

FAITHACTS

(UEN: T04SS0050J)

REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

C.K.LEONG & ASSOCIATES

Public Accountants and
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Singapore

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**FAITHACTS
(UEN: T04SS0050J)**

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JULY 2019

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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee of FaithActs, the attached financial statements of FaithActs are properly drawn up as to give a true and fair view of the state of affairs of FaithActs as at 31 July 2019 and of the results, changes in accumulated fund and cash flows of the Society for the year ended on that date.

On behalf of the Management Committee



.....
Dr Lee Wee Leong
Chairman



.....
Mr Wong Kron Joo
Honorary Treasurer

Singapore, 2 October 2019

FAITHACTS
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INDEPENDENT AUDITORS' REPORT

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FAITHACTS

We have audited the accompanying financial statements of FAITHACTS, which comprise the balance sheet as at 31 July 2019, and the statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management Committee's Responsibility for the Financial Statements

Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards and the Societies Act, Chapter 311 (the Society Act), and the Singapore Charities Act, Chapter 37 (the "Charities Act"), and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF FAITHACTS. – cont'd

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the Singapore Financial Reporting Standard so as to present fairly, in all material respects, the state of affairs of the Society as at 31 July 2019 and the results, changes in fund and cash flows of the Society for the reporting year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion:

- a) the fund-raising appeals listed below conducted by FAITHACTS during the year have been carried out in accordance with Charities Act (Cap.37) and Income Tax Act (Cap. 134) and proper accounting and other records have been kept of the fund-raising appeals.

<u>Name of fund-raising projects</u>	<u>Date of fund raising</u>
Aquaman	29 December 2018
Avenger – End Game	27 April 2019
Charity Golf 2019	27 June 2019

- b) the accounting and other records required by the regulations enacted under the Societies Act (Cap.37) to be kept by the Society have been properly kept in accordance with these regulations;
- c) During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year:
- i) the use of the donation moneys was not in accordance with the objectives of the Society as required under regulation 16 of the Charities (Institution of a Public Character) Regulations; and
 - ii) the Society has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institution of a Public Character) Regulations.

C. K. Leong & Associates

C K LEONG & ASSOCIATES
Public Accountants and
Chartered Accountants

Singapore, 2 October 2019

FAITHACTS
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BALANCE SHEET AS AT 31 JULY 2019

	<u>Note</u>	<u>2019</u> \$	<u>2018</u> \$
ASSETS			
Non-current assets			
Plant and equipment	3	<u>71,780</u>	<u>75,760</u>
		71,780	75,760
Current Assets			
Other receivables	4	7,239	5,979
Cash and bank balances	5	<u>1,832,752</u>	<u>1,701,591</u>
Total Current Assets		<u>1,839,991</u>	<u>1,707,570</u>
TOTAL ASSETS		<u>1,911,771</u>	<u>1,783,330</u>
LIABILITIES			
Current Liabilities			
Other payables	6	<u>4,000</u>	<u>4,000</u>
		4,000	4,000
Net Assets		<u>1,907,771</u>	<u>1,779,330</u>
Accumulated Fund	7	<u>1,907,771</u>	<u>1,779,330</u>
Total Fund		<u>1,907,771</u>	<u>1,779,330</u>

[The accompanying notes form an integral part of the financial statements]

FAITHACTS

(UEN: T04SS0050J)

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 JULY 2019

	<u>Note</u>	<u>2019</u> \$	<u>2018</u> \$
Income			
Contribution from events		425,999	98,720
Donations	10	554,792	484,849
President's Challenge Grant		-	40,000
Care and Share Matching Grant	11	254,945	269,508
Fund from National Council of Social Services (NCSS)		4,540	660
WeCare Arts Fund		2,320	-
Community Chest Charity Fund		50,000	50,000
National Heritage Board - Speak Good English Movement		-	800
The Community Foundation of Singapore			
- Early Learning Programme		53,561	14,748
Central Singapore Community Development Council			
- Oil Painting Workshop		-	4,000
Subscription fees		2	2
Programme fees		87,081	59,411
Fixed Deposit Interest Income	5	6,355	2,997
		<u>1,439,595</u>	<u>1,025,695</u>
Less expenditure			
Staff cost	8 & 9	880,781	785,798
Depreciation of plant and equipment	3	30,736	38,484
Rent of building, equipment and others		10,175	9,622
Other operating expenses		389,462	266,693
		<u>1,311,154</u>	<u>1,100,597</u>
Surplus / (Deficit) and total comprehensive income for the financial year		<u>128,441</u>	<u>(74,902)</u>

