



2019

# Annual Report





## **Vision**

A compassionate and caring accountancy community that actively contributes towards the betterment of society



## **Mission**

To encourage open-heartedness by promoting strong social conscience and a spirit of inclusivity in the accountancy community



## **Objectives**

### ***Education***

To provide needy Singapore youth with academic potential, access to quality accountancy education through financial and non-financial assistance, so that they can maximise their potential

### ***Community***

To harness the knowledge, skills and expertise of the accountancy community for appropriate community development projects through collaborative programmes with appropriate partners

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## Company Information

ISCA Cares Limited (ISCA Cares) was incorporated as a Public Company Limited by Guarantee under the Companies Act (Chapter 50) on 26 August 2015. It was registered as a charity under the Charities Act (Chapter 37) since 4 November 2015.

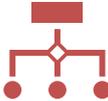
Unique Entity Number  
**201532966C** 

Incorporation Date  
**26 August 2015**  
 *Incorporated under Companies Act (Cap 50)  
Public Company Limited by Guarantee*

Registered Address   
**60 Cecil Street, ISCA House, Singapore 049709**

 Date Registered as a Charity  
**4 November 2015**  
*Registered under Charities Act (Cap 37)*

Date Approved as Institution of a Public Character   
**24 December 2015**  
*last renewal approved with a validity till 23 Sept 2021*

 **Board Members**  
Mrs Lim Hwee Hua  
Mr Max Loh Khum Whai  
Mr Arumugam Ravinthran  
Mr Abdul Jabbar Bin Karam Din  
Ms Noorhayati Binte Mohamed Kassim  
Mr Lee Fook Chiew

**Audit Committee Members**  
Ms Noorhayati Binte Mohamed Kassim   
Mr Max Loh Khum Whai  
Mr Abdul Jabbar Bin Karam Din

 Corporate Secretariat  
**CorpServe**

Auditor   
**Baker Tilly TFW LLP**

 Banker  
**DBS Bank Ltd**

Related Party  
**Institute of Singapore Chartered Accountants (ISCA)**   
**Mr Lee Fook Chiew**   
*Board Member of ISCA Cares  
CEO of ISCA*

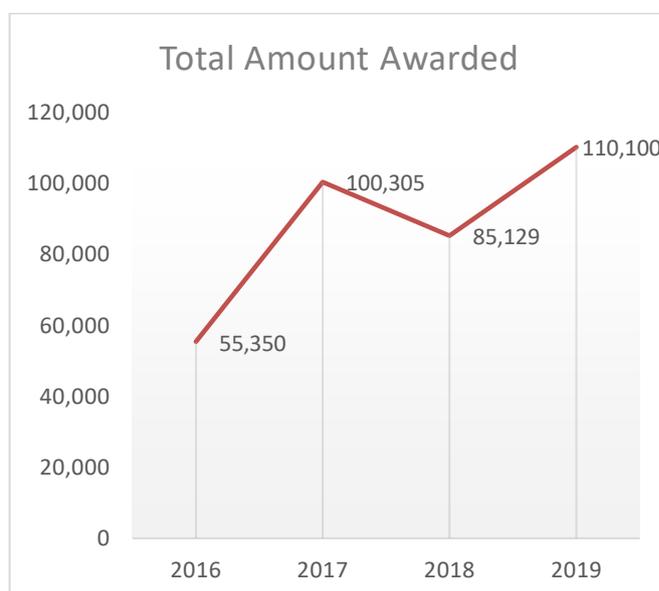
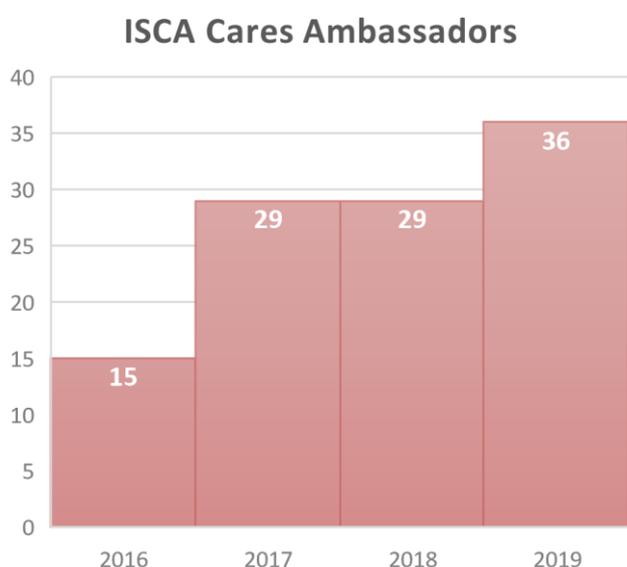
# ISCA Cares Education Programme

Launched in 2016, the ISCA Cares Education Programme (Programme) aims to help needy youths who are financially challenged in attaining a quality accountancy education.

