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CANOSSAVILLE CHILDREN AND COMMUNITY SERVICES

[UEN. S87CC0462K]
[Registered under the Charities Act (Chapter 37) in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the financial statements of Canossaville Children and Community Services (the "Charity") are drawn up so as to present fairly, in all material respects, the state of affairs of the Charity as at 31 December 2020 and the results, changes in funds and cash flows of the Charity for the financial year then ended.

At the date of this statement, there are reasonable grounds to believe that the Charity will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on 13 August 2021.

Chairperson	Dr Gerard Ee Hock Kim	
Vice Chairman	Peggy Sarah Yee May Kuen	
Secretary	Lim Luck Siew	
Treasurer	Charles Fan Yue Soon	(Appointed on 1 January 2021)
Treasurer	Dominic Chia Heng Chian	(Retired on 31 December 2020)
Committee Member	Dr Grace Elizabeth Lee Shu Ying	
Committee Member	Sr Elizabeth Tham	(Appointed on 1 January 2021)
Committee Member	Dr Lian Wee Bin	
Committee Member	Au Chin Goa	
Committee Member	Chen Yew Nah	(Appointed on 1 January 2021)
Committee Member	Seow Lee Huang Theresa	(Retired on 31 December 2020)
Committee Member	Sr Louisa Lim Gek Noy	(Retired on 31 December 2020)

For and on behalf of the Management Committee,

DocuSigned by:
Ee Hock Kim Gerard
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Dr Gerard Ee Hock Kim
Chairperson

DocuSigned by:
Charles Fan
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Charles Fan Yue Soon
Treasurer

Singapore, 13 August 2021

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Independent auditor's report to the members of:

CANOSSAVILLE CHILDREN AND COMMUNITY SERVICES
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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Canossaville Children and Community Services (the "Charity"), which comprise the statement of financial position as at 31 December 2020, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial 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") and Charities Accounting Standard in Singapore ("CAS"), so as to present fairly, in all material respect, the state of affairs of the Charity as at 31 December 2020 and the results, changes in funds and cash flows of the Charity for the financial 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 Charity 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 Statement by the Management Committee (set out on page 2), but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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, 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.

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(CONT'D)

Independent auditor's report to the members of:

CANOSSAVILLE CHILDREN AND COMMUNITY SERVICES
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the Charity'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 Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Independent auditor's report to the members of:

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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 Charity'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 Charity 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Charity have been properly kept in accordance with the provisions of the Charities Act and Regulations.

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

(a) the Charity 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

(b) the Charity has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

DocuSigned by:
Suhaimi Salleh & Associates
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Suhaimi Salleh & Associates
Public Accountants and
Chartered Accountants

Singapore, 13 August 2021

Partner-in-charge: Gan Chek Huat
PAB No.: 01939

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	2020					2019		
	Unrestricted funds			Total Restricted funds (Note 9.2)	Total funds	Unrestricted funds	Restricted funds (Note 9.2)	Total funds
	Accumulated general fund	Designated fund (Note 9.1.2)	Total					
	S$	S$	S$	S$	S$	S$	S$	S$
INCOME								
Income from generating funds								
Voluntary income								
- Donations – Tax exempt	694,666	33,742	728,408	164,868	893,276	706,416	194,018	900,434
- Donations – Non tax exempt	207,107	490,350	697,457	109,862	807,319	131,932	10,020	141,952
- Donations in kind	150	0	150	0	150	6,630	0	6,630
- Grants and fundings	72,698	1,085,873	1,158,571	265,951	1,424,522	756,590	2,000,000	2,756,590
	974,621	1,609,965	2,584,586	540,681	3,125,267	1,601,568	2,204,038	3,805,606
Income from charitable activities								
Agency fees	13,349	0	13,349	0	13,349	12,960	0	12,960
Preschool fees	0	702,449	702,449	0	702,449	766,871	0	766,871
Student care fees	0	386,623	386,623	0	386,623	411,637	(255)	411,382
Registration fee revenue	0	10,418	10,418	0	10,418	17,135	0	17,135
Insurance fee revenue	0	482	482	0	482	970	0	970
School bus expenses	0	38,894	38,894	0	38,894	46,731	0	46,731
Children activities	0	2,247	2,247	0	2,247	16,497	0	16,497
Discount given	0	(7,264)	(7,264)	0	(7,264)	(6,015)	0	(6,015)
Child development unit fee revenue	0	11,243	11,243	0	11,243	2,250	0	2,250
Product revenue	0	10,056	10,056	0	10,056	8,940	0	8,940
	13,349	1,155,148	1,168,497	0	1,168,497	1,277,976	(255)	1,277,721
Investment income								
Fixed deposits interest	148,735	0	148,735	0	148,735	29,953	0	29,953
Other income								
Wage credit scheme	72,503	0	72,503	0	72,503	34,942	0	34,942
Jobs support scheme	635,934	0	635,934	0	635,934	0	0	0
Interest income	122	0	122	0	122	147	0	147
Sundry income	11,852	2,358	14,210	0	14,210	1,220	0	1,220
	720,411	2,358	722,769	0	722,769	36,309	0	36,309
Total income	1,857,116	2,767,471	4,624,587	540,681	5,165,268	2,945,806	2,203,783	5,149,589

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

		2020					2019		
		Unrestricted funds			Total Restricted funds (Note 9.2)	Total funds	Unrestricted funds	Restricted funds (Note 9.2)	Total funds
		Accumulated general fund	Designated fund (Note 9.1.2)	Total					
	Note	S$	S$	S$	S$	S$	S$	S$	S$
EXPENDITURE									
Cost of generating funds									
Fund-raising sale		532	0	532	0	532	3,777	0	3,777
Fund-raising project expenses		6,600	0	6,600	0	6,600	23,926	0	23,926
		7,132	0	7,132	0	7,132	27,703	0	27,703
Cost of charitable activities									
Catering and refreshment		1,645	9,273	10,918	25,391	36,309	23,815	28,593	52,408
CEF subsidy expense		0	8,222	8,222	14,812	23,034	4,200	23,077	27,277
Consultancy fee		0	0	0	92,021	92,021	0	0	0
Contractor charges		110,779	11,305	122,084	408,029	530,113	87,855	483,539	571,394
Contributions for premises and facilities		384,000	0	384,000	0	384,000	384,000	0	384,000
Programme supplies		0	15,174	15,174	6,207	21,381	11,367	19,370	30,737
Preschool readers		0	4,228	4,228	0	4,228	0	5,682	5,682
Professional fees		0	0	0	0	0	38,887	0	38,887
Staff costs	10	0	1,376,292	1,376,292	581,370	1,957,662	960,520	648,478	1,608,998
Transportation and entrance tickets		0	39,036	39,036	49,363	88,399	13,704	66,619	80,323
		496,424	1,463,530	1,959,954	1,177,193	3,137,147	1,524,348	1,275,358	2,799,706

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STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)