[The accompanying notes form an integral part of the financial statements]

FAITHACTS
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STATEMENT OF CHANGES IN ACCUMULATED FUND FOR THE FINANCIAL
YEAR ENDED 31 JULY 2019

	Accumulated <u>Fund</u> \$
Balance as at 01.08.17	1,854,232
Total comprehensive income for the year	(74,902)
Balance as at 31.07.2018	<u>1,779,330</u>
Total comprehensive surplus for the year	128,441
Balance as at 31.07.2019	<u><u>1,907,771</u></u>

[The accompanying notes form an integral part of the financial statements]

FAITHACTS
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STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 JULY 2019

	<u>2019</u> \$	<u>2018</u> \$
Cash flows from operating activities:-		
Surplus / (Deficit) for the year	128,441	(74,902)
Adjustment for :-		
Depreciation of plant & equipment	30,736	38,484
Changes in working capital	159,177	(36,418)
(Increase)/Decrease in other receivables	(1,260)	14,462
Increase/(Decrease) in other payables	-	(3,437)
Cash generated from operations	157,917	(25,393)
Cash flows from investing activities :-		
Purchase of plant and equipment	(26,756)	(13,460)
Net cash used in investing activities	(26,756)	(13,460)
Net increase/(decrease) in cash and cash equivalents	131,161	(38,853)
Cash and cash equivalents at beginning of the financial year	1,701,591	1,740,444
Cash and cash equivalents at end of the year (Note 5)	<u>1,832,752</u>	<u>1,701,591</u>

[The accompanying notes form an integral part of the financial statements]

FAITHACTS

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NOTES TO THE FINANCIAL STATEMENTS – 31 JULY 2019

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

1. GENERAL CORPORATE INFORMATION

FaithActs is a Society established in Singapore. Its principal place of business is at Block 50, Commonwealth Drive #01-506, Singapore 142050.

FaithActs office at Block 118 Commonwealth Crescent #01-23, Singapore 140118 serves residents living around the vicinity.

FaithActs office at Block 13, Dover Close East #02-212, Singapore 130013 aims to serve residents living around the vicinity.

The society is registered as a Charity under the Charities Act on 13 October 2004. The Charity Registration Number is 01824.

The society has been given approval for the renewal as an Institution of a Public Character (IPC) under the Charities Acts for a further period of 33 months effective 1 January 2019 to 30 September 2021.

The principal activity of FaithActs is those related to community, counselling and mentoring services.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements are presented in Singapore dollars (\$), have been prepared on historical cost basis except as disclosed in the accounting policies below.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year, the Society has adopted all the new and revised standards which are effective for the annual periods beginning on or after 1 August 2013. The adoption of these standards did not have any effect on the financial performance or position of the Society.

The Society has not applied any of the FRS and INT FRS that have been issued but not yet effective:

<u>Description</u>	<u>Effective for annual periods</u>		
<u>after.....</u>	<u>beginning</u>	<u>on</u>	<u>or</u>
Revised FRS27 Separate Financial Statements	1 July 2014		
Amendments to FRS32 Offsetting Financial Assets And Financial Liabilities	1 January 2014		
Improvement to FRSs (Various)	1 January 2014		

The Management Committee expect that the adoption of the standards above will have no material impact to the financial statements in the period of initial application.

2. SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.3 Significant accounting estimates and judgements

(i) Key sources of estimation of uncertainty

There are no key assumptions concerning the future and other key sources of estimation of uncertainty at the balance sheet date that will have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(ii) Critical judgements made in applying accounting policies

There are no significant judgements made in applying accounting policies in the preparation of the financial statements of the society.

2.4 Plant and equipment

Plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of comprehensive income when incurred.

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

Depreciation is calculated on a straight line basis to write off the cost of the assets over their estimated useful lives. The annual depreciation rate has been taken as follows:-

Office equipment	5 years
Computers	3 years
Electrical equipment	5 years
Furniture & fittings	5 years
Renovation	3 years
Motor Vehicles	10 years

Useful life and depreciation method are reviewed at each year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

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

2. SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.5 Impairment of non-financial assets

Assets are review for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income or treated as a revaluation decrease for assets carried at revalued amount to the extent that the impairment loss does not exceed the amount held in the revaluation surplus for that same asset.

