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20TH ANNUAL GENERAL MEETING

**Saturday, 27 APRIL 2019
@ 10.00 AM**

2018 ANNUAL REPORT

CONTENTS

- 1. Agenda**
- 2. President's Address**
- 3. Confirmation of Minutes**
- 4. Audited Financial Statements 31st December 2018**
 - 4.1 Good News Community Services [Consolidated]
 - 4.2 Pasir Ris Family Service Centre
 - 4.3 Sonshine Childcare Centre
- 5. Reports from the Centres**
 - 5.1 Pasir Ris Family Service Centre
 - 5.2 Sonshine Child Care Centre
- 6. Corporate Governance and Policies**
 - 6.1 Governance Evaluation Checklist
 - 6.2 Reserves and Investment Policy

GOOD NEWS COMMUNITY SERVICES (“GNCS”)

NOTICE IS HEREBY GIVEN that the 20th Annual General Meeting of GNCS will be held on 27th April 2019 at 10.00 a.m. at COR Conference Room #02-15

AGENDA

1. President’s Address
2. Opening Prayer
3. Confirmation of Minutes of the 19th AGM held on 28th Apr 2018 and EGM held on the 28th October 2018
4. Matters Arising
5. To receive and adopt the audited financial statements for the year ended 31st December 2018
6. To appoint E H Luar & Co as auditor and to authorize Executive Committee to approve the audit fees for the year ended 31st December 2019
7. Reports from the Centres
 - Pasir Ris Family Service Centre
 - Sonshine Child Care Centre
8. Election of Management Committee
9. Any other matters
10. Closing Prayer

President's Address

Dear Friends

The Apostle Paul proclaimed in the introduction of his letter to the church in Rome, "I am not ashamed of the gospel; it is the power of God for salvation to everyone who has faith, to the Jew first and also to the Greek (Rom 1:16-17, NRSV)." The Gospel, or the Good News is indeed the single message of the Church. In fact, it is the only thing the Church has to offer this world. Sadly, our own understanding of this Good News has often been lacking focusing on the importance of the spiritual at the expense of the material. We preach about escaping the corruption of a fallen and temporal world into God's blissful and eternal heaven. But the Gospel is powerful not just for heaven but for life on earth. The Good News is about God's redemptive work in the old creation. The old will not be discarded but renewed. It will be infused with the life of heaven. This new reality has already begun with the life, death and resurrection of God's Son Jesus Christ. That is why the Church is to pray for God's kingdom to come, for His will to be done on earth as it is in heaven right now. Through the ministry of His Church, God's justice, mercy and love can be experienced in part in our fallen world right now, and in its fullness when Jesus returns in the future. That is what Good News Community Services (GNCS) is all about. We are founded to demonstrate God's love and care for the entire person – spirit, soul and body. Through the professional services offered in Pasir Ris Family Service Centre (PRFSC) and Sonshine Childcare Centre (SCC), we seek to "initiate, assist and organize activities and schemes of social service" to the residents in Singapore regardless of their "age, sex, race, nationality, religion or moral character, by the provision of assistance, education, training, service or counselling."

In the coming years, we continue to look for ways to serve our society. One area of ministry we are working on is expanding the services in PRFSC to serve the homeless in Changi. We are also on the lookout for opportunities to bring our services closer to our founding church, Chapel of the Resurrection (COR) in Potong Pasir or nearby Bidadari. A tighter integration and collaboration between COR and GNCS will enable us to leverage on the strengths and resources in both entities to better serve the residents in these neighbourhoods. As the childcare sector in Singapore evolves and we face keen competition from other service providers, SCC is looking out for opportunities to collaborate with like-minded partners to bring holistic preschool education to our next generation.

With these challenges and opportunities ahead of us, I want to encourage us to put our confidence in the One who has called us. As we continue to proclaim and demonstrate this Good News faithfully, our God shall supply all our needs according to His riches in glory (Phil 4:19).

Rev David Lee

President, GNCS

GOOD NEWS COMMUNITY SERVICES
19th ANNUAL GENERAL MEETING

MINUTES OF MEETING

Date: 28th April 2018
Time: 10.00am – 12.30pm
Venue: Chapel of the Resurrection, #02-15
Chaired by: Bishop Kuan Kim Seng, President

Present		
1.	Bishop Kuan Kim Seng	President
2.	Rev David Lee Peng Ong	Ordinary Member
3.	Mr Peter Hui Kwok Thong	Vice President
4.	Mr Gan Tian Huat	Honorary Treasurer
5.	Ms Jacqueline Tan Yi Ping	Honorary Secretary
6.	Mr Simon Soh Soon Heng	MC Member
7.	Mr Dui Sian Ling	MC Member and HR Committee Chairman
8.	Mr Timothy Ng Heo Yong	MC Member and Audit Committee Chairman
9.	Mr Lee Kong Wee	MC Member
10.	Mr Peter Chang Kay Hoi	Ordinary Member
11.	Mr Christopher Krishnasamy	Ordinary Member
By Invitation		
1.	Ms Umaglia Kancanangai Sangeeta	SCC Principal
2.	Mr See Choon Wai	PRFSC Executive Director
3.	Mr James Zhou Guangquan	HQ Development Manager
Absent with Apologies		
1.	Ms Lim Siew Lin	MC Member
2.	Dr Leong Soon Kai	Ordinary Member
3.	Mr Tay Khoon Eng	Ordinary Member
4.	Mr Scott Lee Hon Mun	Ordinary Member
5.	Mr Vincent Wang Zexiong	Ordinary Member
6.	Mr Chelladurai Subasanran	Ordinary Member
7.	Ms Lim Huey Shan Cherly Fay	Ordinary Member
8.	Ms Carol Lee Seok Hwa	Ordinary Member

S/N	Item	Action
1.	President's Address	
1.1	Bishop Kuan shared from Numbers 8:23-28 regarding the service age of Levites. Levites were set apart by God to lead Israel in the worship of God. They serve from 25years till 50years of age, after which they must retire from their regular service and work no longer. The worship of God is perpetual, but man does not live forever at this end of eternity, hence this system of retirement and renewal to facilitate the process of continued worship of God.	

1.2	With Bishop's retirement, he would hand over the leadership of GNCS. He thanked everyone for their service in this ministry and the privilege of providing leadership in some small way. He called for support for the new President. He urged members to look into whole ministry of GNCS as part of COR to love our neighbours as ourselves.	
2.	Opening Prayer	
2.1	Rev David led the meeting with a word of prayer.	
3.	SCC Logo	
3.1	<p>The meeting reviewed various draft logos. Proposed logo uses silhouettes to represent creativity and imagery of child raising hand in front of adult to illustrate character building, curiosity and eagerness to learn. For corporate identity, font colours of orange and blue were adopted from GNCS logo.</p> <div data-bbox="266 795 521 1052" data-label="Image"> </div> <div data-bbox="542 864 1133 1052" data-label="Image"> </div>	
3.2	Regarding linking SCC to GNCS and COR through wordings on the logo similar to PRFSC, this matter will be discussed separately.	
3.3	Meeting discussed cost impact of multiple colours for printing on collaterals. Meeting agreed corporate colours of orange and blue should be fixed and designer to propose suitable tones. Logo should be fun, lively and attractive to young parents. Fonts should be childlike.	
3.4	<p>Following logo was selected for refinement. Books would be changed to coloured ABC blocks. Volunteer Jeffrey would create 3 iterations of logo with different fonts. Sangeeta would poll parents, students and teachers on preferred logo with voting box by 11th May 2018. Meeting agreed that top voted logo would be chosen. If there's a tie of votes, MC members Peter Hui, Jacqueline Tan and Simon Soh would decide.</p> <div data-bbox="266 1729 868 1944" data-label="Image"> </div>	Sangeeta
4.	Confirmation of Minutes	

4.1	18th AGM held on 19th Apr 2017	
4.1.1	Para 5.5 revised as follows: Khoon Eng highlighted GNCS consolidated operating surplus of \$332K based on PRFSC's surplus of \$451K, SCC's deficit of \$95K and CSCC's deficit of \$22K. PRFSC's restricted funds stands at \$4,179K and restricted <u>unrestricted</u> funds at \$1,118K. SCC's unrestricted funds stands at \$472K.	
4.1.2	There being no further query or amendment to the minutes, the minutes were approved by all present. <ul style="list-style-type: none"> • Proposer: Ms Jacqueline Tan Yi Ping • Seconder: Mr Peter Chang Kay Hoi 	
4.2	EGM held on the 30th April 2017	
4.2.1	There being no amendment to the minutes, the minutes were approved by all present. <ul style="list-style-type: none"> • Proposer: Mr Gan Tian Huat • Seconder: Mr Dui Sian Ling 	
4.3	EGM held on the 29th October 2017	
4.3.1	There being no amendment to the minutes, the minutes were approved by all present. <ul style="list-style-type: none"> • Proposer: Mr Lee Kong Wee • Seconder: Mr Gan Tian Huat 	
5.	Matters Arising	
5.1	Management Letter	
5.1.1	Para 5.4.5: Regarding non-attendance of SCC students and wrongful claims of subsidy from ECDA, Sangeeta feedback that the case has been reported to ECDA and subsidy will be retrieved from parents. Khoon Eng, Karen and James will study and enhance the subsidy claim process in SCC.	
5.1.2	Update: Due to resource constraints, GNCS will request for Internal Auditors to conduct the review and enhancement of subsidy claim process in SCC.	
6.	To receive and adopt the audited financial statements for the year ended 31st December 2017	
6.1	Financial statements were circulated on 17 th April 2018. The meeting approved to waive 2 weeks' notice requirement. <ul style="list-style-type: none"> • Proposer: Mr Peter Hui Kwok Thong • Seconder: Mr Dui Sian Ling 	

6.2

Overall

Items	YTD 2017	YTD 2016	% change 2017 vs 2016
Total Income	\$2,334,046	\$2,791,018	(16.4%)
Total Expenditure	\$2,335,096	\$2,458,782	(5.0%)
Surplus (Deficit) for the year	(\$1,050)	\$332,236	(333,286)

Income

6.3.1

For the year ended 31st December 2017, Total Income decreased by 16.4% or \$456,972 mainly contributed by the following:

Income	Items
\$271,203	Reduction in funding from TBSFF. MC decided not to seek funding from TBSFF from April 2017.
\$81,472	Closure of CSCC
\$69,877	Reduction in Special Employment Credits and Wage Credit Scheme
\$34,420	Various Items (7.5% of total reduction)
\$456,972	Total

Expenditure

6.3.2

For the year ended 31st December, 2017, Total Expenditure decreased by 5.0% or \$123,686 mainly contributed by the following:

Items	YTD 2017	YTD 2016	% change 2017 vs 2016
Manpower Expenditure Unrestricted	\$835,462	\$752,844	11.0%
Manpower Expenditure Restricted	\$1,135,043	\$1,175,582	(3.4%)
Total Manpower Cost	\$1,970,505	\$1,928,426	2.2%
Other Expenditure Unrestricted	\$203,769	\$220,135	(7.4%)
Other Expenditure Restricted	\$160,823	\$310,222	(48.2%)
Total Other Expenditure	\$364,592	\$530,357	(31.3%)
Total Expenditure Unrestricted	\$1,039,231	\$972,979	6.8%
Total Expenditure Restricted	\$1,295,866	\$1,485,804	(12.8%)
Total Expenditure	\$2,335,097	\$2,458,783	(5.0%)

6.3.3

Total Manpower Expenditure for YTD2017 included reclassification of GNCS HQ costs. In 2016 GNCS HQ Manpower Expenditure \$154,950 was captured under Governance Cost – Administrative Support Cost. The restated

Manpower Expenditure for 2016 will be \$2,083,376. Compared to this restated amount Manpower Expenditure for YTD2017 reduced by 5.4% or \$112,871 mainly contributed by the following:

- a) Lower ex-gratia bonus in PRFSC
- b) Delay in filling vacancies in PRFSC because of the tight labour supply market in the social worker industry.
- c) Reduction in manpower expenditure in CSCC which was closed on June 30, 2017

6.3.4 Offset by 2017 salary program.

Centres	YTD 2017	YTD 2016	Restated YTD 2016	% change 2017 vs Restated YTD 2016
PRFSC	\$1,135,043	\$1,175,582	\$1,175,582	(3.4%)
SCC	\$630,722	\$655,400	\$655,400	(3.8%)
CSCC	\$53,229	\$97,444	\$97,444	(45.4%)
GNCS (HQ)	\$151,511	-	\$154,950	(2.2%)
Total GNCS	\$1,970,505	\$1,928,426	\$2,083,376	(5.4%)

6.3.5 Total Other Expenditure for YTD2017 reduced by 31.3%, or \$165,765 mainly from the reclassification of Governance Cost – Administrative Support Cost to Manpower Expenditure for YTD2017.