Under the Programme, donors' contributions will go towards subsidising the tuition fees and basic living expenses of needy Singapore youths who have been admitted to or are pursuing an accountancy education in local polytechnics and universities. The beneficiaries, also known as ISCA Cares Ambassadors, come from families whose per capita income is below S\$690<sup>1</sup>. The Programme complements existing government financial assistance schemes that support students from financially challenged backgrounds.

ISCA Cares Ambassadors also benefit from internship and mentorship opportunities provided by corporate and individual donors of ISCA Cares. Beyond financial assistance, ISCA Cares aims to provide guidance to our young Ambassadors through a mentoring programme to enable them to gain career and personal development guidance from a mentor and at the same time, acquire real-life experiences of a professional accountant. Internship opportunities will allow them to build relevant work skills and experience to enhance their employability upon graduation.

Over four years, ISCA Cares had disbursed bursary amounts totaling over \$350,000 to 109 students under the Programme.



<sup>1</sup> **Per capita income of \$690** is computed by dividing the gross household income by the number of members in the household. This is in line with the amount set by the Ministry of Education, Singapore (last revision on 1 April 2018).

## ISCA Cares 2019 Bursary Awards Ceremony

On 16 October 2019, ISCA Cares awarded the ISCA Cares Bursary awards to 36 accountancy students from local polytechnics and universities totaling S\$110,100.

The annual ceremony was held at KPMG Clubhouse.

Before the award presentation, Mr Lem Chin Kok (Head of Risk Consulting, KPMG Singapore) shared his experiences as a Financial Forensic Accountant.



# Impact by Numbers

## Sources of Income

ISCA Cares regularly monitors its expenditure against its annual budget for the charity's plans, and is committed to ensuring accountability and prudence in its operations.

### DONATIONS

**\$197,329**

### EVENTS

**\$79,000**

### GOVERNMENT GRANTS

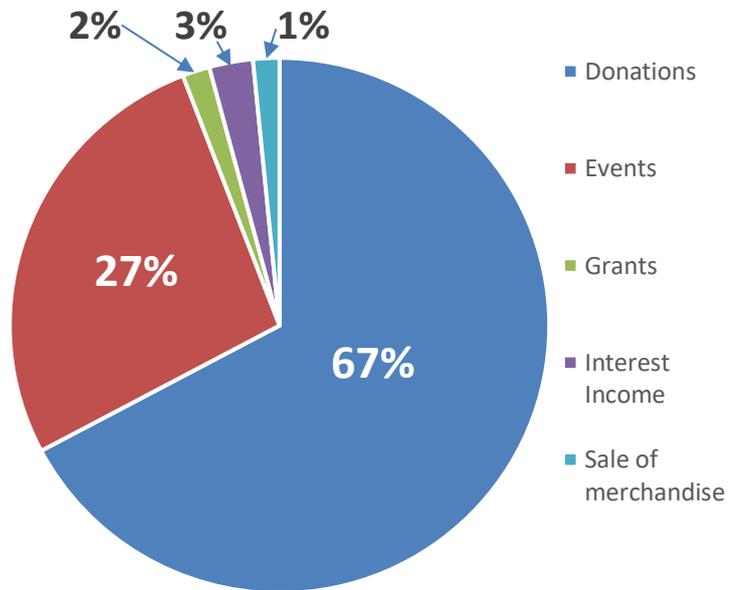
**\$4,800**

### INTEREST EARNED

**\$7,685**

### SALE OF MERCHANDISE

**\$4,630**



**FY2019 TOTAL INCOME:**  
**\$293,444**

## Breakdown of Charity Dollars

ISCA Cares relies on donations as the key source of income.

Out of every dollar spent in FY 2019, about 81 cents went to fund our Education Programme that directly benefits our beneficiaries.