Reversal of impairment losses is recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income or as a revaluation increase. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior year.

2.6 Financial assets

(i) *Classification*

The Society classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current asset. Loans and receivables are classified with “other receivables” and “cash and cash equivalents” on the balance sheet.

(ii) *Recognition and de-recognition*

Regular purchases and sales of financial assets are recognised on trade-date – the date on which the Society commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in statement of comprehensive income. Any amount in the fair value reserve relating to the asset is also taken to the income or expenditure.

2. SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.6 Financial assets – cont'd

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

(iv) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method. Interest income on financial assets are recognised separately in income or expenditure.

(v) Impairment

The Society assess at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment loss recognised in income or expenditure. The impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Subsequent recoveries of amounts previously written off are recognised against the same line item in income or expenditure.

2.7 Financial liabilities

Financial liabilities include other payables and accruals. Financial liabilities are recognised on the balance sheet when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in income and expenditure when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligations under the liability is discharged or cancelled or expired.

2. SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.8 Income recognition

Income is recognised to the extent that is probable that the economic benefits will flow to the Society and the income can be reliably measured. The following specific recognition criteria must also be met before income is recognised:

(i) Donations

Donations received are recognised on cash receipt basis.

(ii) Contributions from events

Contributions from events are recognised at their fair value where there is reasonable assurance that the income will be received.

(iii) Programme fees

Programme fees is recognised over the period of provisions of services.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits which are subject to insignificant risk of changes in value.

2.10 Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefits under which the Society pays fixed contributions into separate entities such as Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any if the funds does not hold sufficient assets to pay all employee benefits relating to employee service in the current or preceding years. The Society's contribution to defined contribution plans are recognised in the year to which they relate.

2. SIGNIFICANT ACCOUNTING POLICIES – cont'd

2.11 Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

2.12 Operating Lease

Where the Society is the lessee:

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments (net of any incentives received from the lessors) are recognised as an expense in the income statement on a straight line basis over the lease term.

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NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2019

3. PLANT AND EQUIPMENT.

	<u>Office Equipment</u>	<u>Computers</u>	<u>Electrical Equipment</u>	<u>Furniture & Fittings</u>	<u>Renovation</u>	<u>Motor vehicles</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$
<u>Valuation/Cost:</u>							
As at 01.08.18	-	27,392	-	-	172,540	202,595	402,527
Additions	-	-	-	-	-	26,756	26,756
Written-off	-	-	-	-	-	-	-
As at 31.07.19	-	27,392	-	-	172,540	229,351	429,283
<u>Accumulated Depreciation:</u>							
As at 01.08.18	-	18,419	-	-	163,447	144,901	326,767
Charge for the year	-	4,488	-	-	9,093	17,155	30,736
Written-off	-	-	-	-	-	-	-
As at 31.07.19	-	22,907	-	-	172,540	162,056	357,503
<u>Net Carrying Value:</u>							
As at 31.07.19	-	4,485	-	-	-	67,295	71,780
As at 31.07.18	-	8,973	-	-	9,093	57,694	75,760

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NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2019

3. PLANT AND EQUIPMENT – cont'd

	<u>Office Equipment</u>	<u>Computers</u>	<u>Electrical Equipment</u>	<u>Furniture & Fittings</u>	<u>Renovation</u>	<u>Motor vehicles</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$
<u>Valuation/Cost:</u>							
As at 01.08.17	-	18,665	-	-	172,540	202,595	393,800
Additions	-	13,460	-	-	-	-	13,460
Written-off	-	(4,733)	-	-	-	-	(4,733)
As at 31.07.18	-	27,392	-	-	172,540	202,595	402,527
<u>Accumulated Depreciation:</u>							
As at 01.08.17	-	14,021	-	-	154,353	124,642	293,016
Charge for the year	-	9,131	-	-	9,094	20,259	38,484
Written-off	-	(4,733)	-	-	-	-	(4,733)
As at 31.07.18	-	18,419	-	-	163,447	144,901	326,767
<u>Net Carrying Value:</u>							
As at 31.07.18	-	8,973	-	-	9,093	57,694	75,760
As at 31.07.17	-	4,644	-	-	18,187	77,953	100,784