		2020					2019		
		Unrestricted funds			Total Restricted Funds (Note 9.2)	Total funds	Unrestricted funds	Restricted funds (Note 9.2)	Total funds
	Note	Accumulated general fund	Designated fund (Note 9.1.2)	Total					
		S$	S$	S$	S$	S$	S$	S$	S$
EXPENDITURE (Cont'd)									
Governance and administrative costs									
Accounting fees		0	270	270	0	270	12,524	0	12,524
Audit fees		9,500	1,700	11,200	0	11,200	8,700	1,200	9,900
Bank charges		1,089	0	1,089	0	1,089	803	2	805
Consultancy fees		0	0	0	40,210	40,210	0	63,219	63,219
Contractor		2,195	14,214	16,409	0	16,409	3,597	15,329	18,926
Depreciation of plant and equipment	7	144,282	3,257	147,539	1,241,788	1,389,327	139,343	1,288,600	1,427,943
Event expenses		31,761	30,000	61,761	0	61,761	11,041	0	11,041
General insurance		1,457	0	1,457	0	1,457	1,711	199	1,910
Gift		762	0	762	0	762	19,693	0	19,693
Learning journey expenses		0	0	0	324	324	0	10,841	10,841
License and subscription		11,501	4,384	15,885	753	16,638	15,911	8,739	24,650
Marketing and advertising		3,569	124	3,693	82	3,775	0	0	0
Minor assets		5,092	4,782	9,874	1,499	11,373	14,619	7,250	21,869
Miscellaneous charges		7,835	522	8,357	327	8,684	3,806	1,654	5,460
Postage and stamp duties		647	361	1,008	0	1,008	648	12	660
Printing and stationery		2,521	2,470	4,991	1,886	6,877	14,881	2,968	17,849
Professional fees		58,312	0	58,312	0	58,312	5,436	0	5,436
Rental		1,238	3,424	4,662	619	5,281	9,720	4,527	14,247
Repair and maintenance		65,954	4,835	70,789	407	71,196	54,132	2,230	56,362
Security		35,813	0	35,813	0	35,813	21,761	0	21,761
Service charge		40	0	40	0	40	2,826	0	2,826
Staff costs	10	685,529	5,269	690,798	0	690,798	567,606	6,598	574,204
Telephone charges		4,636	234	4,870	58	4,928	5,949	1,300	7,249
Transportation		775	164	939	141	1,080	873	688	1,561
Upkeep of motor vehicles		105	0	105	0	105	105	0	105
Utilities charges		33,153	0	33,153	0	33,153	41,975	0	41,975
		1,107,766	76,010	1,183,776	1,288,094	2,471,870	957,660	1,415,356	2,373,016
Total expenditure		1,611,322	1,539,540	3,150,862	2,465,287	5,616,149	2,509,711	2,690,714	5,200,425
NET INCOME/(EXPENDITURE) FOR THE FINANCIAL YEAR		245,794	1,227,931	1,473,725	(1,924,606)	(450,881)	436,095	(486,931)	(50,836)

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

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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 S$	2019 S$
ASSETS			
Current assets			
Cash and cash equivalents	4	8,997,633	8,195,503
Trade and other receivables	5	224,106	167,964
Other current assets	6	170	3,330
		9,221,909	8,366,797
Non-current asset			
Plant and equipment	7	3,189,660	4,549,331
Total assets		12,411,569	12,916,128
LIABILITIES			
Current liabilities			
Trade and other payables	8	680,601	734,279
Total liabilities		680,601	734,279
NET ASSETS		11,730,968	12,181,849
FUNDS			
Unrestricted funds			
Accumulated General Funds	9.1.1	2,392,410	1,980,665
Designated Funds	9.1.2	2,263,979	1,036,048
		4,656,389	3,016,713
Restricted funds			
Care and Share Fund	9.2.1	694,118	925,588
Lien Foundation Fund / CCCS Circle of Care Fund			
- Lien Foundation - Capital Expenditure	9.2.4(a)	2,111,131	3,111,131
- Lien Foundation - Child Development Unit	9.2.4(b)	1,665,965	2,509,980
- Lien Foundation - Student Care Centre	9.2.4(c)	1,324,350	1,483,263
- Lien Foundation - Research, Consultancy and Training	9.2.4(d)	570,537	660,958
- Lien Foundation - Organization and Staff Development	9.2.4(e)	59,790	0
Canossaville Education Fund	9.2.5	403,099	273,960
CCCS Enrichment & Therapy Intervention Programme (ETIP)	9.2.7	1,355	1,783
CCCS Learning Journeys	9.2.10	0	324
Khoo Chwee Neo Foundation Fund	9.2.11	83,361	108,709
Canossa Mission Singapore	9.2.12	4,057	4,523
Lee Foundation Laptop Fund	9.2.13	2,311	8,861
Lee Foundation S-Fan and PA System Fund	9.2.14	51,424	54,391
Student Transport Fund	9.2.15	103,081	21,665
		7,074,579	9,165,136
Total funds		11,730,968	12,181,849

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

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STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2020	Balance at the beginning of financial year S$	Net income/ (expenditure) for the financial year S$	Transfers / adjustment of funds S$	Balance at the end of financial year S$
Unrestricted funds				
Accumulated General Funds	1,980,665	245,794	165,951	2,392,410
Designated Funds	1,036,048	1,227,931	0	2,263,979
	3,016,713	1,473,725	165,951	4,656,389
Restricted funds				
Care and Share Fund	925,588	(65,519)	(165,951)	694,118
Lien Foundation Fund				
- Lien Foundation - Capital Expenditure	3,111,131	(1,000,000)	0	2,111,131
- Lien Foundation - Child Development Unit	2,509,980	(844,015)	0	1,665,965
- Lien Foundation - Student Care Centre	1,483,263	(158,913)	0	1,324,350
- Lien Foundation - Research, Consultancy and Training	660,958	(90,421)	0	570,537
- Lien Foundation -Organization and Staff Development Fund	0	59,790	0	59,790
Canossaville Education Fund	273,960	129,139	0	403,099
CCCS Enrichment & Therapy Intervention Programme (ETIP)	1,783	(428)	0	1,355
CCCS Learning Journeys	324	(324)	0	0
Khoo Chwee Neo Foundation Fund	108,709	(25,348)	0	83,361
Canossa Mission Singapore	4,523	(466)	0	4,057
Lee Foundation Laptop Fund	8,861	(6,550)	0	2,311
Lee Foundation S-Fan and PA System Fund	54,391	(2,967)	0	51,424
Student Transport Fund	21,665	81,416	0	103,081
	9,165,136	(1,924,606)	(165,951)	7,074,579
Total funds	12,181,849	(450,881)	0	11,730,968

2019	Balance at the beginning of financial year S$	Net income/ (expenditure) for the financial year S$	Transfers of funds S$	Balance at the end of financial year S$
Unrestricted funds				
Accumulated General Funds	2,580,061	(599,396)	0	1,980,665
Designated Funds	557	1,035,491	0	1,036,048
	2,580,618	436,095	0	3,016,713
Restricted funds				
Care and Share Fund	1,190,894	(265,306)	0	925,588
Child Development Unit	2,250	(2,250)	0	0
Canossaville Preschool Fund	412,645	(412,645)	0	0
Lien Foundation Fund				
- Lien Foundation - Capital Expenditure	4,111,131	(1,000,000)	0	3,111,131
- Lien Foundation - Child Development Unit	1,857,230	652,750	0	2,509,980
- Lien Foundation - Student Care Centre	1,072,892	410,371	0	1,483,263
- Lien Foundation - Research, Consultancy and Training	591,927	69,031	0	660,958
Canossaville Education Fund	270,889	3,071	0	273,960
CCCS School Pocket Fund	5,000	(5,000)	0	0
CCCS Enrichment & Therapy Intervention Programme (ETIP)	7,656	(5,873)	0	1,783
CCCS Staff Welfare Fund	5,992	(5,992)	0	0
CCCS Transition	35,156	(35,156)	0	0
CCCS Learning Journeys	7,165	(6,841)	0	324
Khoo Chwee Neo Foundation Fund	74,422	34,287	0	108,709
Canossa Mission Singapore	6,818	(2,295)	0	4,523
Lee Foundation Laptop Fund	0	8,861	0	8,861
Lee Foundation S-Fan and PA System Fund	0	54,391	0	54,391
Student Transport Fund	0	21,665	0	21,665
	9,652,067	(486,931)	0	9,165,136
Total funds	12,232,685	(50,836)	0	12,181,849

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

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STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 S$	2019 S$
Cash flows from operating activities			
Net expenditure for the financial year		(450,881)	(50,836)
Adjustments for:			
– Depreciation of plant and equipment	7	1,389,327	1,427,943
– Fixed deposit interest income		(148,735)	(29,953)
– Interest income		(122)	(147)
Operating cash flow before changes in working capital		789,589	1,347,007
Changes in working capital			
– Trade and other receivables		(56,142)	654,750
– Other current assets		3,160	(1,570)
– Other payables		(53,678)	(451,613)
Cash generated from operations		682,929	1,548,574
Interest received		122	147
Net cash generated from operating activities		683,051	1,548,721
Cash flows from investing activities			
Fixed deposit interest received		148,735	78,285
Purchases of plant and equipment	7	(29,656)	(169,553)
Net cash provided by/(used in) investing activities		119,079	(91,268)
Cash flows used in financing activities			
Placement of pledged fixed deposit		(40,025)	0
Net increase in cash and cash equivalents		762,105	1,457,453
Cash and cash equivalents at beginning of financial year		8,195,503	6,738,050
Cash and cash equivalents at end of financial year	4	8,957,608	8,195,503

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

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

1. General information

Canossaville Children and Community Services ("CCCS") (the "Charity") was established on 1 August 1941 under the direction of the Daughters of the Canossian Institute (No. 47 of 1949 Ordinance of Incorporation). The Charity is registered under the Charities Act (Chapter 37) on 29 June 1987. The Charity's registered address and principal place of activities is located at 1 Sallim Road, Singapore 387621.