6.3.6 **Net (Expenditure) Income**

Items	GNCS	PRFSC	SCC	CSCC	YTD 2017	YTD 2016
Income from generated funds	\$219,688	\$59,673	\$640,480	\$25,166	\$729,612	\$821,703
Income from charitable activities		\$1,484,049			\$1,487,869	\$1,803,031
Other Income	\$29,683	\$41,245	\$45,469	\$4,389	\$116,565	\$166,285
Total INCOME	\$249,371	\$1,584,967	\$685,949	\$29,555	\$2,334,046	\$2,791,018
Manpower Costs	\$151,512	\$1,135,043	\$630,721	\$53,228	\$1,970,505	\$1,928,426
Other Cost of Generating Funds	\$17,890	\$79,604	\$120,252	\$9,757	\$148,090	\$141,982
Other Cost of Charitable Activities		\$74,580			\$154,183	\$175,909
Governance	\$40,031	\$159,236	\$78,285	\$4,381	\$62,319	\$212,466

Costs						
Other Expenditure						
Total EXPENDITURE	\$209,433	\$1,448,463	\$829,258	\$67,366	\$2,335,097	\$2,458,783
Net (Expenditure) Income for the year	\$39,938	\$136,504	(\$143,309)	(\$37,811)		
Allocate GNCS Expenditure to Centres						
Eliminate Income/ Admin Support Cost	(\$219,616)	\$147,486	\$69,174	\$2,956		
Adjusted Net (Expenditure) Income	\$39,938	\$283,990	(\$74,135)	(\$34,855)		
Fund Transfer	(\$50,000)		\$50,000			

6.3.7

Details of Fund Movements

	Unrestricted Fund			Restricted Fund	Total Funds
Combined GNCS	General Fund	Designated Fund	Total Unrestricted Fund		
2017 Brought Forward	\$1,484,356	\$384,329	\$1,868,629	\$4,179,432	\$6,048,118
Net (Expenditure) Income for the year 2017	(\$252,164)	\$14,273	(\$237,891)	\$236,841	(\$1,050)
Gross Transfer between Funds	(\$48,166)	\$48,166		-	-
Total Funds Carried Forward	\$1,331,511	\$443,140	\$1,774,651	\$4,272,417	\$6,047,068
By Operating Centres					
GNCS	\$142,487	\$14,430	\$156,917	\$3,629	\$160,546
PRFSC	\$975,457	\$254,680	\$1,230,137	\$4,268,788	\$5,498,925
SCC	\$213,567	\$174,030	\$387,597	-	\$387,597
Total	\$1,331,511	\$443,140	\$1,774,651	\$4,272,417	\$6,047,068

6.3.8

The audited financial statements for the year ended 31st December 2017 was

6.3.9	<p>received and adopted.</p> <ul style="list-style-type: none"> Proposed: Mr Peter Hui Kwok Thong Seconded: Mr Lee Kong Wee <p>All present approved the audited accounts.</p>	
7.	To appoint E H Luar & Co as auditor and to authorize Executive Committee to approve the audit fees for the year ended 31st December 2018	
7.1	<p>The meeting approved the appointment of E H Luar & Co as auditor for FY2018 and authorized Executive Committee to approve the audit fees for the year ended 31st December 2018.</p> <ul style="list-style-type: none"> Proposer: Mr Gan Tian Huat Seconder: Mr Timothy Ng Heo Yong 	
8.	Reports from the Centres - Pasir Ris Family Service Centre	
8.1	<p>Choon Wai presented PRFSC report (refer to Annual Report).</p>	
8.2	<p>PRFSC turnover rate was estimated at 20% which is similar to other FSC's due to shortage of experienced workers. Based on number of cases in PRFSC, current manpower is optimised for operational requirements. Additional manpower would be needed for expansion. Burnout and tiredness of staff could be attributed to complexity of cases. Some staff also left due to better benefits and working environment elsewhere. Also, due to scale of PRFSC with limited growth and career advancement prospects, there will be staff moving for these reasons. Meeting discussed appraisal and incentive system in GNCS. Turnover rate is expected to improve in 2018.</p>	
9.	Reports from the Centres – Sonshine Childcare Centre	
9.1	<p>Sangeeta presented SCC report (refer to Annual Report).</p>	Sangeeta
9.2	<p>Meeting suggested following changes from next annual report onwards:</p> <ul style="list-style-type: none"> Structure SCC report in terms of SPARK main criteria where appropriate (Leadership, Planning and Administration, Staff Management, Resources, Curriculum, Pedagogy) Include enrolment numbers for past 3years 	
9.3	<p>Regarding graduation ceremony, meeting suggested using COR premises on Saturday morning to reduce costs.</p>	
9.4	<p>Meeting requested for specific plan to increase enrolment numbers. Meeting queried about manpower requirement and optimization in view of current levels of support provided by HQ and MC members. Sangeeta will present plan during next MC meeting.</p>	
9.5	<p>Bishop Kuan summarized that this is the best possible opportunity and time to increase enrolment and hopes that SCC will be able to turn the corner.</p>	

10.	Reports from the Centres – Commonwealth Student Care Centre	
10.1	The meeting referred to annual report.	
11.	Resignation of President	
11.1	Bishop Kuan thanked God for the opportunity to serve, thanked the members and alluded to his opening address regarding handing over the ministry.	
11.2	Peter Hui, on behalf of MC as Vice President, expressed his gratitude and appreciation to Bishop Kuan's leadership.	
11.3	The meeting accepted Bishop Kuan's resignation as President of GNCS.	
12.	Election of President	
12.1	There being no other candidates, the meeting approved the appointment of Rev David Lee Peng Ong as President of GNCS. <ul style="list-style-type: none"> • Proposer: Mr Peter Hui Kwok Thong • Seconder: Ms Jacqueline Tan Yi-Ping 	
13.	Any Other Business	
13.1	GNCS as part of COR	
13.1.1	Rev David thanked God for the gifts and talents given to COR. Community service is a very important arm of the church to demonstrate the love of God. He expressed his appreciation to members to serve in this capacity and looks forward to working with MC to operationalise the ministry.	
13.1.2	Peter Hui highlighted the challenge of positioning GNCS in relation to COR. Rev David expressed the importance of recapturing the vision for COR which includes GNCS as a channel to bless the community. The meeting discussed different ways to link GNCS back to COR. Bishop Kuan suggested placing a weekly prayer item into COR bulletin. The meeting discussed highlighting GNCS during COR's 40 th Anniversary thanksgiving and setting up Student Care Centre at Cedar Primary School.	James
14.	Closing Prayer	
14.1	Bishop Kuan closed the meeting with a word of prayer.	

Prepared by: James Zhou, Development Manager

Approved by:

Bishop Kuan Kim Seng, President

**GOOD NEWS COMMUNITY SERVICES
EXTRAORDINARY GENERAL MEETING**

MINUTES OF MEETING

Date: 28th October 2018
Time: 12.15pm – 1.00pm
Venue: Diocesan Centre Building, #02-02
Chaired by: Rev David Lee Peng Ong, President

Present		
1.	Rev David Lee Peng Ong	President
2.	Mr Peter Hui Kwok Thong	Vice President
3.	Mr Gan Tian Huat	Honorary Treasurer
4.	Ms Jacqueline Tan Yi Ping	Honorary Secretary
5.	Mr Simon Soh Soon Heng	MC Member
6.	Mr Dui Sian Ling	MC Member and HR Committee Chairman
7.	Mr Timothy Ng Heo Yong	MC Member and Audit Committee Chairman
8.	Ms Lim Siew Lin	MC Member
9.	Mr Peter Chang Kay Hoi	Ordinary Member
Absent with Apologies		
1.	Mr Lee Kong Wee	MC Member
2.	Dr Leong Soon Kai	Ordinary Member
3.	Mr Scott Lee Hon Mun	Ordinary Member
4.	Mr Christopher Krishnasamy	Ordinary Member
5.	Mr Tay Khoon Eng	Ordinary Member
6.	Mr Vincent Wang Zexiong	Ordinary Member
7.	Mr Chelladurai Subasanran	Ordinary Member
8.	Ms Lim Huey Shan Cherly Fay	Ordinary Member
9.	Ms Carol Lee Seok Hwa	Ordinary Member

S/N	Item	Action
1.	Welcome and Opening Prayer	
1.1	President welcomed everyone and opened the meeting with a word of prayer.	
2.	Partnership with St. James' Preschool Services (SJPS) to Manage Sonshine Childcare Centre (SCC)	
2.1	Proposed collaboration Model 2 entails appointing SJPS as Managing Operator while GNCS retains ownership and responsibility for profits and losses.	
2.2	Against the backdrop of ongoing deficits at SCC, concerns were raised on the sustainability of Model 2 for GNCS.	
2.3	With SJPS' branding, reputation and operational expertise, this collaboration will serve to further enhance operations and allow SCC to be	

	more competitive. The meeting expects the collaboration to spur increased enrolment and income in SCC and thereby hasten SCC's turnaround.	
2.4	From cost perspective, HQ bills 10% quota on SCC. SJPS has HQ staff managing collaborations and will similarly bill for manpower costs. If SJPS bills lesser than 10%, there'll be cost savings for SCC. Other potential cost savings are curriculum update which may become dated in 3years time, teachers' training and other resources required. Current understanding is SJPS' manpower charge is 3%.	
2.5	Based on preliminary budget figures, SCC projects a deficit of \$113K in Yr2019 compared to \$197K in Yr2018 (without 50% rebate of HQ quota, actual Yr2018 loss is \$230K). Yr2019 budget is based on enrolment of 65pax (54% enrolment rate) hence there's upside potential. With new environment and marketing activities, Treasurer expressed his positive outlook for potential breakeven in 2019.	
2.6	From profit perspective, with profit sharing arrangement under Model 2, it signifies SJPS' commitment to this collaboration. If SCC does not post a profit, SJPS will only levy the manpower cost. SJPS was aware of current SCC's financial status during preliminary discussions. SJPS' first priority is the outreach mission of the preschool hence the criteria that the church continues its chaplaincy work in the preschool for the students and staff. Profit making is secondary to SJPS.	
2.7	From Christian outreach and identity perspective, SJPS is taking the lead to bring together the 16 Anglican preschools to be a united body in current preschool landscape dominated by key players including PCF, NTUC and MOE. Profit and loss have to be viewed from the wider context of God's kingdom work.	
2.8	Regarding MC's proposal for Model 2, meeting clarified MC's plan to review SJPS collaboration in 1-2yrs time before reviewing SCC's ownership. As good stewards, MC is committed to operate SCC for another 2-3yrs in view of the resources committed into renovation and new curriculum.	
2.9	Following points will be clarified with SJPS <ul style="list-style-type: none"> 1) Manpower cost chargeable by SJPS 2) Definition of SCC gross annual surplus 3) Any charges from SJPS to SCC for programs 	
2.10	In summary, GNCS is committed to the Christian mission hence our consideration is not purely commercial. But as good stewards, we will make sure that the resources committed will last the distance. And as good stewards, having considered current circumstances and options available and being aware that there is a gap in ability of staff team on the ground,	

2.11	<p>collaboration with SJPS will allow SJPS to provide expertise and experience to manage staff team and bridge the gap.</p> <p>The meeting proposed and unanimously approved the following resolution:</p> <ol style="list-style-type: none"> 1) To collaborate with and appoint SJPS as Managing Operator of SCC within the scope of collaboration Model 2 2) To appoint following MC members to oversee matters relating to the collaboration with SJPS. Appointment will cease upon signing of the collaboration with SJPS. <ol style="list-style-type: none"> a) Peter Hui Kwok Thong b) Lee Kong Wee c) Timothy Ng Heo Yong 3) To authorize MC to approve details relating to the collaboration with SJPS. 	
3.	Any Other Matters	
3.1	Nil.	
4.	Closing Prayer	
4.1	As there were no further issues to be discussed, Rev David closed the meeting with a word of prayer.	

