months are excluded from cash and cash equivalents.

2.13 Financial Liabilities

Financial liabilities included payables.

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.

SINGAPORE COUNCIL OF WOMEN'S ORGANISATIONS (SCWO)

SCWO - STAR SHELTER

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

2.15 Leases

These accounting policies are applied on and after the initial application date of FRS 116, 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 (SCWO)

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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 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.

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).

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Related Parties (continued)

(b) An entity is related to the Association if any of the following conditions applies: (continued)

- (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.

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3. PROPERTY, PLANT AND EQUIPMENT

	Office equipment, furniture and fittings	Office renovations	Computers	Air-conditioners	Total
	\$	\$	\$	\$	\$
<u>Cost</u>					
At 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 and 1 February 2019	37,819	106,872	3,948	9,733	158,372
Additions	1,160	120	-	-	1,280
Written off	-	-	-	-	-
At 31 January 2020	38,979	106,992	3,948	9,733	159,652
<u>Accumulated Depreciation</u>					
At 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 and 1 February 2019	20,484	97,618	2,204	9,733	130,039
Charge for the year	3,129	9,292	1,316	-	13,737
Written off	-	-	-	-	-
At 31 January 2020	23,613	106,910	3,520	9,733	143,776
<u>Carrying amount</u>					
At 31 January 2020	15,366	82	428	-	15,876
At 31 January 2019	17,335	9,254	1,744	-	28,333

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4. EMPLOYEE BENEFITS EXPENSE

	2020	2019
	\$	\$
Salaries and related costs	249,493	230,593
Employer's contributions to Central Provident Fund	37,737	33,737
	287,230	264,330

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

	2020	2019
	\$	\$
Salaries and related costs	84,132	81,541
Employer's contributions to Central Provident Fund	14,303	13,862
	98,435	95,403

None (2019: 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's premises located at 96 Waterloo Street, allocated based on comparable rental rate within the vicinity.

6. RECEIVABLES

	2020	2019
	\$	\$
Grants receivable from		
- Ministry of Social and Family Development	54,214	48,676
- Professional Capability Fund	9,764	348
- Tote Board Social Service Fund	-	5,054
Prepayments	580	10,306
	64,558	64,384

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 one year (2019: 6 months) and earn interest at rates ranging from 1.40% to 1.60% (2019: 0.20% to 1.55%) per annum.

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8. REBUILD PROGRAMME FUND

	<u>2020</u>	<u>2019</u>
	\$	\$
Balance at beginning of financial year	60,487	63,737
Less: Disbursements	<u>(2,329)</u>	<u>(3,250)</u>
Balance at end of financial year	<u>58,158</u>	<u>60,487</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 Grants

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.

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 ("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.

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9. DEFERRED GRANTS (continued)

c) 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.

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

	<u>2020</u>	<u>2019</u>
	\$	\$
(a) <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>
(b) <u>Tote Board Social Service Fund Grant</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	<u>(6,170)</u>	<u>(60,517)</u>
Balance as deferred grant at 31 January	<u>-</u>	<u>-</u>
(c) <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	<u>-</u>	<u>-</u>
Balance as deferred grant at 31 January	<u>10,000</u>	<u>-</u>
Total (a) + (b) + (c)	<u>10,000</u>	<u>-</u>

10. PAYABLES

	<u>2020</u>	<u>2019</u>
	\$	\$
Amount due to SCWO operating fund	41,826	58,234
Amount due to SCWO - Service Fund	9,134	-
Accruals	17,290	16,400
Provision for unutilised leave	<u>4,401</u>	<u>5,033</u>
	<u>72,651</u>	<u>79,667</u>

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

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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.

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.

11.2 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.

All financial liabilities of the Association are repayable on demand or mature within one year.

11.3 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 7 to the financial statements.

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12. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

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

Financial Instruments by Category

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

	<u>2020</u>	<u>2019</u>
	\$	\$
Financial assets at amortised cost	1,417,975	1,459,077
Financial liabilities at amortised cost	68,250	74,634

13. 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 fulfil continuing obligations.

The Rebuild Programme Fund (note 8) and Star Shelter General Fund are restricted for the operations of this programme as stated in note 1(b).

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

14. 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.

15. AUTHORISATION OF THE FINANCIAL STATEMENTS

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