The principal activities of the Charity are those of providing:

a. Inclusive preschool education and after-school care services in Singapore with a focus on serving children with special needs (hearing loss) and children from at-risk families;
b. Pioneering and innovative programs that strengthen preventive care for children and families from at-risk families and those with additional needs;
c. Emergency and/or short- and long-term relief and aid to children and families who are financially poor and disadvantaged.
d. The Charity act as an agent for Canossa Mission Singapore, a related party, to run and administration of the Early Intervention Programme for Infants and Children (EIPIC) with effective from 1 January 2018.

The Charity has been accorded an Institutions of a Public Character ("IPC") status for the period from 1 August 2019 to 31 July 2021. Subsequent to the year end, the Charity has renewed its IPC status from 1 August 2021 to 31 July 2024.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") and the disclosure requirements of the Charities Act (Chapter 37). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar ("S$"), which is the Charity's functional currency.

The preparation of these financial statements in conformity with CAS requires management to exercise its judgement in the process of applying the Charity's accounting policies. It also requires the use of certain critical 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. Although these estimates are based on Management Committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

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2. Significant accounting policies (Cont'd)

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Charity's activities. Income is recognised in the statement of financial activities when the effect of transaction or other event results in an increase in the Charity's net assets. Income is recognised as follows:

2.2.1 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations subject to donor-imposed conditions that specify the time period in which the expenditure can take place are accounted for as deferred income and recognised as a liability until the financial period in which the Charity is allowed by the condition to expend the income.

Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Grants

The recognition of a promised grant is evidence of entitlement which normally exists when the grant is formally expressed in writing. Where the entitlement is demonstrable, and no conditions are attached, such promises are recognised as income once the criteria or certainty and measurability are met. When conditions are attached, they must be fulfilled before the Charity has unconditional entitlement to the income. Income is deferred as a liability where uncertainty exists as to whether the Charity can meet the conditions and is recognised as income when there is sufficient evidence that the conditions imposed can be met.

2.2.3 Revenue from preschool fee and student care

Revenue from the preschool fee and student care fee are recognised when the services have been performed and rendered.

2.2.4 Interest income

Interest income on bank current accounts and fixed deposits placed with banks are recognised on a time-proportion basis using the effective interest method.

2.2.5 Other income

Other income is recognised upon receipt.

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2. Significant accounting policies (Cont'd)

2.3 Expenditure recognition

All expenditure are accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.3.1 Cost of generating funds

Cost of generating funds comprises all directly attributable costs incurred in the generating voluntary income and fundraising activities. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.3.2 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Charity.

2.3.3 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Charity, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.4 Employee benefits

2.4.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Charity pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Charity has no further payment obligations once the contributions have been paid. The Charity's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

2.4.2 Employee leaves entitlement

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

2.5 Operating lease

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities.

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2. Significant accounting policies (Cont'd)

2.6 Financial assets

2.6.1 Recognition and measurement

Trade and other receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

Trade and other receivables are subsequently measured at cost less accumulated impairment losses.

2.6.2 Derecognition

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

2.6.3 Impairment

The Charity assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of accounts and other receivables is recognised when there is objective evidence that the Charity will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments is considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the undiscounted future cash flows that the Charity expects to receive. The amount of the allowance for impairment is recognised in the statement of financial activities.

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the Charity shall reverse the previously recognised impairment loss. The reversal shall not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of change in value.

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2. Significant accounting policies (Cont'd)

2.8 Plant and equipment

2.8.1 Measurement

All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

The cost of an item of plant and equipment includes its purchase price and any costs that are 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.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

2.8.2 Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Computers	1 to 3 years
Furniture and fittings	1 to 10 years
Motor vehicle	5 years
Playground equipment	8 years
Landscape	8 years
Renovations	5 years
Software	1 year

Assets under work-in-progress are not depreciated as these assets are not yet available for use.

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

The residual values, estimated useful lives, and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the statement of financial activities in the financial year in which the changes arise.

2.8.3 Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Charity and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

2.8.4 Disposal

On disposal of an item of plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities.

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2. Significant accounting policies (Cont'd)

2.9 Financial liabilities

Financial liabilities are recognised when the Charity becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Trade and other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expire. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

2.10 Trade and other payables

Trade and other payables represent liabilities for goods and services provided to the Charity prior to the end of financial year, which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, subsequently carried at amortised cost using the effective interest method.

Other payables excluding accruals, are recognised at their transaction price, excluding transaction cost, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as an expense in the statement of financial activities when incurred. Accruals are recognised at the best estimate of the amount payable.

2.11 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Charity has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.12 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Management Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Management Committee retains full control over the use of unrestricted funds for any of the Charity's purposes.

2.13 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.14 Events after the reporting date

Post year-end events that provide additional information about the Charity's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

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3 Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

At the reporting date, there were no critical accounting estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Critical judgements in applying the entity's accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting 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.

Government grants

Government grants to meet operating expenses are recognised as income in the income and expenditure statement on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Charity will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Charity if the conditions are not met.

4. Cash and cash equivalents

	2020 S$	2019 S$
Cash on hand	3,700	3,700
Cash at banks	2,753,908	1,441,803
Fixed deposits	6,240,025	6,750,000
	8,997,633	8,195,503

At the reporting date, the fixed deposits have maturity of 1 to 9 months (2019: 1 to 8 months) and have interest rates of 0.05% to 0.70% (2019: 1.75% to 2.00%).

Fixed deposits are included as cash and cash equivalents as these are readily convertible into cash without incurring significant penalty.

At the reporting date, the tenures of the fixed deposits are as follows:

	2020 S$	2019 S$
Less than 3 months	4,240,025	4,250,000
3 months to 12 months	2,000,000	2,500,000
	6,240,025	6,750,000

Fixed deposits amounting to S$40,025 (2019: S$NIL) is pledged to the credit facility for use of Corporate Credit Card with a bank.

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4. Cash and cash equivalents (Cont'd)

For the purpose of presenting the statement of cash flows, the cash and cash equivalents comprise the following:

	2020 S$	2019 S$
Cash and cash equivalents (as above)	8,997,633	8,195,503
Fixed deposits	(40,025)	0
	8,957,608	8,195,503

5. Trade and other receivables

	2020 S$	2019 S$
Trade receivables	39,379	28,514
Grant receivables – Jobs Support Scheme	74,227	0
Grant receivables – others	59,994	60,495
Other receivables		
- Outside parties	32,640	44,539
- Prepayments	17,866	34,366
- Deposits	0	50
	224,106	167,964

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees during this period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the payouts under the scheme.

6. Other current assets

	2020 S$	2019 S$
Gift vouchers	170	3,330

Gift vouchers relates to donation-in-kind received from donors and to be expensed off in future against utilisation for distribution to children.