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NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2019

4. OTHER RECEIVABLES

	<u>2019</u>	<u>2018</u>
	\$	\$
Sundry receivables	4,370	1,237
Deposit	1,667	1,403
Prepayments	1,202	3,339
	<u>7,239</u>	<u>5,979</u>

5. CASH AND CASH EQUIVALENTS

	<u>2019</u>	<u>2018</u>
	\$	\$
Cash at bank	931,052	799,891
Fixed Deposit	900,000	900,000
Cash on hand	1,700	1,700
	<u>1,832,752</u>	<u>1,701,591</u>

Fixed deposits are placed with bank with tenure periods ranging from 9 to 12 months (2018: 3 to 12 months). The fixed deposits earn interest ranging from 0.25% to 1.35% per annum (2018: 0.15% to 0.35%).

6. OTHER PAYABLES

	<u>2019</u>	<u>2018</u>
	\$	\$
Accruals	<u>4,000</u>	<u>4,000</u>

7. ACCUMULATED FUND

	<u>2019</u>	<u>2018</u>
	\$	\$
Unrestricted Fund	1,907,771	1,777,403
Designated Fund	-	1,927
	<u>1,907,771</u>	<u>1,779,330</u>

The designated fund is to provide bursary for needy students.

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NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2019

8. EMPLOYEE BENEFITS COMPENSATION

	<u>2019</u>	<u>2018</u>
	\$	\$
Staff salaries and bonus	759,092	693,688
Staff CPF and SDF contributions	113,474	86,264
Staff development/training	5,532	2,825
Staff retreat/welfare	2,683	3,021
	<u>880,781</u>	<u>785,798</u>

As at the end of financial year, the society has received employment credit from Ministry of Manpower amounting to \$148 (2018: \$3,591) and Wage Credit Scheme Payout from the Inland Revenue Authority of Singapore amounting to \$6,940 (2018: 5,185).

9. KEY MANAGEMENT COMPENSATION

Key management personnel comprise the Executive Director and the heads of department which are essential to running the Society.

Remuneration band is as follows:

	<u>2019</u>	<u>2018</u>
<u>Number of staff</u>		
Between \$100,000 - \$200,000	1	1
Below \$100,000	4	4

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NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2019

10. DONATION AND FUND RAISING PROJECTS

The Society has been given approval for the renewal as an Institution of a Public Character (IPC) under the Charities Acts for a further period of 33 months effective 1 January 2019 to 30 September 2021.

Donations received during the financial year:-

	<u>2019</u>	<u>2018</u>
	\$	\$
Tax Deductible Donations	663,312	409,922
Non-Tax Deductible Donations	<u>317,479</u>	<u>173,647</u>
	<u>980,791</u>	<u>583,569</u>
Donations from Fund Raising Events	<u>425,999</u>	<u>98,720</u>
Fund Raising Expenses	<u>111,848</u>	<u>26,209</u>

11. CARE AND SHARE MATCHING GRANT

The Care and Share Grant is a donation matching grant by the Ministry of Social and Family Development (MSF) aimed at enhancing and expanding the social services sector in Singapore. MSF has pledged to allocation up to \$2,250,000 for eligible donations raised by the Society from 1 December 2013 to 31 March 2016, matching \$1,250,000 for \$1,000,000 for the first \$1,000,000 and \$1 for \$1 for the subsequent \$1,000,000. Overall matching grant is capped at \$2,250,000 for the \$2,000,000 raised by Voluntary Welfare Organisations within the qualifying period. FaithActs is one of the eligible Societies who had entered into the funding agreement with MSF. Subject to the terms and conditions of the agreement, on submission of an application for the grant together with the necessary information required, MSF would review the application and on approval, disburse the grant to the Society. The grant is to be used for qualifying purposes as provided in the agreement.

FaithActs had raised donations eligible for Care and Share grant up to \$2,549,453 for the period from 1 December 2013 to 31 March 2016. There is an increment of \$128,756 due to the third tier matching grant of 0.65 times announced subsequently. As at the end of the financial year, FaithActs had received an accumulated disbursement of \$2,549,453 (2018: \$2,294,508).

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NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2019

12. OPERATING LEASE COMMITMENT

Where the Society is a lessee

At balance sheet date, minimum lease payments for non-cancellable operating lease not provided for in the financial statements are as follows.