Prepared by: James Zhou, Development Manager

Approved by:

Rev David Lee Peng Ong, President

GOOD NEWS COMMUNITY SERVICES
Annual Report for Year Ended 31 December 2018

Good News Community Services (“GNCS”) was set up in 23 April 1999 as a society. It was registered under the Charities Act on 29 September 2000. The Society changed its name from “Good News Community Services Centre” to “Good News Community Services” with effect from 18 April 2008.

Charity Registration Number	01461		
IPC Number	IPC000167		
ROS Registration Number	ROS 0269/1998 [UEN: S99SS0015F]		
Registered Address	1 Francis Thomas Drive #02-17, Diocesan Centre Building Singapore 359340		
Management Committee	The Management Committee was elected at the Extraordinary General Meeting held on 30 April 2017 for a term of 2 years		
	SN	Name	Designation
	1.	Bishop Kuan Kim Seng	President (30 Apr 2017 – 28 Apr 2018)
	2.	Rev David Lee Peng Ong	President (28 Apr 2018 – Present)
	2.	Mr Peter Hui Kwok Thong	Vice President
	3.	Mr Gan Tian Huat	Honorary Treasurer
	4.	Ms Jacqueline Tan Yi Ping	Honorary Secretary
	5.	Mr Simon Soh Soon Heng	Committee Member
	6.	Mr Dui Sian Ling	Committee Member
	7.	Mr Timothy Ng Heo Yong	Committee Member
	8.	Ms Lim Siew Lin	Committee Member
	9.	Mr Lee Kong Wee	Committee Member
Bankers	DBS Bank Ltd United Overseas Bank Limited Hong Leong Finance Limited RHB Bank Berhad		
Auditor	E H Luar & Co		

OBJECTIVE

The objective of the society is to initiate, assist and organize activities and scheme of social service for the alleviation of poverty, suffering, ignorance of ill-health whether physical or mental, without limitation of age, sex, race, nationality, religion or moral character, by the provision of assistance, education, training, service or counselling.

In furtherance, of the above objects, the Society may co-operate with recognised bodies, religion organizations and other welfare agencies, government or private, in conformity with the above objects.

POLICIES

Finance & Funding

The Society raise, receive, administer, invest or distribute funds and property for use as centres or homes for children, aged, sick or any other uses as may deemed necessary for the pursuit of the above objects.

Family Service Centre operations received funds from MSF/ NCSS, Comchest, and from public donations.

Childcare Centre operations collect fees from the students and clients and subsidies from ECDA.

In addition, the centres received significant ongoing non-financial resource support from MSF, NCSS and ECDA for its operations.

STATEMENT OF ACCOUNTS

Audited financial statement for the financial year ended 31 December 2018 of:

- 1) Good News Community Services (incorporating the results of PRFSC and SCC)
- 2) Pasir Ris Family Service Centre
- 3) Sonshine Childcare Centre

REVIEW OF YEAR 2018

Refer to reports of each of the following centres:

- 1) Pasir Ris Family Service Centre
- 2) Sonshine Childcare Centre

Treasurer's Report on the Good News Community Services - combined financial results for the year ended 31st December 2018 (as prepared on the SOFA Format).

Items	YTD 2018 Audited	YTD 2017 Audited	% change 2018 vs 2017
Total Income	\$2,314,110	\$2,334,046	(0.9%)
Total Expenditure	\$2,420,232	\$2,335,096	3.6%
Surplus (Deficit) for the year	(\$106,122)	(\$1,050)	(\$105,072)

INCOME

For the year ended 31st December 2018, Total Income compared to last year was lower by 0.9% or \$19,936 contributed by the following:

\$217,448	Increased in funding from MSF from handling higher case load.
(\$117,702)	Reduction in funding from TBSFF and Comchest
(\$27,021)	Lower enrolment in SCC offset by fee increase in May.
(\$27,181)	Reduction in program activities because of the renovation work being carried out on the premises during the year
(\$21,394)	Reduction in Special and Wage Credit Scheme Grants
(\$24,740)	Cessation of CSCC in 2017
(\$19,346)	Various Items
(\$19,936)	

EXPENDITURE

For the year ended 31st December, 2018, Total Expenditure increased by 3.6% or \$85,136 mainly contributed by the following:

Items	YTD 2018 Audited	YTD 2017 Audited	% change 2018 vs 2017
Manpower Expenditure Unrestricted	\$789,725	\$835,462	(5.5%)
Manpower Expenditure Restricted	\$1,231,099	\$1,135,043	8.5%
Total Manpower Cost	\$2,020,824	\$1,970,505	2.6%
Other Expenditure Unrestricted	\$204,129	\$203,769	0.2%
Other Expenditure Restricted	\$195,279	\$160,822	21.4%
Total Other Expenditure	\$399,408	\$364,591	9.5%
Total Expenditure Unrestricted	\$993,854	\$1,039,231	(4.4%)
Total Expenditure Restricted	\$1,426,378	\$1,295,865	10.1%
Total Expenditure	\$2,420,232	\$2,335,096	3.6%

Total Manpower Expenditure for YTD2018 was 2.6% or \$50,319 higher than last year. Minus the Manpower Expenditure in Commonwealth Student Care Centre for 2017 when it ceased operation Total Manpower Expenditure for 2018 on a comparable basis was 5.4% or \$103,548 higher than 2017.

Total Manpower Expenditure by Operating Centres are tabulated below:

Centres	YTD 2018 Audited	YTD 2017 Audited	% change 2018 vs 2017
PRFSC	\$1,231,098	\$1,135,043	8.5%
SCC	\$619,131	\$630,722	(1.8%)
CSCC	-	\$53,229	N.M.
GNCS (HQ)	\$170,595	\$151,511	12.6%
Total GNCS	\$2,020,824	\$1,970,505	2.6%

Total Manpower Expenditure in PRFSC and HQ increased by 8.5% or \$96,055 and 12.6% or \$19,084 respectively from the higher performance bonuses paid out to the staff.

Total Other Expenditure for YTD2018 increased by 9.5% or \$34,817 compared to 2017 mainly from increase in disbursement of Restricted Funds in PRFSC amounting to \$19,088, 9.3% of the increase.

Tabulated comparison by Centres as below:

Centres	YTD 2018 Audited	YTD 2017 Audited	% change 2018 vs 2017
PRFSC	\$204,901	\$197,498	3.7%
SCC	\$165,755	\$129,362	28.1%
CSCC	-	\$11,182	N.M.
GNCS (HQ)	\$28,752	\$26,549	8.3%
Total GNCS	\$399,408	\$364,591	9.5%

Total Other Expenditure in PRFSC was 3.7% or \$7,403 higher than last year mainly from the following:

\$19,088	Higher Disbursements from Restricted Funds:	
	PRFSC Financial Assistance	\$4,075
	Community Outreach	\$7,382
	FSC Comcare	\$1,100
	SPMF	\$3,010
	Care & Share	\$3,521
\$6,990	More Community Outreach Programs	
\$8,489	Depreciation for computer purchased during 2018	
(\$31,565)	Internal Audit Program in 2017	
\$1,852	Higher Utilities and Transport Expenditure	
\$2,549	Various Items 1.2% of total other expenditure)	
\$7,403		

Total Other Expenditure in SCC was 28.1% or \$36,393 higher than 2017 from the following:

\$34,859	Purchase of Curriculum
\$7,123	Open House Programs
\$18,776	Depreciation provision for renovation completed in 2018
(\$28,646)	Lower Enrichment program activity because of renovation
\$4,281	Various items 2.6% of Total Other Expenditure
\$36,393	

Total Other Expenditure in GNCS (HQ) was 8.3% or \$2,203 higher than last year from higher maintenance cost for new server.

NET (EXPENDITURE) INCOME

	GNCS	PRFSC	SCC	YTD 2018 Audited	YTD 2017 Audited
Income from generated funds	\$187,275	\$70,530	\$586,218	\$844,023	\$729,612
Income from charitable activities		\$1,580,247		\$1,580,247	\$1,487,869
Other Income	\$1,149	\$55,478	\$32,420	\$89,047	\$116,566
Total INCOME	\$188,424	\$1,706,255	\$618,638	\$2,513,317	\$2,334,047
Manpower Costs	\$170,594	\$1,231,099	\$619,131	\$2,020,824	\$1,970,505
Other Cost of Generating Funds	\$25,627	\$117,925	\$156,943	\$300,495	\$148,090
Other Cost of Charitable Activities		\$87,205		\$87,205	\$154,183
Governance Costs	\$3,125	\$170,639	\$37,151	\$210,915	\$62,319
Total EXPENDITURE	\$199,346	\$1,606,868	\$813,225	\$2,619,439	\$2,335,097
Net (Expenditure) Income for the year	(\$10,922)	\$99,387	(\$194,587)	(\$106,122)	(\$1,050)

Details of Fund Movements:

	Unrestricted Fund			Restricted Fund	Total Funds
Combined GNCS	General Fund	Designated Fund	Total Unrestricted Fund		
2018 Brought Forward	\$1,184,025	\$446,770	\$1,630,795	\$4,416,273	\$6,047,068
Net (Expenditure) Income for the year 2018	(\$331,646)	15,958	(\$315,688)	\$209,566	(\$106,122)
Gross Transfer Between Funds (SCC)	\$165,564	(\$165,564)			
Gross Transfer Between Fund (PRFSC)		\$12,000	\$12,000	(\$12,000)	
Total Funds Carried Forward	\$1,017,943	\$309,164	\$1,327,107	\$4,613,839	\$5,940,946
By Operating Centres					
GNCS	\$132,329	\$17,294	\$149,623		\$149,623
PRFSC	\$700,603	\$283,870	\$984,473	\$4,613,839	\$5,598,312
SCC	\$185,011	\$8,000	\$193,011	-	\$193,011
Total	\$1,017,943	\$309,164	\$1,327,107	\$4,613,839	\$5,940,946

Outlook

- PRFSC will continue to seek opportunities to expand its programs to support the community and will strengthen its human resources.
- The plan for PRFSC in 2019 is to utilize fully the funding from MSF.
- SCC continues to face challenges in increasing enrolment and is not expected to turn around.
- It will incur a lower deficit in 2019 and will focus on controlling expenditure.