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7. Plant and equipment

2020	Balance at beginning of year S$	Additions S$	(Disposals) S$	Balance at end of year S$
Cost				
Accumulated General Funds				
General Fund				
Computers	6,422	528	0	6,950
Furniture and fittings	112,357	16,317	0	128,674
Motor vehicle	46,767	0	0	46,767
Playground equipment	61,637	0	0	61,637
Renovations	535,596	4,972	0	540,568
Software	13,972	2,182	0	16,154
Landscape	9,630	0	0	9,630
Renovation Fund				
Furniture and fittings	15,649	0	0	15,649
Renovations	10,327	0	0	10,327
Designated Fund – Canossaville Preschool Fund				
Furniture and fittings	13,027	0	0	13,027
Canossaville Preschool Fund				
Furniture and fittings	9,539	0	0	9,539
Care & Share Fund				
Computers	49,006	0	0	49,006
Furniture and fittings	336,746	0	0	336,746
Renovations	779,791	0	0	779,791
Playground equipment	326,295	0	0	326,295
Software	10,934	0	0	10,934
Lee Foundation S-Fan and PA System Fund				
Furniture and fittings	14,372	0	0	14,372
Lee Foundation Fund				
Computers	17,343	5,657	0	23,000
Canossa Mission Singapore				
Furniture and fittings	1,397	0	0	1,397
Enrichment & Therapy Intervention Programme				
Furniture and fittings	2,140	0	0	2,140
Lien Foundation Fund (Formerly known as CCCS Circle of Care Fund)				
Renovations	5,000,000	0	0	5,000,000
Total costs	7,372,947	29,656	0	7,402,603

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7. Plant and equipment (Cont'd)

2020 (Cont'd)	Balance at beginning of year S$	Additions S$	(Disposals) S$	Balance at end of year S$
Accumulated depreciation				
Accumulated General Funds				
General Fund				
Computers	3,813	3,049	0	6,862
Furniture and fittings	56,784	24,870	0	81,654
Motor vehicle	46,767	0	0	46,767
Playground equipment	7,886	7,705	0	15,591
Renovations	160,679	107,285	0	267,964
Software	13,972	1,273	0	15,245
Landscape	100	100	0	200
Renovation Fund				
Furniture and fittings	15,649	0	0	15,649
Renovations	10,327	0	0	10,327
Designated Fund – Canossaville Preschool Fund				
Furniture and fittings	2,953	3,257	0	6,210
Canossaville Preschool Fund				
Furniture and fittings	9,539	0	0	9,539
Care & Share Fund				
Computers	41,626	6,042	0	47,668
Furniture and fittings	203,064	53,575	0	256,639
Renovations	275,211	131,066	0	406,277
Playground equipment	60,705	40,787	0	101,492
Software	10,934	0	0	10,934
Lee Foundation S-Fan and PA System Fund				
Furniture and fittings	479	2,874	0	3,353
Lee Foundation Fund				
Computers	13,820	6,550	0	20,370
Canossa Mission Singapore				
Furniture and fittings	78	466	0	544
Enrichment & Therapy Intervention Programme				
Furniture and fittings	357	428	0	785
Lien Foundation Fund (Formerly known as CCCS Circle of Care Fund)				
Renovations	1,888,873	1,000,000	0	2,888,873
Total accumulated depreciation	2,823,616	1,389,327	0	4,212,943

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7. Plant and equipment (Cont'd)

2020 (Cont'd)	Balance at beginning of year S$	Balance at end of year S$
Carrying amount		
Accumulated General Funds		
General Fund		
Computers	2,609	88
Furniture and fittings	55,573	47,020
Motor vehicle	0	0
Playground equipment	53,751	46,046
Renovations	374,917	272,604
Software	0	909
Landscape	9,530	9,430
Renovation Fund		
Furniture and fittings	0	0
Renovations	0	0
Designated Fund – Canossaville Preschool Fund		
Furniture and fittings	10,074	6,817
Canossaville Preschool Fund		
Furniture and fittings	0	0
Care & Share Fund		
Computers	7,380	1,338
Furniture and fittings	133,682	80,107
Renovations	504,580	373,514
Playground equipment	265,590	224,803
Software	0	0
Lee Foundation S-Fan and PA System Fund		
Furniture and fittings	13,893	11,019
Lee Foundation Fund		
Computers	3,523	2,630
Canossa Mission Singapore		
Furniture and fittings	1,319	853
Enrichment & Therapy Intervention Programme		
Furniture and fittings	1,783	1,355
Lien Foundation Fund (Formerly known as CCCS Circle of Care Fund)		
Renovations	3,111,127	2,111,127
Total carrying amount	4,549,331	3,189,660

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7. Plant and equipment (Cont'd)

2019	Balance at beginning of year S$	Additions S$	(Disposals) S$	Transfer (to) / from S$	Balance at end of year S$
Cost					
Accumulated General Funds					
General Fund					
Computers	1,949	4,473	0	0	6,422
Furniture and fittings	65,411	46,946	0	0	112,357
Motor vehicle	46,767	0	0	0	46,767
Playground equipment	1,450	27,672	0	32,515	61,637
Renovations	535,596	0	0	0	535,596
Software	13,972	0	0	0	13,972
Landscape	0	9,630	0	0	9,630
Renovation Fund					
Furniture and fittings	15,649	0	0	0	15,649
Renovations	10,327	0	0	0	10,327
Designated Fund – Canossaville Preschool Fund					
Furniture and fittings	0	13,027	0	0	13,027
Canossaville Preschool Fund					
Furniture and fittings	9,539	0	0	0	9,539
Care & Share Fund					
Computers	49,006	0	0	0	49,006
Furniture and fittings	321,780	14,966	0	0	336,746
Renovations	762,204	17,587	0	0	779,791
Playground equipment	42,310	0	0	283,985	326,295
Software	10,934	0	0	0	10,934
Work-in-progress	316,500	0	0	(316,500)	0
Lee Foundation S-Fan and PA System Fund					
Furniture and fittings	0	14,372	0	0	14,372
Lee Foundation Fund					
Computers	0	17,343	0	0	17,343
Canossa Mission Singapore					
Furniture and fittings	0	1,397	0	0	1,397
Enrichment & Therapy Intervention Programme					
Furniture and fittings	0	2,140	0	0	2,140
Lien Foundation Fund (Formerly known as CCCS Circle of Care Fund)					
Renovations	5,000,000	0	0	0	5,000,000
Total costs	7,203,394	169,553	0	0	7,372,947

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7. Plant and equipment (Cont'd)

2019 (Cont'd)	Balance at beginning of year S$	Depreciation S$	(Disposals) S$	Transfer (to) / from S$	Balance at end of year S$
Accumulated depreciation					
Accumulated General Funds					
General Fund					
Computers	1,949	1,864	0	0	3,813
Furniture and fittings	37,181	19,603	0	0	56,784
Motor vehicle	46,767	0	0	0	46,767
Playground equipment	182	7,704	0	0	7,886
Renovations	53,560	107,119	0	0	160,679
Software	13,972	0	0	0	13,972
Landscape	0	100	0	0	100
Renovation Fund		0			0
Furniture and fittings	15,649	0	0	0	15,649
Renovations	10,327	0	0	0	10,327
Designated Fund – Canossaville Preschool Fund					
Furniture and fittings	0	2,953	0	0	2,953
Canossaville Preschool Fund					
Furniture and fittings	979	8,560	0	0	9,539
Care & Share Fund					
Computers	30,554	11,072	0	0	41,626
Furniture and fittings	126,200	76,864	0	0	203,064
Renovations	138,628	136,583	0	0	275,211
Playground equipment	19,918	40,787	0	0	60,705
Software	10,934	0	0	0	10,934
Work-in-progress	0	0	0	0	0
Lee Foundation S-Fan and PA System Fund					
Furniture and fittings	0	479	0	0	479
Lee Foundation Fund					
Computers	0	13,820	0	0	13,820
Canossa Mission Singapore					
Furniture and fittings	0	78	0	0	78
Enrichment & Therapy Intervention Programme					
Furniture and fittings	0	357	0	0	357
Lien Foundation Fund (Formerly known as CCCS Circle of Care Fund)					
Renovations	888,873	1,000,000	0	0	1,888,873
Total accumulated depreciation	1,395,673	1,427,943	0	0	2,823,616

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7. Plant and equipment (Cont'd)