	<u>2019</u>	<u>2018</u>
	\$	\$
Not later than one year	1,848	2,260
Between one and five years	-	1,848
	<u>1,848</u>	<u>4,108</u>

Operating lease payments recognised in the statement of comprehensive income during the year amounted to \$1,848 (2018: \$2,260).

13. INCOME TAX

Under the provision of Section 13 U(1) of the Income Tax Act, the income of an approved not-for-profit organization such as the Society is exempt from tax, therefore no provision was made for the year.

14. FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Society is exposed to financial risks such as interest rate risk, credit risk, and liquidity risk. The Society's overall risk management approach is to minimise the effects of such volatility on its financial performance. The Management Committee reviews and agrees policies for managing each of these risks and they are summarised below. It does not hold derivative financial instruments for trading purposes.

i) Interest rate risk

The Society's income and operating cash flows are substantially independent of changes in market interest rates. The Society has no interest-bearing deposits and liabilities.

The Society's policy is to obtain the most favourable interest rates. Surplus funds are placed with reputable banks.

ii) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Society's maximum exposure to credit risk in the event the counterparties fail to perform their obligations as of 31 July 2019 in relation to each class of recognised financial assets is the carrying amount of those assets as indicated on the balance sheet.

The Society's major class of financial assets are cash at bank and other receivables. Cash at bank is placed with reputable financial institution. Other receivables are monitored closely by the Society, which has not revealed any recoverability issues.

iii) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds. Due to the dynamic nature of the operation, the Society aims at maintaining flexibility in funding by maintaining the available fund. The Society manages its liquid funds to be able to finance working capital requirements.

The table below summarises the maturity profile of the Society's financial liabilities at the balance sheet date based on contractual undiscounted payments. Balances due within 12 months equal their carrying amount as the impact of discounting is not significant.

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NOTES TO THE FINANCIAL STATEMENTS - 31 JULY 2019

14. FINANCIAL RISK MANAGEMENT – cont'd

iii) Liquidity risk– cont'd

	<u>Within 1 year</u>	<u>Total</u>
	\$	\$
As at 31 July 2019		
Financial liabilities:		
Other payables	4,000	4,000
Total undiscounted financial liabilities	<u>4,000</u>	<u>4,000</u>
As at 31 July 2018		
Financial liabilities:		
Other payables	4,000	4,000
Total undiscounted financial liabilities	<u>4,000</u>	<u>4,000</u>

Fair values

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

15. FUND MANAGEMENT

The primary objective of the Society when managing its fund is to safeguard the Society's ability as a going concern and to maintain an optimal capital structure so as to continue the Society's principal activities of community, counselling and mentoring services.

The Society monitors fund by reviewing the level of total assets and total liabilities. The review of the Society's fund management policy and objective is conducted by the Management Committee. As part of the review, the Society makes use of the annual budgeting process and takes into consideration the projected operating cash flows and projected fund expenditure. To maintain or adjust the fund structure, the Society may take certain actions like fund raising activities. The Society's approach to fund management remains unchanged from the previous year.

The Society is not subject to externally imposed fund requirements.

16. AUTHORISATION FOR ISSUE

The financial statements of the Society for the year ended 31 July 2019 were authorized for issue by the members of the Management Committee on the date the statement by the Management Committee was signed.

FAITHACTS
(UEN: T04SS0050J)

SCHEDULE OF OTHER OPERATING EXPENSES FOR THE FINANCIAL YEAR ENDED 31 JULY
2019

	<u>2019</u>	<u>2018</u>
	\$	\$
Audit fee	4,000	4,000
Bank Charges	2,033	1,767
Fund Raising Cost	111,848	26,209
Insurance	6,444	6,480
Management Committee Expenses	2,610	2,345
Medical Expenses	3,516	3,856
Miscellaneous	215	255
Office Supplies	803	783
Postages	165	60
Printing & Stationery	1,554	1,082
Programmes Cost	229,447	189,573
Repairs & Maintenance	15,702	15,862
Telephone	3,688	3,614
Utilities	6,306	5,671
Volunteer Management	171	4,176
Website Development	960	960
Total Other Operating Expenses	<u>389,462</u>	<u>266,693</u>

[This schedule does not form part of the statutory financial statements]