Management Committee's Statement and Audited Financial Statements

GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
UEN No. S99SS0015F
(Registered under the Societies Act, Chapter 311)

31 December 2018

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)

(Registered under the Societies Act, Chapter 311)

General Information**Members of Management Committee**

Rev Lee Peng Ong @ David Lee	-	President
Hui Kwok Thong	-	Vice-President
Gan Tian Huat	-	Honorary Treasurer
Tan Yi-Ping Jacqueline	-	Honorary Secretary
Dui Sian Ling	-	Committee member
Soh Soon Heng Simon	-	Committee member
Ng Heo Yong	-	Committee member
Lee Kong Wee	-	Committee member
Lim Siew Lin	-	Committee member

Registered office

1 Francis Thomas Drive
#02-17 Diocesan Centre Building
Singapore 359340

UEN No.

S99SS0015F

Auditor

E H Luar & Co

Bankers

DBS Bank Ltd
United Overseas Bank Limited
Hong Leong Finance Limited
RHB Bank Berhad

Index**Page**

Management Committee's Statement	1
Independent Auditor's Report	2-4
Statement of Financial Activities	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-32

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Management Committee's Statement

Opinion of the Management Committee

In the opinion of the Management Committee,

- (a) the accompanying financial statements of Good News Community Services (incorporating the results of Sonshine Childcare Centre and Pasir Ris Family Service Centre) (the "Society"), are drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard (the "CAS") in Singapore, so as to present fairly, in all material respects, the financial position of the Society as at 31 December 2018 and its results of financial activities and cash flows of the Society for the year ended on that date;
- (b) the Society has maintained a satisfactory system of controls as it determines is necessary to enable the preparation of these financial statements that are free from material misstatement, whether due to fraud or error;
- (c) proper accounts and other records, including records of all assets and liabilities of the Society, have been kept in accordance with the requirements of Regulation 4 of the Societies Regulations (Rg 1); and
- (d) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

1. The Management Committee Members

Rev Lee Peng Ong @ David Lee	- President
Hui Kwok Thong	- Vice-President
Gan Tian Huat	- Honorary Treasurer
Tan Yi-Ping Jacqueline	- Honorary Secretary
Dui Sian Ling	- Committee member
Soh Soon Heng Simon	- Committee member
Ng Heo Yong	- Committee member
Lee Kong Wee	- Committee member
Lim Siew Lin	- Committee member

2. Independent Auditor

The independent auditor, E H Luar & Co, Chartered Accountants has expressed its willingness to accept re-appointment.

On behalf of the Management Committee



Rev Lee Peng Ong @ David Lee
President



Gan Tian Huat
Honorary Treasurer

Singapore, 13 April 2019

GOOD NEWS COMMUNITY SERVICES
(Registered under the Societies Act, Chapter 311)**Independent Auditor's Report to the Members of Good News Community Services**

(Incorporating the results of Sonshine Childcare Centre and

Pasir Ris Family Service Centre)

For the Financial Year Ended 31 December 2018

Report on the Audit of the Financial Statements*Opinion*

We have audited the accompanying financial statements of Good News Community Services (Incorporating the results of Sonshine Childcare Centre and Pasir Ris Family Service Centre), (the "Society"), which comprise the statement of financial position as at 31 December 2018, and the statement of financial activities and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard (the "CAS") in Singapore so as to present fairly, in all material respects, the financial position of the Society as at 31 December 2018 and the results of financial activities and cash flows of the Society 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 Society 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Management Committee is responsible for the other information. The other information comprises the General Information and the Management Committee's Statement as set out on page 1.

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.

GOOD NEWS COMMUNITY SERVICES

(Registered under the Societies Act, Chapter 311)

Independent Auditor's Report to the Members of Good News Community Services

(Incorporating the results of Sonshine Childcare Centre and

Pasir Ris Family Service Centre)

For the Financial Year Ended 31 December 2018 (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

Responsibilities of the Management Committee for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and the 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 Committee is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

The Management Committee is responsible for overseeing the Society'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:

- (a) 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.
- (b) 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 Society's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management committee.

GOOD NEWS COMMUNITY SERVICES

(Registered under the Societies Act, Chapter 311)

Independent Auditor's Report to the Members of Good News Community Services

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)

For the Financial Year Ended 31 December 2018 (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

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

- (d) Conclude on the appropriateness of management committee'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 Society'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 Society to cease to continue as a going concern.
- (e) 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.

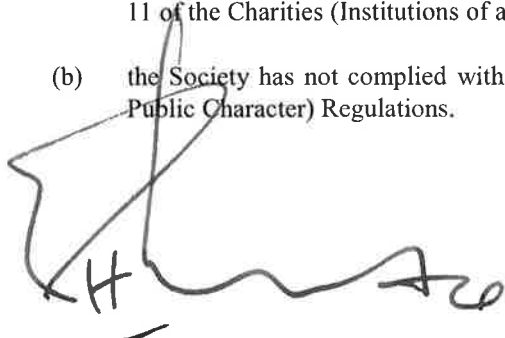
We communicate with the management committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, 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 year:

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



E H LUAR & CO
Public Accountants and
Chartered Accountants

Singapore, 13 April 2019

GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Statement of Financial Activities
For the Financial Year Ended 31 December 2018

	Note	Unrestricted Funds \$	Restricted funds \$	2018 Total \$	2017 Total \$
Income					
Income from generated funds					
Voluntary income		26,792	—	26,792	18,400
Activities for generating funds		586,218	—	586,218	665,220
Investment income		843	43,737	44,580	45,991
Income from charitable activities		—	1,568,247	1,568,247	1,487,869
Other income		64,315	23,958	88,273	116,566
Total income		678,168	1,635,942	2,314,110	2,334,046
Less: Expenditures					
Costs of generating funds		972,297	—	972,297	983,551
Charitable activities		9,602	1,414,626	1,424,228	1,289,228
Governance costs		11,957	11,750	23,707	62,317
Total expenditures		993,856	1,426,376	2,420,232	2,335,096
Net income/(expenditure) before tax expense	4	(315,688)	209,566	(106,122)	(1,050)
Tax expense	13	—	—	—	—
Net income/(expenditure) before transfers		(315,688)	209,566	(106,122)	(1,050)
Gross transfers between funds		12,000	(12,000)	—	—
Net income/(expenditure) before holding gains and losses		(303,688)	197,566	(106,122)	(1,050)
Other recognised gains or losses		—	—	—	—
Net movement in funds		(303,688)	197,566	(106,122)	(1,050)
Reconciliation of funds:					
Total funds brought forward		1,630,795	4,416,273	6,047,068	6,048,118
Total funds carried forward		1,327,107	4,613,839	5,940,946	6,047,068

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Statement of Financial Position
As at 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	5,518,866	5,995,527
Other receivables	6	295,187	51,343
Other current assets	7	9,334	110,957
		<u>5,823,387</u>	<u>6,157,827</u>
Non-current assets			
Property, plant and equipment	8	<u>274,558</u>	<u>112,227</u>
Total assets		<u>6,097,945</u>	<u>6,270,054</u>
LIABILITIES			
Current liabilities			
Other payables	9	119,649	188,736
Refundable deposits		<u>37,350</u>	<u>34,250</u>
Total liabilities		<u>156,999</u>	<u>222,986</u>
Net assets		<u>5,940,946</u>	<u>6,047,068</u>
FUNDS			
Unrestricted funds			
General fund	10(a)	1,017,943	1,184,025
Designated funds	10(b)	<u>309,164</u>	<u>446,770</u>
		1,327,107	1,630,795
Restricted funds	11	<u>4,613,839</u>	<u>4,416,273</u>
Total Funds		<u>5,940,946</u>	<u>6,047,068</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Statement of Cash Flows**For the Financial Year Ended 31 December 2018**

	2018 \$	2017 \$
Cash flows from operating activities		
Net expenditure before tax expense	(106,122)	(1,050)
Adjustments for:		
Depreciation	59,382	24,317
Interest income	<u>(44,580)</u>	<u>(45,991)</u>
Operating cash flows before changes in working capital	(91,320)	(22,724)
Changes in working capital:		
(Increase)/Decrease in other receivables	(241,106)	76,277
Decrease/(Increase) in other current assets	101,623	(102,348)
Decrease in other payables	(69,087)	(11,776)
Increase/(Decrease) in refundable deposits	<u>3,100</u>	<u>(6,290)</u>
Net cash used in operations	(296,790)	(66,861)
Interest received	<u>41,842</u>	<u>52,248</u>
Net cash flows used in operating activities	<u>(254,948)</u>	<u>(14,613)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	<u>(221,713)</u>	<u>(104,270)</u>
Net cash used in investing activities	<u>(221,713)</u>	<u>(104,270)</u>
Cash flows from financing activities		
Net cash from/(used in) financing activities	<u>—</u>	<u>—</u>
Net decrease in cash and cash equivalents	(476,661)	(118,883)
Cash and cash equivalents at beginning of the financial year	<u>5,995,527</u>	<u>6,114,410</u>
Cash and cash equivalents at the end of the financial year (Note 5)	<u><u>5,518,866</u></u>	<u><u>5,995,527</u></u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)

(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2018

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

1. Domicile and Activities

Good News Community Services (the "Society") is registered under the Singapore Societies Act, Chapter 311 with UEN No. S99SS0015F and is domiciled in Singapore. The Society is an approved charity under the Charities Act, Chapter 37 since 29 September 2000 with Charity Registration No. 1461 and is an approved Institution of a Public Character ("IPC") for the period from 24 October 2017 to 23 July 2019.

The registered address of the Society is located at 1 Francis Thomas Drive #02-17 Diocesan Centre Building Singapore 359340.

The principal activities of the Society are to provide education, supervision care for young children, student care services, counselling services and family life education programmes targeted at parents, married couples, youth and families. There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the Society for the year ended 31 December 2018 incorporates the results of Sonshine Childcare Centre and Pasir Ris Family Service Centre.

In the financial statements, CPF, ECDA, NCSS, TBSFF and MSF represent Central Provident Fund, Early Childhood Development Agency, National Council of Social Service, Tote Board Social Service Fund and Ministry of Social and Family Development.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below, and are prepared in accordance with Charities Accounting Standard ("CAS") as issued by the Singapore Accounting Standards Council.

The preparation of the Society's financial statements requires Management Committee to make judgements, estimates and assumptions that affect the reported amounts of the income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management Committee is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

2.2 Functional and presentation currency

The Management Committee has determined the currency of the primary economic environment in which the Society operates to be Singapore dollar ("the functional currency"). The financial statements are presented in Singapore dollars ("SGD" or "\$") and all values are rounded to the nearest dollar ("\$") unless otherwise indicated.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements 31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.3 *Property, plant and equipment and depreciation*

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation.

The cost of an item of property, plant and equipment includes its purchase price and any costs 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 Committee. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the costs of replacing such an item when the cost is incurred is added to the carrying amount of the item if the recognition criteria are met. The costs of day-to-day servicing of an item of property, plant and equipment is recognised as expenditure in the Statement of Financial Activities in the period in which the costs are incurred. Property, plant and equipment shall not be revalued and are not required to be assessed for impairment.

Depreciation is calculated using the straight-line basis to allocate its depreciable amounts over its estimated useful lives at the following annual rates:

Computers and software	-	20% to 100%
Furniture and fittings	-	20%
Office equipment	-	20%
Renovation	-	20%

The depreciation charge for each period is recognised as expenditure in the statement of financial activities unless another section of the CAS requires it to be included in the carrying amount of another asset. The residual values, estimated useful lives and depreciation method of property and equipment are reviewed and adjusted, as appropriate, at each reporting period. The effects of any revisions are recognised in the statement of financial activities for the financial year in which the changes arise. The carrying amount of the property, plant and equipment at the date of revision or changes is depreciated over the revised remaining useful lives.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in statement of financial activities in the year the asset is derecognised.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

**Notes to the Financial Statements
31 December 2018**

2. Summary of Significant Accounting Policies (Cont'd)**2.4 Financial assets**

The Society classifies the following financial assets and are presented in the statement of financial position as follows:

- (i) cash and cash equivalents; and
- (ii) other receivables and deposits.