### Operation Costs

- Bursary Award Ceremony
- Audit and professional fees
- Bank charges and transactional fees



**\$0.14**  
per dollar on Operations

### ISCA Cares Education Programme

- Bursaries disbursed



**\$0.81**  
per dollar on Programmes

### Fundraising expenses

- Awareness and promotion outreach expenses



**\$0.05**  
per dollar on Fundraising expenses

# Highlights of the Year

ISCA Cares sets up booths at various ISCA's events to raise awareness of its cause. Donations totaling \$20,862 were raised at these events.

15 March 2019  
*ISCA Budget Update*



4 May 2019  
*ISCA Run*



21 March & 17 October 2019  
*ISCA Members Recognition Ceremony*



17 & 18 July 2019  
*ISCA PAIB Conference & Financial Forensic and Cybersecurity Conference*

16 October 2019  
*ISCA Cares Bursary Award Ceremony*



# Acknowledgements

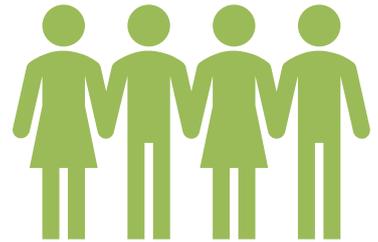


## Corporate Donations (\$10,000 and above)

- BDO LLP \$10,000
- Deloitte & Touche LLP \$10,000
- RSM Singapore \$10,000

## Individual Donations (\$5,000 and above)

- Anonymous \$10,000
- Mr Lee Chia Sin \$ 6,000
- Mr Chia Soo Hien \$ 5,000
- Ms Leong Wai Leng \$ 5,000



## Monthly Donations (Annual total of \$1,000 and above)

- BluTrust Chartered Accountants LLP (\$400/month)
- JBS Practice Public Accounting Cooperation (\$500/month)
- Anonymous (\$100/month)

# The Year Ahead



## Future Plans

2020 will present more challenging times for our beneficiaries. The ongoing COVID-19 situation has now become a global pandemic and has taken a toll on economies with some countries declaring a lockdown, in an effort to stem the spread of the coronavirus. As a result, the needy and low-income bracket would be one of the hardest-hit. This is an additional worry to the students and their families who are already struggling to make ends meet. We foresee more students who may need a helping hand during these trying times to continue their academic pursuit. We call on the continuous support of the accountancy community to help our needy, promising accountancy students with their school fees and basic living expenses. With the support of many inspiring leaders in the profession, we will also continue to provide our ISCA Cares Ambassadors with mentorship and internship opportunities.

ISCA Cares will continue to encourage and provide skills-based volunteerism to charities on a as-needed basis. This will provide opportunities for ISCA members to give back to the society.



## Fund-Raising Plans for FY2020

In addition to existing fund-raising platforms, funds will also be raised from the ISCA Cares Charity Golf event in 2020.

## Governance

### Board of Directors

ISCA Cares is governed by a Board whose role is to provide strategic direction and oversight of ISCA Cares' programmes and objectives and to steer the charity towards fulfilling its vision and mission through good governance.

The Board held a total of 2 meetings in financial year 2019:

<b>Name</b>	<b>Designation</b>	<b>Board Appointment</b>	<b>Attendance</b>
Mrs Lim Hwee Hua	Chairman	10/09/2015	2 out of 2
Mr Max Loh Khum Whai	Deputy Chairman	26/08/2015	1 out of 2
Mr Arumugam Ravinthran	Treasurer	26/08/2015	2 out of 2
Mr Abdul Jabbar Bin Karam Din	Board Member	03/02/2017	2 out of 2
Ms Noorhayati Binte Mohamed Kassim	Board Member	26/08/2015	1 out of 2
Mr Lee Fook Chiew	Board Member	26/08/2015	2 out of 2

### Audit Committee

The Audit Committee's primary function is to assist the Board in fulfilling oversight and fiduciary responsibilities to act in the interest of ISCA Cares' donors and stakeholders. The Audit Committee reviews the annual financial statements and the efficiency and effectiveness of ISCA Cares' internal controls, including operational and compliance control and risk management.

<b>Name</b>	<b>Designation</b>	<b>Attendance</b>
Ms Noorhayati Binte Mohamed Kassim	Chairman	2 out of 2
Mr Max Loh Khum Whai	Member	1 out of 2
Mr Abdul Jabbar Bin Karam Din	Member	2 out of 2

No Board members are remunerated for their Board services in the financial year.