2019 (Cont'd)	Balance at beginning of year S$	Balance at end of year S$
Carrying amount		
Accumulated General Funds		
General Fund		
Computers	0	2,609
Furniture and fittings	28,230	55,573
Motor vehicle	0	0
Playground equipment	1,268	53,751
Renovations	482,036	374,917
Software	0	0
Landscape	0	9,530
Renovation Fund		
Furniture and fittings	0	0
Renovations	0	0
		0
Designated Fund – Canossaville Preschool Fund		
Furniture and fittings	0	10,074
Canossaville Preschool Fund		
Furniture and fittings	8,560	0
Care & Share Fund		
Computers	18,452	7,380
Furniture and fittings	195,580	133,682
Renovations	623,576	504,580
Playground equipment	22,392	265,590
Software	0	0
Work-in-progress	316,500	0
Lee Foundation S-Fan and PA System Fund		
Furniture and fittings	0	13,893
Lee Foundation Fund		
Computers	0	3,523
Canossa Mission Singapore		
Furniture and fittings	0	1,319
Enrichment & Therapy Intervention Programme		
Furniture and fittings	0	1,783
Lien Foundation Fund (Formerly known as CCCS Circle of Care Fund)		
Renovations	4,111,127	3,111,127
Total carrying amount	5,807,721	4,549,331

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7. Plant and equipment (Cont'd)

The breakdown of depreciation charge are as follows:

	Note	2020 S$	2019 S$
Unrestricted Funds			
- Accumulated General Funds		144,282	136,390
- Designated Fund	9.1.2	3,257	2,953
		147,539	139,343
Restricted Funds			
- Canossaville Preschool Fund	9.2	0	8,560
- Care and Share Fund	9.2	231,470	265,306
- Lien Foundation Fund (Formerly known as CCCS Circle of Care Fund)	9.2	1,000,000	1,000,000
- Lee Foundation Laptop Fund	9.2	6,550	13,820
- Lee Foundation S-Fan and PA System Fund	9.2	2,874	479
- CCCS ETIP	9.2	428	357
- Canossa Mission Singapore	9.2	466	78
		1,241,788	1,288,600
		1,389,327	1,427,943

8. Trade and other payables

	2020 S$	2019 S$
Trade payable		
- Third parties	33,777	20,109
Other payables		
- Accruals	309,743	195,986
- Amount owing to related parties	112,455	371,048
- Amount received in advance	32,182	17,796
- Goods and services tax payable	17,874	0
- Preschool deposits	119,830	98,970
- Student Care Centre deposits	54,740	30,370
	680,601	734,279

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9. Funds

9.1 Unrestricted funds

9.1.1 Accumulated General Funds

Unrestricted funds are expendable at the direction of the Management Committee in furtherance of the Charity's objectives.

9.1.2 Designated Funds

a. Student Care Centre Fund

Canossaville Student Care Centre is an Integrated Student Care Centre providing after school care services to primary school students including those with hearing loss. This fund was intended for covering various expenditures of operating the Canossaville Student Care Centre.

b. Child Development Unit

The Child Development Unit was uniquely created to enhance and integrate services across the Canossian Village. The CDU supports the needs of the Village and therefore works in close partnership with the different principals and heads to support the holistic needs of the whole child. This is with the hope that every child is able to develop their social, emotional and learning needs to the fullest. The children served are between 18 months to 12 years old.

This fund was intended for covering special programmes/projects that are other than normal operation of the Child Development Unit. In 2019, the fund was reclassified from restricted to designated fund since the donors do not impose any restrictions as to the use of the funds. It is the Charity's initiative to set aside funds from general funds to be used for CDU's operations.

c. Canossaville Preschool Fund

Canossaville Preschool is a mainstream preschool specialising in supporting children with hearing loss for children aged between 18 months to 6 years old. This fund is used to pay various expenses, which are related to services offered by the Canossaville Preschool.

In 2019, the fund was reclassified from restricted to designated fund since the donors do not impose any restrictions as to the use of the funds. It is the Charity's initiative to set aside funds from general funds to be used for Canossaville Preschool's operations.

d. Invictus Fund

The Invictus Fund is received from the National Council of Social Service. The purpose of the grant provided is to support the continued running of the programmes and services during Circuit Breaker, facilitate step-up disinfection of premises, and staff welfare.

e. Joyce Chan Fund

The Joyce Chan Children Fund was started by a donation from the late Ms. Joyce Chan and her family. The fund is intended to be used for children and women under the care of Canossaville Children and Community Services.

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9. Funds (Cont'd)

9.1 Unrestricted funds (Cont'd)

9.1.2 Designated Funds (Cont'd)

f. STT COVID Relief Fund

ST Telemedia Covid-19 response fund was raised through ST Telemedia's Directors and all management and staff, towards the urgent or ad-hoc COVID Relief Funds targeted for needy families.

g. Tote Board Social Service Fund

The Tote Board Social Service Fund is received from the National Council of Social Service. The purpose of the grant provided is to support the mental wellness and parenting programmes and services run by CCDU for families in The Canossian Village.

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9. Funds (Cont'd)

9.1.2 Designated Funds (Cont'd)

The detailed statement of financial activities for the designated funds are as follows:

2020	Student Care Centre Fund S$	Child Development Unit S$	Canossaville Preschool Fund S$	Invictus Fund S$	Joyce Chan Fund S$	STT Covid Relief Fund S$	Tote Board Social Service Fund S$	Total S$
Income from generating funds								
Voluntary income								
- Donations – Tax exempt	3,742	0	0	0	0	30,000	0	33,742
- Donation – Non-tax exempt	5,070	500	0	0	484,780	0	0	490,350
- Grants and fundings	401,996	0	568,117	50,000	0	0	65,760	1,085,873
	410,808	500	568,117	50,000	484,780	30,000	65,760	1,609,965
Income from charitable activities								
Student care fees	386,623	0	0	0	0	0	0	386,623
Preschool fees	0	0	702,449	0	0	0	0	702,449
Registration fee revenue	2,790	0	7,628	0	0	0	0	10,418
Insurance fee revenue	0	0	482	0	0	0	0	482
School bus expense	12,904	0	25,990	0	0	0	0	38,894
Children activities	0	0	2,247	0	0	0	0	2,247
Discount given	(35)	0	(7,229)	0	0	0	0	(7,264)
Child development unit fee	0	11,243	0	0	0	0	0	11,243
Product revenue	0	0	10,056	0	0	0	0	10,056
	402,282	11,243	741,623	0	0	0	0	1,155,148
Other income								
Sundry income	2,316	0	42	0	0	0	0	2,358
Total income	815,406	11,743	1,309,782	50,000	484,780	30,000	65,760	2,767,471

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9. Funds (Cont'd)

9.1.2 Designated Funds (Cont'd)

The detailed statement of financial activities for the designated funds are as follows: (Cont'd)

2020 (Cont'd)	Student Care Centre Fund S$	Child Development Unit S$	Canossaville Preschool Fund S$	Invictus Fund S$	Joyce Chan Fund S$	STT Covid Relief Fund S$	Tote Board Social Service Fund S$	Total S$
Cost of charitable activities								
Catering and refreshments	1,310	0	7,963	0	0	0	0	9,273
CEF subsidy expense	8,222	0	0	0	0	0	0	8,222
Contractor charges	0	0	600	0	0	0	10,705	11,305
Preschool readers	0	0	4,228	0	0	0	0	4,228
Programme supplies	5,207	0	9,967	0	0	0	0	15,174
Staff costs	475,373	0	863,147	3,595	0	0	34,177	1,376,292
Transportation and entrance tickets	13,059	0	25,977	0	0	0	0	39,036
	503,171	0	911,882	3,595	0	0	44,882	1,463,530
Governance and administrative costs								
Accounting fees	0	0	270	0	0	0	0	270
Audit fees	0	0	1,700	0	0	0	0	1,700
Contractor	0	0	5,284	8,930	0	0	0	14,214
Depreciation	0	0	3,257	0	0	0	0	3,257
Event expenses	0	0	0	0	0	30,000	0	30,000
License and subscription	129	0	2,785	1,470	0	0	0	4,384
Marketing and advertising	24	0	100	0	0	0	0	124
Minor assets	3,529	0	599	654	0	0	0	4,782
Miscellaneous charges	169	0	353	0	0	0	0	522
Postage and stamp duties	6	0	355	0	0	0	0	361
Printing and stationery	920	0	1,550	0	0	0	0	2,470
Rental	619	0	2,805	0	0	0	0	3,424
Repair and maintenance	1,882	0	2,458	495	0	0	0	4,835
Staff costs	0	0	0	5,269	0	0	0	5,269
Telephone charges	129	0	105	0	0	0	0	234
Transportation	13	0	151	0	0	0	0	164
	7,420	0	21,772	16,818	0	30,000	0	76,010
Total expenditure	510,591	0	933,654	20,413	0	30,000	44,882	1,539,540
Net income for the financial year	304,815	11,743	376,128	29,587	484,780	0	20,878	1,227,931