Financial assets are recognised on the statement of financial position when, and only when, the Society becomes a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at the transaction price excluding transaction costs, if any, which shall be recognised as expenditure immediately in the statement of financial activities. Subsequent to initial measurement, financial assets, including other receivables and deposits excluding prepayments, are measured at cost less any accumulated impairment losses. Prepayments are subsequently measured at the amount paid less the economic resources received or consumed during the financial year.

Financial assets (consisting of cash and cash equivalents, and other receivables and deposits excluding prepayments), are derecognised when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership. On de-recognition of financial assets in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of financial activities.

2.5 Impairment of financial assets

The Society assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of financial activities.

The impairment allowance is reduced through the statement of financial activities in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and

Pasir Ris Family Service Centre)

(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank and fixed deposits which are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.7 Financial liabilities

Financial liabilities includes other payables and refundable deposits.

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument.

Financial liabilities shall be recognised at their transaction price, excluding transaction costs, if any, both at the initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.8 Fund Accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include restricted funds and unrestricted funds.

(a) Unrestricted funds

Unrestricted funds are expendable at the discretion of the Society's Management Committee in furtherance of the Society's objects.

Unrestricted funds comprises of general fund and designated funds. General fund is used for general purposes of the Society. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separated fund (known as "Designated funds"). The designation has an administrative purpose only and does not legally restrict the Management Committee's discretion to apply the fund.

(b) Restricted funds

Restricted funds are funds held by the Society that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors or with their authority or created through legal process but are still within the wider objects of the Society.

Restricted funds may be utilised in accordance with the purposes established by the sources of such funds.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)

(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.8 Fund Accounting (Cont'd)

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

2.9 Income recognition

Income is recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the Society's net assets.

The following factors must also be met before income is recognised:

(a) Entitlement

The Society has control over the rights or other access to the resource, enabling the Society to determine its future application;

(b) Certainty

It is probable that the income will be received; and

(c) Measurement

The amount of the income can be measured by the Society with sufficient reliability.

The following specific recognition criteria must also be met before income is recognised:

(a) Income from generated funds

Voluntary income

Voluntary income in the form of donations is recognised when received with unconditional entitlements to the receipts.

Activities for generating funds

Programme fees, counselling fees, school fees, subsidies from ECDA and tuition fees are recognised as revenue over the period the programmes are conducted and services are rendered.

Investment income

Interest income is recognised on a time proportion basis using the effective interest method.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)

(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.9 *Income recognition (Cont'd)*

(b) Income from charitable activities

Government grants for the programmes run by the Society. These are recognised as income according to the terms of the funding agreements, on an accrual basis with unconditional entitlement to the receipts.

(c) Other income

Government credits i.e. special employment credit, temporary employment credit, wage credit scheme and other income are recognised as and when received in the current financial year.

2.10 *Expenditures*

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the respective activity. Where costs cannot be wholly attributed to an activity, they have been apportioned on a basis consistent with the use of resources.

(a) Cost of generating funds

Costs of generating funds are those costs attributable to generating income for the Society other than those costs incurred in undertaking charitable activities in furtherance of the Society's objects.

(b) Cost of charitable activities

Cost of charitable activities comprises of direct costs incurred in the pursuit of the charitable objects of the Society.

(c) Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Society as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the Society will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities and cost associated with constitutional and statutory requirements.

(d) Administrative support costs

Support costs are costs incurred in supporting income generation activities such as fund raising and in supporting the governance of the Centre. Support costs do not in themselves constitute an activity; instead they enable output-creating activities to be undertaken. Support costs includes such as key and general management, payroll administration, budgeting and accounting, information technology, human resources and financing and these are apportioned to the relevant activity cost category they support.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)

(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.10 Expenditures (Cont'd)

(e) Other expenditure

Other expenditure includes the payment of any expenditure that the Society has not been able to analyse within the main expenditure categories.

2.11 Operating leases

Leases are classified as operating leases when the lessor effectively retains substantially all the risks and benefits of ownership of the leased item. Operating lease payments are recognised as an expense in the statement of financial activities on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

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.

2.12 Employee benefits - defined contribution plans

The Society participates in the national pension schemes as defined by the laws of Singapore. The Society makes contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme. Such contributions to defined contribution pension scheme are recognised as compensation expense in the period in which the related service is performed.

2.13 Provisions

Provisions are recognised only when a present obligation (legal or constructive) exists as a result of a past event, it is probable that a transfer of economic benefits in settlement will be required, and the amount of the obligation can be estimated reliably. The amount of provision recognised is the best estimate of the expenditure required to settle the obligation at the reporting date. The best estimate of the expenditure required to settle the obligation is the amount that would rationally be paid to settle the obligation at the reporting date or to transfer it to a third party.

3. Critical Accounting Estimates, Assumptions and Judgments

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.

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2018

4. Detailed Statement of Financial Activities

	Unrestricted funds		Restricted funds					Total funds	
	General fund \$	Designated funds \$	Total \$	FSC Operation fund \$	Care and Share fund \$	FSC Comcare fund \$	NEER fund \$	SPMF fund \$	Total \$
INCOME									
Income from generated funds:									
<u>Voluntary income</u>									
- Tax deductible donations (Note 12)	-	26,792	26,792	-	-	-	-	-	26,792
									18,400
<u>Activities for generating funds</u>									
- School fees – Centre based	289,402	-	289,402	-	-	-	-	-	289,402
student care and childcare	288,557	-	288,557	-	-	-	-	-	288,557
- School fees subsidies	8,259	-	8,259	-	-	-	-	-	8,259
- Income from school programme	586,218	-	586,218	-	-	-	-	-	586,218
									665,220
<u>Investment income</u>									
- Interest income	843	-	843	43,737	-	-	-	-	43,737
									44,580
Total income from generated funds	587,061	26,792	613,853	43,737	-	-	-	-	657,590
									729,611

Notes to the Financial Statements
31 December 2018

	Unrestricted funds			Restricted funds					Total funds		
	General fund \$	Designated funds \$	Total \$	FSC Operation fund \$	Care and Share fund \$	FSC Comcare fund \$	NEER fund \$	SPMF fund \$	Total \$	2018 \$	2017 \$
INCOME (Cont'd)											
Total income from generated funds b/f	587,061	26,792	613,853	43,737	—	—	—	—	43,737	657,590	729,611
Income from charitable activities											
Counselling fees	—	—	—	3,220	—	—	—	—	3,220	3,220	3,735
Funding from MSF	—	—	—	1,467,812	—	—	—	—	1,467,812	1,467,812	1,250,364
Funding from NCSS - TBSFF	—	—	—	—	—	—	—	—	—	—	70,668
Funding from NCSS – Comchest	—	—	—	19,652	—	—	—	—	19,652	19,652	66,686
Capital grant from NCSS and MSF	—	—	—	—	—	—	—	—	—	—	37,660
Programme funding	—	—	—	784	12,499	1,500	—	62,780	77,563	77,563	58,756
Total income from charitable activities	—	—	—	1,491,468	12,499	1,500	—	62,780	1,568,247	1,568,247	1,487,869
Other income											
Government grants	62,585	—	62,585	22,278	—	—	—	—	22,278	84,863	110,646
Others	1,730	—	1,730	1,680	—	—	—	—	1,680	3,410	5,920
Total other income	64,315	—	64,315	23,958	—	—	—	—	23,958	88,273	116,566
TOTAL INCOME	651,376	26,792	678,168	1,559,163	12,499	1,500	—	62,780	1,635,942	2,314,110	2,334,046

Notes to the Financial Statements
31 December 2018

	Unrestricted funds			Restricted funds					Total funds	
	General fund \$	Designated funds \$	Total \$	Restricted funds					Total \$	2017 \$
				FSC Operation fund \$	Care and Share fund \$	FSC Comcare fund \$	NEER fund \$	SPMF fund \$		
EXPENDITURES										
Cost of generating funds										
Cost of school programme	5,016	-	5,016	-	-	-	-	-	5,016	27,914
Manpower benefit costs:										
- Staff salaries and bonuses	681,154	-	681,154	-	-	-	-	-	681,154	715,356
- Employer CPF contribution and SDL	82,568	-	82,568	-	-	-	-	-	82,568	98,314
- Staff medical and insurance	9,769	-	9,769	-	-	-	-	-	9,769	9,977
- Staff foreign worker levy	11,880	-	11,880	-	-	-	-	-	11,880	2,512
- Staff training	2,925	-	2,925	-	-	-	-	-	2,925	5,797
- Staff transport	264	-	264	-	-	-	-	-	264	205
- Staff welfare	1,165	-	1,165	-	-	-	-	-	1,165	1,965
- Honorarium	-	-	-	-	-	-	-	-	-	1,334
Amortisation charge	-	1,232	1,232	-	-	-	-	-	1,232	990
Bank charges	503	-	503	-	-	-	-	-	503	990
Depreciation of plant and equipment	31,989	-	31,989	-	-	-	-	-	31,989	6,207
Food and beverages	24,666	-	24,666	-	-	-	-	-	24,666	27,882
General expenses	4,484	-	4,484	-	-	-	-	-	4,484	6,450
Total costs of generating funds c/f	856,383	1,232	857,615	-	-	-	-	-	857,615	905,893

Notes to the Financial Statements
31 December 2018

	Unrestricted funds			Restricted funds					Total funds	
	General fund \$	Designated funds \$	Total \$	FSC Comcare					Total \$	2017 \$
				FSC Operation fund \$	Care and Share fund \$	FSC Comcare fund \$	NEER fund \$	SPMF fund \$		
EXPENDITURES (Cont'd)										
Cost of generating funds b/f	856,383	1,232	857,615	—	—	—	—	—	857,615	905,893
(Recovery)/Impairment loss on school fees receivable	(364)	—	(364)	—	—	—	—	—	(364)	539
Insurance	2,389	—	2,389	—	—	—	—	—	2,389	2,805
Maintenance of equipment	4,068	—	4,068	—	—	—	—	—	4,068	252
Maintenance of premises	9,930	—	9,930	—	—	—	—	—	9,930	9,179
Marketing program	7,123	—	7,123	—	—	—	—	—	7,123	—
Non-capitalised purchases	139	—	139	—	—	—	—	—	139	1,154
Printing, stationery and postage	5,371	—	5,371	—	—	—	—	—	5,371	4,388
Reinstatement cost	—	—	—	—	—	—	—	—	—	1,548
Rent and conservancy fees	19,913	—	19,913	—	—	—	—	—	19,913	24,565
Rental of equipment	2,414	—	2,414	—	—	—	—	—	2,414	2,414
Spark Accreditation programme	34,859	—	34,859	—	—	—	—	—	34,859	—
Student healthcare and medical expenses	118	—	118	—	—	—	—	—	118	129
Subscription fees	5,163	—	5,163	—	—	—	—	—	5,163	3,104
Teaching materials and toys	12,046	—	12,046	—	—	—	—	—	12,046	13,693
Telecommunications	2,019	—	2,019	—	—	—	—	—	2,019	2,369
Transport	—	—	—	—	—	—	—	—	—	2,140
Utilities	9,494	—	9,494	—	—	—	—	—	9,494	9,379
Total costs of generating funds	971,065	1,232	972,297	—	—	—	—	—	972,297	983,551