## Policies

### Conflict of Interest Policy

All Board members and staff<sup>2</sup> of ISCA Cares shall provide an annual disclosure of their interests in all other organisations in which they are directors or have control or have substantial shareholding or monetary interest to the Board when they are newly appointed and whenever there are updates. Such disclosures shall be circulated to all Board members and any potential conflicts of interest documented.

### Reserves Policy

The use of reserves shall be approved by the Board. The reserves can be used for funding of operating expenditure during financial crisis and ex-budgetary capital expenditure for ensuring business continuity.

ISCA Cares seeks to maintain a reserve of one year's operating costs.

The Board will review the reserves policy and the amount of reserves annually.

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<sup>2</sup> In accordance with the *Code of Governance for Charities and Institutions of a Public Character* issued on April 2017, Staff is defined as paid or unpaid individuals who are involved in the day-to-day operations of the charity.

# Audited Financial Statements

**ISCA CARES LIMITED**  
(Co. Reg. No. 201532966C)

**FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2019**

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## **ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

### **DIRECTORS' STATEMENT**

The directors hereby present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 December 2019.

In the opinion of the directors:

- (i) the financial statements as set out on pages 17 to 28 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and of the financial performance, changes in accumulated fund and cash flows of the Company for the financial year then ended in accordance with the provisions of the Charities Act, Chapter 37 and other relevant regulations, the Companies Act, Chapter 50 and Financial Reporting Standards in Singapore; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### **Directors**

The directors in office at the date of this statement are:

Tan Hwee Hua @ Lim Hwee Hua  
Max Loh Khum Whai  
Arumugam Ravinthran  
Lee Fook Chiew  
Noorhayati Binte Mohamed Kassim  
Abdul Jabbar Bin Karam Din

#### **Arrangements to enable directors to acquire benefits**

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of any other body corporate.

#### **Other matters**

As the Company is limited by guarantee and does not have a share capital, matters relating to the issue of shares or share options are not applicable.

#### **Independent auditor**

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



Tan Hwee Hua @ Lim Hwee Hua  
Director



Arumugam Ravinthran  
Director

5 March 2020

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

**Report on the Audit of the Financial Statements**

***Opinion***

We have audited the accompanying financial statements of ISCA Cares Limited (the "Company") as set out on pages 17 to 28, which comprise the balance sheet as at 31 December 2019, and the statement of comprehensive income, statement of changes in accumulated fund 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 Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations"), the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and of the financial performance, changes in accumulated fund and cash flows of the Company for the year ended on that date.

***Basis for Opinion***

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Other Information***

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on page 13 and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information 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 MEMBER OF  
ISCA CARES LIMITED (cont'd)**

(A public company limited by guarantee and not having share capital)

**Report on the Audit of the Financial Statements (cont'd)**

***Responsibilities of Management and Directors for the Financial Statements***

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Charities Act and Regulations, the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
ISCA CARES LIMITED (cont'd)**

(A public company limited by guarantee and not having share capital)

**Report on the Audit of the Financial Statements (cont'd)**

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors 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 by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

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

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



Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

5 March 2020

**ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

**STATEMENT OF COMPREHENSIVE INCOME**

For the financial year ended 31 December 2019

	Note	2019 \$	2018 \$
<b>Income</b>			
Donation income	4	<b>197,329</b>	205,710
Income from Fund raising activities		<b>79,000</b>	-
Interest income		<b>7,685</b>	3,340
Other income	5	<b>9,430</b>	15,857
		<b>293,444</b>	224,907
<b>Less expenditure</b>			
Auditor's remuneration		<b>5,000</b>	5,000
Other expenses	6	<b>135,741</b>	104,155
		<b>140,741</b>	109,155
<b>Net surplus and total comprehensive income for the financial year</b>		<b>152,703</b>	115,752