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9. Funds (Cont'd)

9.1.2 Designated Funds (Cont'd)

The detailed statement of financial activities for the designated funds are as follows: (Cont'd)

	Student Care Centre Fund S$	Child Development Unit S$	Canossaville Preschool Fund S$	Total S$
2019				
Income from generating funds				
Voluntary income				
Donations – Tax exempt	401	0	55,000	55,401
Donation – Non-tax exempt	20,200	0	16,100	36,300
Grants and funding	291,062	0	405,340	696,402
	311,663	0	476,440	788,103
Income from charitable activities				
Student care fees	411,637	0	0	411,637
Preschool fees	0	0	766,871	766,871
Registration fee revenue	3,060	0	14,075	17,135
Insurance fee revenue	0	0	970	970
School bus expense	14,026	0	32,705	46,731
Children activities	2,356	0	14,141	16,497
Discount given	(150)	0	(5,865)	-6,015
Child development unit fee	0	2,250	0	2,250
Product revenue	0	0	8,940	8,940
	430,929	2,250	831,837	1,265,016
Other income				
Sundry income	110	0	535	645
Total income	742,702	2,250	1,308,812	2,053,764
Expenditure				
Cost of charitable activities				
Catering and refreshments	3,840	0	0	3,840
CEF subsidy expense	4,200	0	0	4,200
Contractor charges	661	0	0	661
Preschool and student care supplies	8,647	0	0	8,647
Staff costs	447,407	0	513,113	960,520
Transportation and entrance tickets	13,704	0	0	13,704
	478,459	0	513,113	991,572
Expenditure				
Governance and administrative costs				
General insurance	81	0	0	81
License and subscription	5,729	0	0	5,729
Minor assets	8,623	0	0	8,623
Miscellaneous charges	2,039	0	0	2,039
Printing and stationery	1,823	0	0	1,823
Rental	546	0	0	546
Repair and maintenance	4,152	0	0	4,152
Staff costs	513	0	0	513
Telephone charges	242	0	0	242
Depreciation	0	0	2,953	2,953
	23,748	0	2,953	26,701
Total expenditure	502,207	0	516,066	1,018,273
Net income/(expenditure) for the financial year	240,495	2,250	792,746	1,035,491

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9. Funds (Cont'd)

9.2 Restricted funds

Restricted funds are funds subject to specific trusts, which may be declared by the donor(s) or with their authority or created through legal process, but still within wider objects of the Charity. For restricted funds other than Lien Foundation Fund, there is no planned timing on the use of the fund.

As at the reporting date, the Charity has the following funds:

9.2.1 Care and Share Fund

Care and share fund is a matching grant from Ministry of Social and Family Development ("MSF"), based on eligible donations raised by the Charity are matched dollar-for-dollar by the government. The matched fund goes towards building the Charity's capabilities and capacity in the provision of social services and programmes for its beneficiaries.

During the financial year 2020, transfer of funds from Care and Share Fund to Accumulated General Fund amounting to S$165,951 refers to various expenditures incurred during the financial year 2018 but only was approved by NCSS on 11 November 2020.

9.2.2 Child Development Unit

The Child Development Unit was uniquely created to enhance and integrate services across the Canossians Village. The CDU supports the needs of the Village and therefore works in close partnership with the different principals and heads to support the holistic needs of the whole child. This is with the hope that every child is able to develop their social, emotional and learning needs to the fullest. The children served are between 18 months to 12 years old.

This fund was intended for covering special programmes/projects that are other than normal operation of the Child Development Unit. In 2019, the fund was reclassified from restricted to designated fund since the donors do not impose any restrictions as to the use of the funds. It is the Charity's initiative to set aside funds from general funds to be used for CDU's operations.

9.2.3 Canossaville Preschool Fund

Canossaville Preschool is a mainstream preschool specialising in supporting children with hearing loss for children aged between 18 months to 6 years old. This fund is used to pay various expenses, which are related to services offered by the Canossaville Preschool.

In 2019, the fund was reclassified from restricted to designated fund since the donors do not impose any restrictions as to the use of the funds. It is the Charity's initiative to set aside funds from general funds to be used for Canossaville Preschool's operations.

9.2.4 Lien Foundation Fund (Formerly known as CCCS Circle of Care Fund)

Funded by Lien Foundation, for the purpose of Canossian Circle of Care @ Canossian Village project (formerly known as "Circle of Care @ Canossian Eduplex" project) which aims at enhancing and integrating services across the traditional silos of early childhood, primary school, special needs, and after school education systems, to demonstrate to relevant stakeholders the importance of holistic approach towards the education and care of children and families, especially those at risk.

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9. Funds (Cont'd)

9.2 Restricted funds (Cont'd)

9.2.4 Lien Foundation Fund (Formerly known as CCCS Circle of Care Fund) (Cont'd)

As set out in the Memorandum of the Understanding (MOU) entered with Lien foundation, the fund is separated into 2 broad lines which is renovation and others. Renovation (CAPEX) is for the renovation works for the expansion and others is for the operating expenses e.g. support, research, consultancy and training expenses. The funds are to be used by end of 2022, balance of which will be discussed with LIEN foundation on the usage.

As per Proposal dated 18 August 2016, the fund is allocated into the following 5 sub-funds:

a. Lien Foundation - Capital Expenditure

This fund was intended for interior works on 2 buildings and rejuvenation of outdoor spaces.

b. Lien Foundation - Child Development Unit

This fund was intended for funding of operating expenses of the Child Development Unit e.g. manpower costs and purchase of services etc.

c. Lien Foundation - Student Care Centre

This fund was intended for covering costs of additional activities above the usual operation of the student care centre. Some of the examples are manpower costs for special needs, art or music teachers; engagement fees and teaching resources for enrichment or special programmes. The funding was estimated at S$310/child/month.

d. Lien Foundation - Research, Consultancy and Training

This fund was intended for evaluation studies, study visits, staff professional development and consultancy services.

e. Lien Foundation – Organization and Staff Development

This fund was intended for Canossaville's strategic exercise, as part of longer-term capability funding for the organization.

9.2.5 Canossaville Education Fund (Formerly known as "CCH Project Makeover Fund")

In 2015, it is approved by ESM Goh Chok Tong that the remaining amount in this fund to be used by the Charity as the project is completed. Management Committee has decided that this fund is to be renamed as Canossaville Education Fund. The fund remained as restricted fund and is to be used for education purposes.

9.2.6 CCCS School Pocket Fund

This Fund was intended for children from low income and at-risk families. It was donated by Steven Ker. The fund is fully utilised and the project ended in financial year 2019.

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9. Funds (Cont'd)

9.2 Restricted funds (Cont'd)

9.2.7 CCCS Enrichment & Therapy Intervention Programme (ETIP)

This Fund was intended for children with additional needs. It was donated by Steven Ker.

9.2.8 CCCS Staff Welfare Fund

This Fund was intended for staff welfare. It was donated by Steven Ker. The fund is fully utilised and the project ended in financial year 2019.

9.2.9 CCCS Transition

To fund the manpower and operational cost involving:

(a) The transition of Magdalene's Kindergarten to the new Canossaville Preschool (CPS). CPS is an inclusive preschool that serves typically developing children, children with additional needs, and children from at-risk backgrounds. It is Singapore's second inclusive preschool (and the first Catholic inclusive childcare), modelled to surpass Kindle Garden. The funds was put to work to collaborate with education consultants to develop and adopt best practices relating to policies, practice, space design and staff configuration.