Notes to the Financial Statements
31 December 2018

	Unrestricted funds			Restricted funds					Total funds		
	General fund \$	Designated funds \$	Total \$	FSC Operation fund \$	Care and Share fund \$	FSC Comcare fund \$	NEER fund \$	SPMF fund \$	Total \$	2018 \$	2017 \$
EXPENDITURES (Cont'd)											
Charitable activities											
Programme costs	-	9,485	9,485	25,316	12,963	2,000	40	56,120	96,439	105,924	79,604
Manpower benefit costs:											
- Staff salaries and bonuses	-	-	-	1,036,904	-	-	-	-	1,036,904	1,036,904	953,403
- Employer CPF contribution and SDL	-	-	-	159,061	-	-	-	-	159,061	159,061	147,121
- Staff medical and insurance	-	-	-	9,455	-	-	-	-	9,455	9,455	7,322
- Staff training	-	-	-	18,682	-	-	-	-	18,682	18,682	19,213
- Staff welfare	-	-	-	6,487	-	-	-	-	6,487	6,487	7,784
- Honorarium	-	-	-	510	-	-	-	-	510	510	200
Advertisement	-	-	-	2,782	-	-	-	-	2,782	2,782	2,782
Amortisation charge	-	117	117	9,078	-	-	-	-	9,078	9,195	7,587
Bank charges	-	-	-	539	-	-	-	-	539	539	360
Depreciation of plant and equipment	-	-	-	27,393	-	-	-	-	27,393	27,393	18,108
General expenses	-	-	-	731	-	-	-	-	731	1,554	1,554
Insurance	-	-	-	238	-	-	-	-	238	238	238
Maintenance of equipment	-	-	-	3,715	-	-	-	-	3,715	3,715	2,769
Maintenance of premises	-	-	-	1,016	-	-	-	-	1,016	1,016	1,302
Total charitable activities c/f	-	9,602	9,602	1,301,907	12,963	2,000	40	56,120	1,373,030	1,382,632	1,249,347

GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2018

4. Detailed Statement of Financial Activities (Cont'd)

	Unrestricted funds		Restricted funds						Total funds	
	General fund \$	Designated funds \$	Total \$	FSC Operation			Care and Share			Total
				fund \$	fund \$	fund \$	fund \$	fund \$	fund \$	
EXPENDITURES (Cont'd)										
Charitable activities b/f	-	9,602	9,602	1,301,907	12,963	2,000	40	56,120	1,373,030	1,382,632
Non-capitalised purchases	-	-	-	468	-	-	-	-	468	468
Printing, stationery and postage	-	-	-	4,601	-	-	-	-	4,601	4,601
Refreshments	-	-	-	694	-	-	-	-	694	694
Rent and conservancy fees	-	-	-	14,304	-	-	-	-	14,304	14,304
Rental of equipment	-	-	-	3,120	-	-	-	-	3,120	3,120
Resource material	-	-	-	131	-	-	-	-	131	131
Telecommunications	-	-	-	3,417	-	-	-	-	3,417	3,417
Transport	-	-	-	8,677	-	-	-	-	8,677	8,677
Utilities	-	-	-	6,184	-	-	-	-	6,184	6,184
Total charitable activities	-	9,602	9,602	1,343,503	12,963	2,000	40	56,120	1,414,626	1,424,228
Governance costs										
Administrative support costs-Note 4(a)	-	-	-	-	-	-	-	-	-	-
Auditors' remuneration	7,700	-	7,700	10,500	-	-	-	-	10,500	18,200
- current year	4,000	-	4,000	-	-	-	-	-	-	4,000
- certification of subsidy claims	-	-	-	-	-	-	-	-	-	-
Consultancy fees	-	-	-	-	-	-	-	-	-	-
Governance costs c/f	11,700	-	11,700	10,500	-	-	-	-	10,500	22,200
										60,407

GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2018

4. Detailed Statement of Financial Activities (Cont'd)

	Unrestricted funds		Restricted funds					Total funds	
	General fund	Designated funds	Total	FSC Operation fund	Care and Share fund	FSC Comcare fund	NEER fund	SPMF fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURES (Cont'd)									
Governance costs b/f	11,700	-	11,700	10,500	-	-	-	-	10,500
License fees	257	-	257	250	-	-	-	-	250
Internal audit fees	-	-	-	1,000	-	-	-	-	1,000
Total governance costs	11,957	-	11,957	11,750	-	-	-	-	11,750
TOTAL EXPENDITURE	983,022	10,834	993,856	1,355,253	12,963	2,000	40	56,120	1,426,376
NET (EXPENDITURE)/INCOME FOR THE YEAR	(331,646)	15,958	(315,688)	203,910	(464)	(500)	(40)	6,660	209,566
Gross transfers between funds									
Transferred from/(to) unrestricted - designated funds -Note 10(b)	165,564	(165,564)	-	-	-	-	-	-	-
Transferred from restricted -FSC fund to unrestricted designated funds -Note 11	-	12,000	12,000	(12,000)	-	-	-	-	(12,000)
Reconciliation of funds									
Total funds brought forward	1,184,025	446,770	1,630,795	4,362,431	13,503	9,100	429	30,810	4,416,273
TOTAL FUNDS CARRIED FORWARD	1,017,943	309,164	1,327,107	4,554,341	13,039	8,600	389	37,470	4,613,839

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)

(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2018

4. Detailed Statement of Financial Activities (Cont'd)**(a) Administrative Support Costs**

In the year 2017, the Management Committee has approved the conversion of the billing and charging of management services and operating costs incurred by the headquarter from 1 January 2017 to bill the respective community service project of the Society namely: Pasir Ris Family Service Centre, Sonshine Childcare Centre and Commonwealth Student Care Centre at 10% of the total revenue generated at the end of each quarter.

In the current year under review, there is no change in the basis of the administrative support costs billed to the existing community service project of GNCS namely: Pasir Ris Family Service Centre and Sonshine Childcare Centre.

For the financial year ended 31 December 2018, the billing of headquarter charges to the respective community service projects amounted to \$187,208 (2017: \$219,616), which was contra with the Administrative Support Costs of each community service projects.

5. Cash and Cash Equivalents

	2018 \$	2017 \$
<i>Denominated in Singapore dollars:</i>		
Fixed deposits	3,399,289	3,523,700
Cash at banks	2,115,777	2,468,027
Cash on hand	3,800	3,800
	<u>5,518,866</u>	<u>5,995,527</u>
Cash and cash equivalents per statement of cash flows	<u>5,518,866</u>	<u>5,995,527</u>

Fixed deposits earn interest rate that ranges approximately 0.78% to 1.70% (2017: 1.00% to 1.45%) per annum placed for a period of 12 months (2017: 12 months).

6. Other Receivables

	2018 \$	2017 \$
<i>Denominated in Singapore dollars:</i>		
Fixed deposit interest receivable	24,206	21,468
School fees receivable	1,095	2,508
Programme fund receivable from MSF	266,852	25,826
Programme fund receivable from NCSS	1,281	—
Others	1,753	1,541
	<u>295,187</u>	<u>51,343</u>

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)

(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2018

7. Other Current Assets

	2018	2017
	\$	\$
Advance payments	—	98,100
Deposits	4,392	3,332
Prepayments	4,942	9,525
	<u>9,334</u>	<u>110,957</u>

The advance payments in 2017 represent payments made for renovation costs and purchase of new curriculum for Spark Accreditation of Sonshine Childcare Centre.

8. Property, Plant and Equipment

	Computers and software \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
<i>Cost:</i>					
At 01-01-2017	30,202	138,665	83,062	228,675	480,604
Additions	56,548	4,216	18,361	25,145	104,270
Write-offs	(7,326)	(22,493)	(20,024)	(15,763)	(65,606)
At 31-12-2017	79,424	120,388	81,399	238,057	519,268
Additions	33,956	—	—	187,757	221,713
Write-offs	(21,777)	(11,690)	(5,000)	(42,015)	(80,482)
At 31-12-2018	91,603	108,698	76,399	383,799	660,499
<i>Accumulated depreciation:</i>					
At 01-01-2017	29,887	135,627	57,934	224,882	448,330
Depreciation charge	4,540	1,474	12,923	5,380	24,317
Write-offs	(7,326)	(22,493)	(20,024)	(15,763)	(65,606)
At 31-12-2017	27,101	114,608	50,833	214,499	407,041
Depreciation charge	20,366	1,684	12,916	24,416	59,382
Write-offs	(21,777)	(11,690)	(5,000)	(42,015)	(80,482)
At 31-12-2018	25,690	104,602	58,749	196,900	385,941
<i>Net carrying amount:</i>					
At 31-12-2018	65,913	4,096	17,650	186,899	274,558
At 31-12-2017	52,323	5,780	30,566	23,558	112,227

GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2018

9. Other Payables

	2018	2017
	\$	\$
<i>Denominated in Singapore dollars:</i>		
Accrued operating expenses	118,091	161,624
Deferred income	—	13,200
School fees received in advance	150	60
Others	1,408	13,852
	<u>119,649</u>	<u>188,736</u>

10. Unrestricted Funds

(a) General fund

	2018	2017
	\$	\$
Balance at beginning of the year	1,184,025	1,484,355
Transferred from unrestricted –designated funds	165,564	—
Transferred to unrestricted –designated funds	—	(48,166)
	<u>1,349,589</u>	<u>1,436,189</u>
Net expenditure for the year	(331,646)	(252,164)
	<u>1,017,943</u>	<u>1,184,025</u>
Balance at end of the year		

GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2018

10. Unrestricted Funds (Cont'd)

(b) Designated funds

	Balance at 1 Jan \$	Transferred from/(to) unrestricted- general funds \$	Transferred from/(to) restricted- FSC fund \$	Income \$	Expenditure \$	Amortisation \$	Balance at 31 Dec \$
2018							
Bursary fund	8,000	—	—	—	—	—	8,000
Deferred capital grants	4,213	—	—	—	—	(1,349)	2,864
Economic downturn assistance fund	3,600	—	—	—	(1,100)	—	2,500
Elderly fund	47,320	—	—	—	—	—	47,320
Five loaves and two fish fund	89,479	—	—	26,792	—	—	116,271
GNCS Financial assistance fund	14,430	—	—	—	—	—	14,430
PRFSC Financial assistance fund	175	—	12,000	—	(8,385)	—	3,790
Property maintenance fund	13,014	(13,014)	—	—	—	—	—
Renovation fund	113,989	—	—	—	—	—	113,989
Sinking fund	152,550	(152,550)	—	—	—	—	—
	446,770	(165,564)	12,000	26,792	(9,485)	(1,349)	309,164
2017							
Bursary fund	8,000	—	—	—	—	—	8,000
Deferred capital grants	1,584	—	—	3,820	—	(1,191)	4,213
Dwelling place tuition fund	1,834	(1,834)	—	—	—	—	—
Economic downturn assistance fund	4,200	—	—	—	(600)	—	3,600
Elderly fund	47,320	—	—	—	—	—	47,320
Five loaves and two fish fund	71,079	—	—	18,400	—	—	89,479
GNCS Financial assistance fund	14,430	—	—	—	—	—	14,430
PRFSC Financial assistance fund	4,485	—	—	—	(4,310)	—	175
Property maintenance fund	13,014	—	—	—	—	—	13,014
Renovation fund	113,989	—	—	—	—	—	113,989
Sinking fund	102,550	50,000	—	—	—	—	152,550
Staff training fund	1,846	—	—	—	(1,846)	—	—
	384,331	48,166	—	22,220	(6,756)	(1,191)	446,770

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and

Pasir Ris Family Service Centre)

(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2018

10. Unrestricted Funds (Cont'd)

(b) Designated funds (Cont'd)

The designated funds were established for the following purposes:

- (a) Bursary fund - to grant bursary to children of needy families at Sonshine Childcare Centre.
- (b) Deferred capital grants - to reflect the corresponding credit of the capitalised plant and equipment and expenses which were financed from government grants. The deferred capital grants would be amortised over a period between one to five years to match the estimated useful lives of the capitalised plant and equipment.
- (c) Dwelling place tuition fund - for the publicity of the tuition programme, holiday outings for the students, and also for future development of the tuition work at Commonwealth Student Care Centre. As at 31 December 2017, since Commonwealth Student Care Centre has ceased its operation with effect from 30 June 2017, the fund has been approved to be transfer to the general fund of Sonshine Childcare Centre.
- (d) Economic downturn assistance fund - to provide financial aid to people in the Pasir Ris community directly affected by retrenchment or loss of employment by Pasir Ris Family Service Centre.
- (e) Elderly fund - to be used by Pasir Ris Family Service Centre for the work of elderly care.
- (f) Financial assistance fund by Good News Community Services - to help needy families to reduce their burden in meeting school fees payable to Centre managed by Good News Community Service.
- (g) Five loaves and two fish fund - to provide groceries and other daily essentials for families seeking help because of financial difficulties or loss of employment at the Pasir Ris Family Service Centre.
- (h) Property maintenance fund - for the upkeep and repairs on the premises occupied by Sonshine Childcare Centre.
- (i) Financial assistance fund by Pasir Ris Family Service Centre - to support deserving students with continuation of monthly pocket money at SPMF level, beyond their eligible period.
- (j) Renovation fund - for capital expenditure to be incurred for major replacements and repairs of Pasir Ris Family Service Centre.
- (k) Sinking fund - for capital expenditure to be incurred for major replacements, repairs and cyclical maintenance of Sonshine Childcare Centre.
- (l) Staff training fund - to provide training subsidies for teachers of Sonshine Childcare Centre attending training institutions.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2018

11. Restricted Funds

	Balance at 1 Jan \$	Transferred to designated funds \$	Income \$	Expenditure \$	Balance at 31 Dec \$
2018					
Family Service Centre Operation Fund (FSC)	4,362,431	(12,000)	1,559,163	(1,355,253)	4,554,341
Family Service Centre Comcare Fund (FCF)	9,100	—	1,500	(2,000)	8,600
North East Essential Relief Fund (NEER)	429	—	—	(40)	389
School Pocket Money Fund (SPMF)	30,810	—	62,780	(56,120)	37,470
Care and Share Fund	13,503	—	12,499	(12,963)	13,039
	<u>4,416,273</u>	<u>(12,000)</u>	<u>1,635,942</u>	<u>(1,426,376)</u>	<u>4,613,839</u>
2017					
Family Service Centre Operation Fund (FSC)	4,119,938	—	1,474,848	(1,232,355)	4,362,431
Family Service Centre Comcare Fund (FCF)	7,600	—	2,400	(900)	9,100
North East Essential Relief Fund (NEER)	489	—	—	(60)	429
School Pocket Money Fund (SPMF)	28,460	—	55,460	(53,110)	30,810
Care and Share Fund	22,945	—	—	(9,442)	13,503
	<u>4,179,432</u>	<u>—</u>	<u>1,532,708</u>	<u>(1,295,867)</u>	<u>4,416,273</u>

The restricted funds were established for the following purposes:

(a) Family Service Centre Operation Fund ("FSC")

FSC supports the low-income families, especially those with a socially disadvantaged background, and to help them out of the poverty cycle. The Centre facilitates the access to social services, financial and other resources; enhancing the ability to achieve sustainable financial independence and strengthening their integration into the neighbourhoods or communities.

The FSC service model includes Casework and Counselling where community workers help families reach mutually satisfactory resolutions to the problems presented. If the specific needs of the families cannot be met by the FSC, they will provide the necessary information and referrals to appropriate agencies.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements 31 December 2018

11. Restricted Funds (Cont'd)

(b) FSC Comcare Fund ("FCF")

Established by the Ministry of Social and Family Development to support the FSC's role in helping needy Singaporeans. FCF provides immediate assistance to clients of FSC who require urgent and temporary financial relief to tide over their current situations.

(c) North East Essential Relief Fund ("NEER")

The Centre participates in the North East Essential Relief scheme with North East CDC. The Centre can provide provisions as well as transport assistance to needy residents capped at \$40 per household per month.

(d) School Pocket Money Fund ("SPMF")

The SPMF is a charity fund-raising project organised by the Straits Times to heighten public awareness of the plight of the children from low-income families who were attending school without proper breakfast or pocket money to sustain their day in school. The fund is distributed to all FSC through NCSS to benefit the eligible clients of the Centre.

(e) Care and Share Fund

Integral to the SG50 Celebration, the National Council of Social Service initiated the Care and share movement - a national fund-raising and volunteerism movement. With the support from Government, eligible donations raised by the Volunteer Welfare Organisations ("VWO") is matched dollar-for-dollar to develop social service related VWOs and their programmes to better serve beneficiaries. VWOs can use the grant in four areas namely (i) capability building, (ii) capacity building, (iii) new programmes/enhancement/expansion of existing services and (iv) critical existing needs.

12. Tax Exempt Receipts

The Society is an Institution of Public Character (IPC). The IPC status was renewed for a period of one year and nine months with effect from 24 October 2017. Tax-exempt receipts issued for donations during the year amounted to \$26,792 (2017: \$18,400).

13. Income Tax

The Society is registered as a charity organisation under the Singapore Charities Act, Chapter 37. As an approved charity, it is exempted from income tax under Section 13(1)(zm) of the Singapore Income Tax Act, Chapter 134.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2018

14. Commitments**(a) Capital commitment**

In 2017, the Society has entered into a contract with a supplier for the renovation of one of the Society's centre amounting to \$207,500 and had paid deposit amounting to \$83,000. As such, the capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements for the year ended 31 December 2017 amounted to \$124,500.

During the current financial year under review, the renovation has been completed and there are no outstanding capital commitments.

(b) Operating lease commitment

The Society has entered into commercial leases for the use of certain equipment as lessee. These leases have an average tenure of 5 years. There are no restrictions placed upon the Society by entering into these leases. Operating lease payments recognised as an expense in the statement of financial activities for the financial year ended 31 December 2018 amounted to \$5,534 (2017: \$5,534).

Future minimum lease payments payable under non-cancellable operating leases at the reporting date are as follows:

	2018 \$	2017 \$
Not later than 1 year	4,234	5,534
Later than 1 year but within 5 years	2,615	6,849
	6,849	12,383

15. Related Party Transactions**Key Management Personnel Compensation**

Key management personnel of the Society comprised the Heads of the Service Centres which are having the authority and responsibility for planning, directing and controlling the activities of the respective Centres included as part of the Society.

The remuneration paid to key management personnel during the year are as follows:

	2018 \$	2017 \$
Salaries and bonuses	181,754	281,603
CPF contributions	24,530	35,738
	206,284	317,341

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and

Pasir Ris Family Service Centre)

(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements

31 December 2018

15. Related Party Transactions (Cont'd)

The remuneration of the key management personnel of the Society shown in salary bands are as follows:

	2018	2017
<i>Salaries and benefits bands for key management personnel</i>		
Between \$50,000 - \$100,000	2	3

None of the members of the Management Committee have received any compensation during the financial year ended 31 December 2018 and 2017.

16. Financial Risk Management

The Society's charitable activities expose it to minimal financial risks such as credit risk and liquidity risk on an informal basis. The Management Committee reviews and agrees policies for managing each of these risks and continually monitors the Society's risk management process to ensure that an appropriate balance between risk and control is achieved.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Society. The Society manages such risks by dealing with a diversity of credit-worthy counter parties to mitigate any significant concentration of credit risk. The Society places its cash and cash equivalents with creditworthy institutions.

The maximum exposure to credit risk in the event that the counter parties fail to perform the obligations as at the end of the financial year in relation to each class of financial assets is the carrying amount of these assets in the statement of financial position.

As at the financial year end, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(b) Liquidity Risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Management Committee exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flows at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Society's financial liabilities at the end of the financial year based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not expected to be significant.

GOOD NEWS COMMUNITY SERVICES
(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements
31 December 2018

16. Financial Risk Management (Cont'd)

(b) *Liquidity Risk (Cont'd)*

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	Less than 1 year \$	Between 1 – 5 years \$	Total contractual cash flow \$
2018			
<i>Financial liabilities</i>			
Other payables	119,649	—	119,649
Refundable deposits	37,350	—	37,350
Total undiscounted financial liabilities	156,999	—	156,999
2017			
<i>Financial liabilities</i>			
Other payables	188,736	—	188,736
Refundable deposits	34,250	—	34,250
Total undiscounted financial liabilities	222,986	—	222,986

17. Fund Management Policy

The primary objective of the Society is to safeguard its assets; to effectively and efficiently manage the usage of available capital resources towards supporting the Society's principal and related activities, and ensuring long-term financial sustainability.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2018 and 31 December 2017.

18. Reserves Policy

The Society's income depends 25% (2017: 29%) from fund generating activities, 68% (2017: 64%) from government funding/charitable activities and 1% (2017: 1%) comes from donation. In order to fund day-to-day operations and provide a buffer against fluctuations in monthly income, the Society will set aside a minimum of 3 months of operating expenses in cash and cash equivalents ("Operating Cash").

Operating Cash, which is denominated in Singapore dollars is to be kept as petty cash, and deposits including current account, savings account and fixed term deposits. Current, savings accounts and fixed term deposits may only be held with commercial banks. Any amount in excess of this may be invested in accordance with the decision and approval of the Management Committee. The Society's reserves policy will be reviewed by the Management Committee as and when required and amended as necessary.

GOOD NEWS COMMUNITY SERVICES

(Incorporating the results of Sonshine Childcare Centre and
Pasir Ris Family Service Centre)
(Registered under the Societies Act, Chapter 311)

Notes to the Financial Statements 31 December 2018

19. Management of Conflict of Interest

None of the management committee members received any remuneration or other benefits.

All Management Committee members are expected to avoid real, potential or perceived conflicts of interest. Where management committee members have a personal interest in operating transactions or contracts that Society may enter into, or have a vested interest in other organisations that Society has dealings with or is considering to enter into joint ventures with, they are expected to declare such interests to the management committee as soon as possible and abstain from discussion and decision making on the matter. Where such conflicts exist, the management committee will evaluate whether any potential conflict of interest will affect the continuing independence of such member and whether it is appropriate for the member to continue his/her current position as a member. 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.

20. Discontinued Operation of Commonwealth Student Care Centre

During the financial year ended 31 December 2017, the Commonwealth Student Care Centre has no assets and liabilities. The management committee of Good News Community Services have approved to transfer the remaining balance of the Centre's general fund amounting to \$6,355 and designated fund amounting to \$1,834 to Sonshine Childcare Centre's general fund totalling to \$8,189.

21. Authorisation of Financial Statements

These financial statements for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Management Committee on 13 April 2019.

GOOD NEWS COMMUNITY SERVICES
(Registered under the Societies Act, Chapter 311)

Supplementary Statement of Income and Expenditure
For the Year Ended 31 December 2018

This Schedule contains additional information that has been prepared from the books and records of the Society and does not form part of the audited financial statements.