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

**ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

**BALANCE SHEET****At 31 December 2019**

	Note	2019 \$	2018 \$
<b>Non-current asset</b>			
Intangible asset	7	<b>16,339</b>	9,213
<b>Current assets</b>			
Cash and cash equivalents	8	<b>664,115</b>	526,100
Receivables	9	<b>30,739</b>	38,080
Prepayments		<b>5,000</b>	-
Inventories	10	<b>2,020</b>	3,634
<b>Total current assets</b>		<b>701,874</b>	567,814
<b>Total assets</b>		<b>718,213</b>	577,027
<b>Current liability</b>			
Accrued expenses		<b>6,507</b>	18,024
<b>Net assets</b>		<b>711,706</b>	559,003
<b>Accumulated Fund</b>		<b>711,706</b>	559,003

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

**ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

**STATEMENT OF CHANGES IN ACCUMULATED FUND**

**For the financial year ended 31 December 2019**

	\$
Balance at 1 January 2018	443,251
Net surplus and total comprehensive income for the financial year	115,752
Balance at 31 December 2018	<hr/> 559,003
Net surplus and total comprehensive income for the financial year	152,703
<b>Balance at 31 December 2019</b>	<hr/> <b>711,706</b> <hr/>

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

**ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

**STATEMENT OF CASH FLOWS****For the financial year ended 31 December 2019**

	<b>2019</b>	2018
	\$	\$
<b>Cash flows from operating activities</b>		
Net surplus for the financial year	<b>152,703</b>	115,752
Adjustments for:		
Amortisation of intangible asset	<b>4,430</b>	2,504
Interest income	<b>( 7,685 )</b>	( 3,340 )
<b>Operating surplus before working capital changes</b>	<b>149,448</b>	114,916
Receivables	<b>1,635</b>	11,693
Accrued expenses	<b>1,002</b>	461
Inventories	<b>1,614</b>	( 2,447 )
Cash generated from operations	<b>153,699</b>	124,623
Interest received	<b>8,391</b>	1,983
<b>Net cash generated from operating activities</b>	<b>162,090</b>	126,606
<b>Cash flows from investing activity</b>		
Purchase of intangible asset	<b>( 24,075 )</b>	-
<b>Net cash used in investing activity</b>	<b>( 24,075 )</b>	-
<b>Net increase in cash and cash equivalents</b>	<b>138,015</b>	126,606
Cash and cash equivalents at beginning of the financial year	<b>526,100</b>	399,494
<b>Cash and cash equivalents at end of the financial year</b>	<b>664,115</b>	526,100

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

## **ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2019**

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

#### **1. Corporate information**

The Company (Co. Reg. No. 201532966C) is incorporated and domiciled in Singapore. The registered office and principal place of operations is at 60 Cecil Street, ISCA House, Singapore 049709.

The principal activities of the Company are:

- (a) To provide needy Singapore youths with academic potential, access to quality accountancy education through pecuniary and non-pecuniary assistance, so that they can maximise their potential.
- (b) To harness the knowledge, skills and expertise of the accountancy community and through collaborative programmes with appropriate partners, develop the community.

The Company is limited by its member's guarantee to contribute to the assets of the Company up to \$1 each member in the event of it being wound up.

The Company is an approved Institution of a Public Character.

The member of the Company is the trustee of the Institute of Singapore Chartered Accountants ("ISCA"). Accordingly, the Company is a wholly-owned subsidiary of ISCA.

#### **2. Summary of significant accounting policies**

##### **a) Basis of preparation**

The financial statements are presented in Singapore dollar ("S") which is the Company's functional currency, have been prepared in accordance with the provisions of the Charities Act, Chapter 37 and other relevant regulations, the Companies Act, Chapter 50 and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenditure during the financial year.

##### *Use of estimates and judgements*

These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity or areas where assumptions significant to the financial statements are disclosed in Note 3.

## **2. Summary of significant accounting policies (cont'd)**

### **a) Basis of preparation (cont'd)**

#### *Use of estimates and judgements (cont'd)*

The carrying amounts of cash and cash equivalents, current receivables and current payable approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

#### *New and revised standards*

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial statements.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2019 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

### **b) Income**

Revenue is recognised to the extent that the Company becomes entitled to the income, when it is probable that the income will be received; and when the amount of the income can be measured with sufficient reliability. The Company assesses its revenue arrangements to determine if it is acting as a principal or an agent.

When the Company acts in the capacity of an agent rather than as a principal in a transaction, the revenue recognised is the net amount of commission made by the Company. Commission income is recognised upon delivery of the products to the customer.

Donations are recognised as and when they are received.