(b) The establishment of the new Canossaville Child Development Unit (CCDU): A specialist team focuses on serving CCCS and also other entities within the Canossian School (Hearing Impaired). Our specialists will include social workers, a speech therapist and an educational psychologist, to provide additional professional help required by children and their families. The fund is fully utilised and the project ended in financial year 2019.

9.2.10 CCCS Learning Journeys

This fund was intended for overseas trip to study the Reggio Emilia approach and Anji Play Method of educational philosophy. On 17 September 2019, Lee Foundation has given its consent for this fund to be used for Staff Learning Journey to understand and learn the approach of the Canossian Schools, from preschool to secondary, in Italy.

9.2.11 Khoo Chwee Neo Foundation Fund

This fund was intended for providing meal programmes for children in student care centre and preschool estimated at S$1/children/day for breakfast and S$2/children/day for lunch.

9.2.12 Canossa Mission Singapore

This fund was intended for covering expenditures on teaching aids, teaching resources and furniture and fittings for the Canossaville Preschool.

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9. Funds (Cont'd)

9.2 Restricted funds (Cont'd)

9.2.13 Lee Foundation Laptop Fund

This fund was intended for covering expenditures on purchase of laptops for staff/teachers at the Canossaville Student Care, Preschool and Child Development Unit.

9.2.14 Lee Foundation S-Fan and PA System Fund

This fund was intended for covering expenditures on installation and maintenance of big ceiling fans and PA Systems for Blocks C and D.

9.2.15 Student Transport Fund

This fund was intended for subsidising students' school bus expenses or other transport expenses.

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9. Funds (Cont'd)

9.2 Restricted funds (Cont'd)

The detailed statement of financial activities for restricted funds are as follows:

		Lien Foundation Fund													
	Care & Share Fund	**Capital Expenditure**	**Child Development Unit**	**Student Care Centre**	**Research, Consultancy and Training**	**Organization and Staff Development Fund**	**Canossaville Education fund**	**CCCS ETIP**	**CCCS Learning Journeys**	**Khoo Chwee Neo Foundation Fund**	**Canossa Mission Singapore**	**Lee Foundation Laptop Fund**	**Lee Foundation S-Fan and PA System Fund**	**Student Transport Fund**	**Total**
2020	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Income from – generating funds															
Voluntary income															
- Donations – Tax exempt	0	0	0	0	0	0	139,868	0	0	0	0	0	0	25,000	164,868
- Donations – Non tax exempt	0	0	0	0	0	0	4,083	0	0	0	0	0	0	105,779	109,862
- Grants and fundings	165,951	0	0	0	0	100,000	0	0	0	0	0	0	0	0	265,951
	165,951	0	0	0	0	100,000	143,951	0	0	0	0	0	0	130,779	540,681
EXPENDITURE															
Cost of charitable activities															
Catering and Refreshment	0	0	43	0	0	0	0	0	0	25,348	0	0	0	0	25,391
CEF subsidy expense	0	0	0	0	0	0	14,812	0	0	0	0	0	0	0	14,812
Consultancy fee	0	0	1,600	0	90,421	0	0	0	0	0	0	0	0	0	92,021
Contractors charges	0	0	408,029	0	0	0	0	0	0	0	0	0	0	0	408,029
Programme supplies	0	0	6,207	0	0	0	0	0	0	0	0	0	0	0	6,207
Staff costs	0	0	422,457	158,913	0	0	0	0	0	0	0	0	0	0	581,370
Transportation and entrance tickets	0	0	0	0	0	0	0	0	0	0	0	0	0	49,363	49,363
	0	0	838,336	158,913	90,421	0	14,812	0	0	25,348	0	0	0	49,363	1,177,193
Governance and administrative costs															
Consultancy fees	0	0	0	0	0	40,210	0	0	0	0	0	0	0	0	40,210
Depreciation of property, plant and equipment	231,470	1,000,000	0	0	0	0	0	428	0	0	466	6,550	2,874	0	1,241,788
Learning journey expenses	0	0	0	0	0	0	0	0	324	0	0	0	0	0	324
License and subscription	0	0	753	0	0	0	0	0	0	0	0	0	0	0	753
Marketing and advertising	0	0	82	0	0	0	0	0	0	0	0	0	0	0	82
Minor assets	0	0	1,406	0	0	0	0	0	0	0	0	0	93	0	1,499
Miscellaneous charges	0	0	327	0	0	0	0	0	0	0	0	0	0	0	327
Printing and stationery	0	0	1,886	0	0	0	0	0	0	0	0	0	0	0	1,886
Rental	0	0	619	0	0	0	0	0	0	0	0	0	0	0	619
Repairs and maintenance	0	0	407	0	0	0	0	0	0	0	0	0	0	0	407
Telephone / fax / internet	0	0	58	0	0	0	0	0	0	0	0	0	0	0	58
Transportation and entrance tickets	0	141	0	0	0	0	0	0	0	0	0	0	0	0	141
	231,470	1,000,000	5,679	0	0	40,210	0	428	324	0	466	6,550	2,967	0	1,288,094
Total expenditure	231,470	1,000,000	844,015	158,913	90,421	40,210	14,812	428	324	25,348	466	6,550	2,967	49,363	2,465,287
NET INCOME/ (EXPENDITURE) FOR THE FINANCIAL YEAR	(65,519)	(1,000,000)	(844,015)	(158,913)	(90,421)	59,790	129,139	(428)	(324)	(25,348)	(466)	(6,550)	(2,967)	81,416	(1,924,606)

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9. Funds (Cont'd)

9.2 Restricted funds (Cont'd)

The detailed statement of financial activities for restricted funds are as follows: (Cont'd)

				Lien Foundation Fund														
	Care & Share Fund	**Child Development Unit**	**Canossaville Preschool Fund**	**Capital Expenditure**	**Child Development Unit**	**Student Care Centre**	**Research, Consultancy and training**	**Canossaville Education Fund**	**CCCS School Pocket Fund**	**CCCS ETIP**	**CCCS Staff Welfare Fund**	**CCCS Transition**	**CCCS Learning Journeys**	**Khoo Chwee Neo Foundation Fund**	**Canossa Mission Singapore**	**Lee Foundation Laptop Fund**	**Lee Foundation S-Fan and PA System Fund**	**Student Transport Fund**	**Total**
2019	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$	S$
Income from – generating funds																			
Voluntary income																			
- Donations – Tax exempt	0	0	0	0	0	0	0	26,148	0	0	0	0	0	50,000	0	23,000	54,870	40,000	194,018
- Donations – Non tax exempt	0	0		0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,020	10,020
- Grants and fundings	0	0	0	0	1,309,495	558,000	132,250	0	0	0	0	0	0	0	0	0	0	0	1,999,745
	0	0	0	0	1,309,495	558,000	132,250	26,148	0	0	0	0	0	50,000	0	23,000	54,870	50,020	2,203,783
EXPENDITURE																			
Cost of charitable activities																			
Catering and Refreshment	0	0	3,628	0	55	0	0	0	5,000	0	321	3,574	0	15,713	302	0	0	0	28,593
CEF subsidy expense	0	0	0	0	0	0	0	23,077	0	0	0	0	0	0	0	0	0	0	23,077
Contractors charges	0	0	6,713	0	456,144	6,960	0	0	0	0	0	13,722	0	0	0	0	0	0	483,539
Programme supplies	0	2,250	3,891	0	4,955	80	0	0	0	5,516	0	861	0	0	1,817	0	0	0	19,370
Preschool readers	0	0	5,307	0	0	0	0	0	0	0	0	375	0	0	0	0	0	0	5,682
Staff costs	0	0	322,716	0	187,384	138,378	0	0	0	0	0	0	0	0	0	0	0	0	648,478
Transportation and entrance tickets	0	0	36,053	0	0	2,211	0	0	0	0	0	0	0	0	0	0	0	28,355	66,619
	0	2,250	378,308	0	648,538	147,629	0	23,077	5,000	5,516	321	18,532	0	15,713	2,119	0	0	28,355	1,275,358
Governance and administrative costs																			
Audit fees	0	0	1,200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,200
Bank charges	0	0	2	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2
Consultancy fees	0	0	0	0	0	0	63,219	0	0	0	0	0	0	0	0	0	0	0	63,219
Depreciation of property, plant and equipment	265,306	0	8,560	1,000,000	0	0	0	0	0	357	0	0	0	0	78	13,820	479	0	1,288,600
General insurance	0	0	162	0	37	0	0	0	0	0	0	0	0	0	0	0	0	0	199
Household expenses	0	0	3,690	0	0	0	0	0	0	0	0	11,639	0	0	0	0	0	0	15,329
Learning journey expenses	0	0	4,000	0	0	0	0	0	0	0	0	0	6,841	0	0	0	0	0	10,841
License & Subscription	0	0	8,439	0	300	0	0	0	0	0	0	0	0	0	0	0	0	0	8,739
Minor assets	0	0	1,978	0	4,855	0	0	0	0	0	0	0	0	0	98	319	0	0	7,250
Miscellaneous charges	0	0	1,654	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,654
Postage and stamp duties	0	0	9	0	3	0	0	0	0	0	0	0	0	0	0	0	0	0	12
Printing and stationery	0	0	1,201	0	1,133	0	0	0	0	0	0	634	0	0	0	0	0	0	2,968
Rental	0	0	1,541	0	546	0	0	0	0	0	0	2,440	0	0	0	0	0	0	4,527
Repairs and maintenance	0	0	1,050	0	380	0	0	0	0	0	0	800	0	0	0	0	0	0	2,230
Staff costs	0	0	447	0	409	0	0	0	0	0	5,671	71	0	0	0	0	0	0	6,598
Telephone / Fax / Internet	0	0	260	0	0	0	0	0	0	0	0	1,040	0	0	0	0	0	0	1,300
Transportation and entrance tickets	0	144	0	544	0	0	0	0	0	0	0	0	0	0	0	0	0	0	688
	265,306	0	34,337	1,000,000	8,207	0	63,219	0	0	357	5,671	16,624	6,841	0	176	14,139	479	0	1,415,356
Total expenditure	265,306	2,250	412,645	1,000,000	656,745	147,629	63,219	23,077	5,000	5,873	5,992	35,156	6,841	15,713	2,295	14,139	479	28,355	2,690,714
NET INCOME/ (EXPENDITURE) FOR THE FINANCIAL YEAR	(265,306)	(2,250)	(412,645)	(1,000,000)	652,750	410,371	69,031	3,071	(5,000)	(5,873)	(5,992)	(35,156)	(6,841)	34,287	(2,295)	8,861	54,391	21,665	(486,931)