Income from sale of notebooks and pouches is recognised when the control of the products has been transferred upon the delivery of the products to the customer. No element of financing is deemed present as the sales are made on cash on delivery terms, which is consistent with market practise. A receivable is recognised when the products are delivered, as this is the point in time that the consideration is unconditional.

Net proceeds from sale of festive cookies is recognised when the control of the products has transferred to the customers, and there is no unfulfilled obligation that could affect the customer's acceptance of the products.

Interest income is recognised as the interest accrues based on the effective interest method.

### **c) Intangible asset**

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the computer software over their estimated useful lives of 5 years.

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in income and expenditure when the changes arise.

## 2. Summary of significant accounting policies (cont'd)

### d) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

### e) Inventories

Inventories, comprising notebooks and pouches, are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

### f) Financial assets

#### ***Recognition and derecognition***

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Trade receivables without a significant financing component is initially measured at transaction prices.

#### ***Classification and measurement***

All financial assets are subsequently measured in their entirety at either amortised cost, or fair value, depending on the classification of the financial assets.

The Company classifies its financial assets in the amortised cost measurement category.

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Company reclassifies financial assets when and only when its business model for managing those assets changes.

#### ***Subsequent measurement***

Debt instruments include cash and cash equivalents and receivables. The subsequent measurement category is depending on the Company's business model for managing the asset and cash flow characteristics of the asset:

#### ***Amortised cost***

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

## 2. Summary of significant accounting policies (cont'd)

### f) Financial assets (cont'd)

#### *Subsequent measurement (cont'd)*

##### *Amortised cost (cont'd)*

Interest income from these financial assets is included in interest income using the EIR method.

##### **Impairment**

The Company recognises an allowance for expected credit losses (“ECLs”) for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL).

For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables that do not have a significant financing component, the Company applies a simplified approach to recognise a loss allowance based on lifetime ECLs at balance sheet date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Company has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Company recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

### g) Financial liabilities

Financial liabilities which comprise accrued operating expenses are initially recognised at fair value plus directly attributable transaction costs, and subsequently measured at amortised cost, using the effective interest method.

Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instruments.

A financial liability is derecognised when the obligation under the liability is extinguished.

### h) Taxation

The Company has been registered as a Charity under the Singapore Charities Act and is exempted from income tax under the provisions of the Income Tax Act Cap. 134.

### 3. 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 amount of asset within the next financial year, are discussed below.

#### *Amortisation of intangible asset*

The Company reviews the useful life of intangible asset at the balance sheet date in accordance with the accounting policy in Note 2(c). Changes in circumstances, such as technological or other types of obsolescence, could result in the actual useful life differing from the management's current estimates. The net carrying amount of intangible asset at 31 December 2019 and the annual amortisation charge for the financial year ended 31 December 2019 are disclosed in Note 7. Any changes in the expected useful life of the asset would affect the net carrying amount of intangible asset, and the amortisation charge for the financial year.

### 4. Donation income

Donations received are both tax and non-tax deductible.

	2019	2018
	\$	\$
Tax deductible receipts	191,942	193,483
Non-tax deductible receipts	5,387	10,227
Donations in kind	-	2,000
	<b>197,329</b>	<b>205,710</b>

### 5. Other income

	2019	2018
	\$	\$
Income from sales of notebooks	2,980	10,340
Income from sales of pouches	1,650	1,590
Net proceeds from sales of festive cookies	-	3,927
Government grants	4,800	-
	<b>9,430</b>	<b>15,857</b>

### 6. Other expenses

	2019	2018
	\$	\$
ISCA Cares Awards through Polytechnics	72,700	62,800
ISCA Cares Awards through Universities	37,400	22,329
ISCA Cares Awards to Beneficiaries	-	2,000
Awareness and promotion outreach	5,395	1,845
Amortisation of intangible assets (Note 7)	4,430	2,504
Cost of notebooks	861	3,140
Cost of pouches	753	726
Others	14,202	8,811
	<b>135,741</b>	<b>104,155</b>

## 7. Intangible asset

	Computer software \$
<b>Cost</b>	
At 1 January 2018	24,075
Adjustment	( 11,556 )
At 31 December 2018	<u>12,519</u>
Addition	<u>11,556</u>
<b>At 31 December 2019</b>	<b><u>24,075</u></b>
<b>Accumulated amortisation</b>	
At 1 January 2018	802
Amortisation charge for the financial year	<u>2,504</u>
At 31 December 2018	<u>3,306</u>
Amortisation charge for the financial year	<u>4,430</u>
<b>At 31 December 2019</b>	<b><u>7,736</u></b>
<b>Carrying amount</b>	
At 31 December 2018	<u>9,213</u>
<b>At 31 December 2019</b>	<b><u>16,339</u></b>

The cost of intangible asset of \$Nil (2018: \$12,519) remains unpaid as at year end and recorded in accrued expenses.

## 8. Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, bank balance and fixed deposit.

	2019 \$	2018 \$
Interest-bearing accounts	<b>664,065</b>	526,050
Non-interest bearing accounts	<b>50</b>	50
	<b><u>664,115</u></b>	<u>526,100</u>

Included in interest-bearing accounts of the Company is fixed deposit amounting to \$460,173 (2018: \$451,875) which is placed with a bank and matures within 5 to 12 (2018: 5) months from year end, an earn interest of 1.55% to 1.75% (2018: 1.5% to 1.55%) per annum.

## 9. Receivables

	2019 \$	2018 \$
Donation receivables		
- third party	<b>7,050</b>	10,170
- holding entity	<b>23,038</b>	26,553
Interest receivable		
- financial institution	<b>651</b>	1,357
	<b><u>30,739</u></b>	<u>38,080</u>

Donation receivable from third party relates to online donation via Giving.sg.

## 9. Receivables (cont'd)

Donation receivable from holding entity relates to donation moneys received on behalf by the holding entity. Interest receivable from third party relates to interest receivable from fixed deposits placed with a financial institution.

## 10. Inventories

	2019	2018
	\$	\$
Notebooks	75	936
Pouches	1,945	2,698
	<b>2,020</b>	<b>3,634</b>

## 11. Significant related party transactions

In addition to information disclosed elsewhere in the financial statements, the following significant transactions took place between the Company and the holding entity, during the financial year on terms agreed by the parties concerned:

	2019	2018
	\$	\$
Donation income	1,552	6,432
Donation and collections received on behalf	152,267	151,352
Other income	2,419	5,818
Payment of expenses on behalf by the holding entity	4,153	2,088

The holding entity as part of supporting the Company contributed 2,074 hours (2018: 2,335 hours) to support the administration of the Charity for the financial year ended 31 December 2019.

## 12. Financial instruments

### (a) Categories of financial instruments

Financial instruments at their carrying amounts as of the balance sheet date are as follows:

	2019	2018
	\$	\$
<i>Financial assets</i>		
At amortised cost	694,854	564,180
<i>Financial liabilities</i>		
At amortised cost	6,507	18,024

### (b) Financial risk management

The Company's overall risk management is determined and carried out by the board of directors.

#### *Credit risk*

The Company's exposure to credit risk arises from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company, as and when they fall due.

The Company places its cash and fixed deposit with the established financial institutions in Singapore.

## **12. Financial instruments (cont'd)**

### **(b) Financial risk management (cont'd)**

#### *Credit risk (cont'd)*

At balance sheet date, there is no significant concentration of credit risk, except for cash and cash equivalents. The maximum exposure to credit risk is represented by the carrying amount of each class of financial instruments on the balance sheet.

The Company has credit policies and procedures in place to minimize and mitigate its credit risk exposures.

#### *Donation receivables from third party and holding entity*

The Company assessed the latest performance and financial position of the counterparties and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

#### *Financial assets at amortised cost*

Financial assets at amortised costs include receivables and cash and cash equivalents.

Credit risk exposure in relation to financial assets at amortised costs as at 31 December 2019 is insignificant, and accordingly no credit loss allowance is recognised as at 31 December 2019.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flow of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's income and operating cash flows are not substantially dependent on changes in market interest rates as the Company has no significant interest-bearing assets and liabilities.

#### *Liquidity and cash flow risk*

The board of directors exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

## **13. Fair value**

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements of the Company approximate their fair values.

## **14. Fund management**

The Company's objectives when managing its funds are to safeguard and maintain adequate working capital to continue as a going concern. The directors consider the accumulated fund as the capital of the Company and no changes were made to the Company's fund management objectives during the financial years ended 31 December 2019 and 31 December 2018.

## **15. Authorisation of financial statements**

The financial statements of the Company for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the board of directors dated 5 March 2020.



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