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10. Staff costs

	2020 S$	2019 S$
CPF contributions and SDL	317,052	265,472
Foreign workers levy	11,190	14,411
Staff salaries and bonuses	2,255,489	1,816,217
Staff welfare and others	64,729	87,102
	2,648,460	2,183,202
The staff costs were allocated as follows:		
- Cost of charitable activities	1,957,662	1,608,998
- Governance and other administrative costs	690,798	574,204
	2,648,460	2,183,202

In 2020 and 2019, none of the Charity's 3 highest paid staff received an annual remuneration of S$100,000 and above.

During the financial year, the Charity employed an average of 68 (2019: 62) staffs.

11. Income tax

The Charity is registered under the Charities Act since 29 June 1987. Consequently, the income of the Charity is exempted from tax under the provisions of Section 13 of the Income Tax Act, Chapter 134.

12. Related party transactions

The following transactions took place between the Charity and its related parties during the financial year at terms agreed between the parties:

	2020 S$	2019 S$
Settlement of liabilities on behalf of		
- Canossa Mission Singapore	626,794	200,127
Contributions for premises and facilities paid to Canossian Daughters of Charity	384,000	384,000
Staff welfare and training expenses	0	1,840
Collections on behalf of Canossa Mission Singapore	446,657	150,373
Shared cost with Canossian School	17,385	74,996
Catering meals, EL Readers, Recruitment related expenses, Internship allowance, Employees training, Office welfare for Canossa Catholic Primary School	187	2,677

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12. Related party transactions (Cont'd)

The Committee Members are volunteers and receive no monetary remuneration for their Committee services.

The remuneration of key management personnel during the financial year for services rendered other than Committee services was as follows:

	2020 S$	2019 S$
Short term benefits – salary and bonus	46,235	103,825
Post-employment benefits - Contributions to CPF	4,171	14,581

Remuneration band	2020 No. of key management personnel	2019 No. of key management personnel
S$50,000 – S$100,000	1	1
Below S$50,000	0	1

The remuneration of key management personnel disclosed are that of the Director positions.

There are no paid staff(s) who are close members of the family of the executive heads or Management Committee members, and whose remuneration each exceeds $50,000 during the year.

13. Commitments

13.1 Operating lease

At the reporting date, the Charity has non-cancellable commitments relating to the lease of office equipment as follows;

	2020 S$	2019 S$
Not later than one year	2,448	2,448
Later than one year but not later than five years	4,488	6,936
	6,936	9,384

13.2 Other commitments

At the reporting date, the Charity has non-cancellable commitments relating to the professional fee on secondment services as follows:

	2020 S$	2019 S$
Not later than one year	408,568	163,398
Later than one year but not later than five years	57,582	163,398
	466,150	326,796

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14. Reserve position and policy

The Charity's reserve position for financial year ended 31 December 2020 is as follows:

		2020	2019	Increase / (Decrease)
		S$'000	S$'000	%
	Unrestricted funds			
A	- Accumulated general funds	2,392	1,981	21
B	- Designated funds	2,264	1,036	119
C	Restricted funds	7,075	9,165	(23)
D	Endowment funds	N/A	N/A	
E	Total funds	11,731	12,182	(4)
F	Total annual operating expenditure	5,616	5,200	8
G	Ratio of funds to annual operating expenditure (A/F)	0.43	0.38	

Reference:
D. An endowment fund consists of assets, funds or properties that are held in perpetuity which produce annual income flow for a foundation to spend as grants.
E. Total funds include unrestricted, restricted / designated and endowment funds.
F. Total annual operating expenditure includes expenditure related to Cost of Generating Funds, Cost of Charitable Activities and Governance and Administrative Costs.

The Charity's reserve policy is as follows:

The Charity have set aside reserves to provide financial stability and means for the development of the principal activity. The Charity will maintain a reserve of not more than 3 years of its annual operating expenditure. This cap will be reviewed yearly by the Management Committee.

15. Fund management

The Charity's Management Committee manages its working capital to ensure that the Charity will be able to continue as a going concern.

The Charity's overall strategy remains unchanged as at 31 December 2020.

16. Jobs Support Scheme

During the financial year, the Charity recognised income of S$635,934 from Jobs Support Scheme. This amount is determined based on the number of eligible staff for the year. However, the management is of the view that there is no obligation to allocate the JSS grant income between the General Fund and Designated and Restricted Funds. Having considered the financial position of the Charity, the management decided to recognise the JSS grant income wholly under General fund and to apply it as it deemed appropriate in accordance with the Charity's activities and objectives.

17. Management of conflict of interest

Management Committee Members are required to disclose any interest that they may have, whether directly or indirectly, that the Charity may enter into or in any organisations that the Charity has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Charity's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Charity's Management Committee Members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

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18. Impact of COVID-19 (Coronavirus Disease 2019)

The COVID- 19 pandemic has affected almost all countries of the world and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Charity's significant operations are in Singapore which have been affected by the spread of COVID-19 in 2020. The nature of the Charity's activities are those of providing preschool education and after-school care services. The impact of COVID-19 on the Charity's financial performance reflected in this set of financial statements for the year ended 31 December 2020 are summarised below:

i. The Charity has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The management is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the service disruption.

ii. The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020 to 1 June 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for the local and the global supply chains, all businesses are required to suspend all in-person activities and the Charity's physical operations were temporarily closed to adhere to the respective governments' movement control measures.

iii. The government has also implemented assistance measures which might mitigate some of the impact of COVID-19 on the Charity's results and liquidity.

As the global COVID-19 situation remains very fluid as at the date of these financial statements were authorised for issuance, the Charity cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021. If the situation persists beyond management's current expectations, the Charity's assets may be subject to further write downs in the subsequent financial years.

19. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee of the Charity on 13 August 2021.