	2018 \$	2017 \$
Income		
Income from generated funds:		
Activities for generating funds		
- Administrative support fees	187,208	219,616
Investment income	67	72
Other income		
Consultancy grant	—	25,252
Government grants	357	4,240
Others	793	191
Total income	<u>188,425</u>	<u>249,371</u>
Less: Expenditures		
Costs of generating funds		
Bank charges	284	209
Depreciation of plant and equipment	11,877	4,224
General expenses	2,269	4,814
Insurance	2,082	2,082
Maintenance of equipment	3,769	225
Maintenance of premises	45	622
Manpower benefit costs		
- Staff salaries and bonuses	144,116	124,752
- Employer CPF contribution and SDL	24,594	21,462
- Staff medical and insurance	1,074	1,168
- Staff training	321	3,529
- Staff transport	46	37
- Staff welfare	443	563
Non-capitalised purchases	—	289
Printing, stationery and postage	943	966
Subscription fees	3,595	2,320
Transport	—	2,140
Governance costs		
Auditors' remuneration	3,000	8,342
Consultancy fees	—	31,565
License fees	125	124
Total expenditures	<u>198,583</u>	<u>209,433</u>
Net (expenditure)/income before tax expense	<u>(10,158)</u>	<u>39,938</u>

Report and Audited Financial Statements

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of
GOOD NEWS COMMUNITY SERVICES)

31 December 2018

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

General Information

**Members of Good News Community Services
Management Committee**

Rev Lee Peng Ong @ David Lee	-	President
Hui Kwok Thong	-	Vice-President
Gan Tian Huat	-	Honorary Treasurer
Tan Yi-Ping Jacqueline	-	Honorary Secretary
Dui Sian Ling	-	Committee member
Soh Soon Heng Simon	-	Committee member
Ng Heo Yong	-	Committee member
Lee Kong Wee	-	Committee member
Lim Siew Lin	-	Committee member

Centre's Address

Blk 256 Pasir Ris Street 21
#01-289
Singapore 510256

UEN No.

-

Auditor

E H Luar & Co

Bankers

DBS Bank Ltd
United Overseas Bank Limited
Hong Leong Finance Limited
RHB Bank Berhad

Index	Page
Statement by Members of the Good News Community Services Management Committee	1
Independent Auditor's Report	2-4
Statement of Financial Activities	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-24

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

**Statement by Members of the Good News Community Services
Management Committee**

Opinion of the Good News Community Services Management Committee

In the opinion of the Good News Community Services Management Committee,

- (a) the accompanying financial statements of Paris Ris Family Service Centre (a Community Service Project of Good News Community Services) (the "Centre"), are drawn up in accordance with the provisions of the Charities Accounting Standard (the "CAS") in Singapore, so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2018 and the results of the financial activities and cash flows of the Centre for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Centre will be able to pay its debts as and when they fall due.

The members of the Good News Community Services management committee has, on the date of this statement, authorised these financial statements for issue.

1. Members of Good News Community Services Management Committee


Rev Lee Peng Ong @ David Lee	- President
Hui Kwok Thong	- Vice-President
Gan Tian Huat	- Honorary Treasurer
Tan Yi-Ping Jacqueline	- Honorary Secretary
Dui Sian Ling	- Committee member
Soh Soon Heng Simon	- Committee member
Ng Heo Yong	- Committee member
Lee Kong Wee	- Committee member
Lim Siew Lin	- Committee member

2. Independent Auditor

The independent auditor, E H Luar & Co, Chartered Accountants has expressed its willingness to accept re-appointment.

On behalf of the Good News Community Services Management Committee

x 
Rev Lee Peng Ong @ David Lee
President

x 
Gan Tian Huat
Honorary Treasurer

Singapore, 13 April 2019

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

Independent Auditor's Report to the Members of**Good News Community Services – Pasir Ris Family Service Centre**

For the Financial Year Ended 31 December 2018

Report on the Audit of the Financial Statements*Opinion*

We have audited the accompanying financial statements of Pasir Ris Family Service Centre (A Community Service Project of Good News Community Services), (the "Centre"), which comprise the statement of financial position as at 31 December 2018, and the statement of financial activities 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 Accounting Standard (the "CAS") in Singapore so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2018 and the results of the financial activities and cash flows of the Centre 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 Centre 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Management Committee is responsible for the other information. The other information comprises the General Information and the Statement by Members of the Good News Community Services Management Committee as set out on page 1.

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.

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

Independent Auditor's Report to the Members of

Good News Community Services – Pasir Ris Family Service Centre

For the Financial Year Ended 31 December 2018 (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

Responsibilities of the Management Committee for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the the Charities Accounting Standard (the "CAS") in Singapore, 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 Committee is responsible for assessing the Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

The Management Committee is responsible for overseeing the Centre'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:

- (a) 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.
- (b) 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 Centre's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management committee.

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

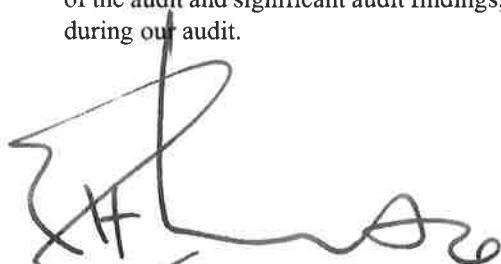
**Independent Auditor's Report to the Members of
Good News Community Services – Pasir Ris Family Service Centre
For the Financial Year Ended 31 December 2018 (Cont'd)**

Report on the Audit of the Financial Statements (Cont'd)

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

- (d) Conclude on the appropriateness of management committee'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 Centre'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 Centre to cease to continue as a going concern.
- (e) 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 management committee 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.



E H LUAR & CO
Public Accountants and
Chartered Accountants

Singapore, 13 April 2019

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Statement of Financial Activities
For the Financial Year Ended 31 December 2018

	Note	Unrestricted Funds	Restricted Funds	2018 \$	2017 \$
Income					
<u>Income from generated funds:</u>					
Voluntary income					
-Tax deductible donations	14(b)	26,792	—	26,792	18,400
Investment income		—	43,737	43,737	41,273
Income from charitable activities	3	—	1,568,247	1,568,247	1,484,049
Other income	4	31,521	23,958	55,479	41,245
Total income		58,313	1,635,942	1,694,255	1,584,967
Less: Expenditures					
<u>Charitable activities</u>					
Manpower benefit costs	5	—	1,231,099	1,231,099	1,135,043
Programme costs	6	9,485	96,439	105,924	79,604
Other operating costs	7	117	87,088	87,205	74,580
Governance costs	8	—	170,639	170,639	159,236
Total expenditures		9,602	1,585,265	1,594,867	1,448,463
Net income before tax expense		48,711	50,677	99,388	136,504
Tax expense	16	—	—	—	—
Net income before transfers		48,711	50,677	99,388	136,504
Gross transfers between funds	14&15	12,000	(12,000)	—	—
Net movement in funds		60,711	38,677	99,388	136,504
Reconciliation of funds:					
Total funds brought forward		1,230,137	4,268,787	5,498,924	5,362,420
Total funds carried forward		1,290,848	4,307,464	5,598,312	5,498,924

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Statement of Financial Position
As at 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	5,361,723	5,590,219
Other receivables	10	293,922	21,892
Other current assets	11	3,444	3,341
		<u>5,659,089</u>	<u>5,615,452</u>
Non-current assets			
Property, plant and equipment	12	<u>63,253</u>	<u>56,690</u>
Total assets		<u>5,722,342</u>	<u>5,672,142</u>
LIABILITIES			
Current liabilities			
Other payables	13	<u>124,030</u>	<u>173,218</u>
Total liabilities		<u>124,030</u>	<u>173,218</u>
Net assets		<u>5,598,312</u>	<u>5,498,924</u>
FUNDS			
Unrestricted funds			
General fund	14 (a)	1,006,978	975,457
Designated funds	14 (b)	<u>283,870</u>	<u>254,680</u>
		1,290,848	1,230,137
Restricted funds	15	<u>4,307,464</u>	<u>4,268,787</u>
Total Funds		<u>5,598,312</u>	<u>5,498,924</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Statement of Cash Flows
For the Financial Year Ended 31 December 2018

	2018 \$	2017 \$
Cash flows from operating activities		
Net income for the year before tax expense	99,388	136,504
Adjustments for:		
Depreciation of property, plant and equipment (Note 12)	27,393	18,109
Interest income from cash at bank and fixed deposits	<u>(43,737)</u>	<u>(41,273)</u>
Operating income before working capital changes	83,044	113,340
Changes in working capital:		
(Increase)/Decrease in other receivables	(268,175)	91,402
(Increase)/Decrease in other current assets	(103)	593
Decrease in other payables	<u>(49,188)</u>	<u>(34,138)</u>
Net cash (used in)/from operations	(234,422)	171,197
Interest received	<u>39,882</u>	<u>46,227</u>
Net cash (used in)/generated from operating activities	<u>(194,540)</u>	<u>217,424</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	<u>(33,956)</u>	<u>(47,722)</u>
Net cash used in investing activities	<u>(33,956)</u>	<u>(47,722)</u>
Net (decrease)/increase in cash and cash equivalents	(228,496)	169,702
Cash and cash equivalents at the beginning of the year	<u>5,590,219</u>	<u>5,420,517</u>
Cash and cash equivalents at the end of the year (Note 9)	<u>5,361,723</u>	<u>5,590,219</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

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

1. Domicile and Activities

Pasir Ris Family Service Centre (the "Centre") is a community service project of Good News Community Services (UEN no. S99SS0015F), which is registered with the Registry of Societies. The Centre is located at Blk 256 Pasir Ris Street 21, #01-289 Singapore 510256.

The principal activities of the Centre are to provide counselling services and family life education programmes targeted at parents, married couples, youths and families. There have been no significant changes in the nature of these activities during the financial year.

In the financial statements, CDC, CPF, NCSS, TBS FF and MSF represent Community Development Council, Central Provident Fund, National Council of Social Service, Tote Board Social Service Fund and Ministry of Social and Family Development.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below, and are prepared in accordance with Charities Accounting Standard ("CAS") as issued by the Singapore Accounting Standards Council.

The preparation of the Centre's financial statements requires Management Committee to make judgements, estimates and assumptions that affect the reported amounts of the income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management Committee is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

2.2 Functional and presentation currency

The Good News Community Services Management Committee has determined the currency of the primary economic environment in which the Centre operates to be Singapore dollar ("the functional currency"). The financial statements are presented in Singapore dollars ("SGD" or "\$") and all values are rounded to the nearest dollar ("\$\$") unless otherwise indicated.

2.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation.

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.3 Property, plant and equipment and depreciation (Cont'd)

The cost of an item of property, plant and equipment includes its purchase price and any costs 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 Committee. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Centre and the cost of the item can be measured reliably.

When significant parts of property, plant and equipment are required to be replaced in intervals, the costs of replacing such an item when the cost is incurred is added to the carrying amount of the item if the recognition criteria are met. The costs of day-to-day servicing of an item of property, plant and equipment is recognised as expenditure in the Statement of Financial Activities in the period in which the costs are incurred. Property, plant and equipment shall not be revalued and are not required to be assessed for impairment.

Depreciation is calculated using the straight-line basis to allocate its depreciable amounts over its estimated useful lives at the following annual rates:

Computers	-	100%
Furniture and fittings	-	20%
Office equipment	-	20%
Renovation	-	20%

The depreciation charge for each period is recognised as expenditure in the statement of financial activities unless another section of the CAS requires it to be included in the carrying amount of another asset. The residual values, estimated useful lives and depreciation method of property and equipment are reviewed and adjusted, as appropriate, at each reporting period. The effects of any revisions are recognised in the statement of financial activities for the financial year in which the changes arise. The carrying amount of the property, plant and equipment at the date of revision or changes is depreciated over the revised remaining useful lives.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in statement of financial activities in the year the asset is derecognised.

2.4 Financial assets

The Centre classifies the following financial assets and are presented in the statement of financial position as follows:

- (i) cash and cash equivalents; and
- (ii) other receivables and deposits.

Notes to the Financial Statements
31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.4 Financial assets (Cont'd)

Financial assets are recognised on the statement of financial position when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument.

Financial assets are initially recognised at the transaction price excluding transaction costs, if any, which shall be recognised as expenditure immediately in the statement of financial activities. Subsequent to initial measurement, financial assets, including other receivables and deposits excluding prepayments, are measured at cost less any accumulated impairment losses. Prepayments are subsequently measured at the amount paid less the economic resources received or consumed during the financial year.

Financial assets (consisting of cash and cash equivalents, and other receivables and deposits excluding prepayments), are derecognised when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Centre has transferred substantially all risks and rewards of ownership. On de-recognition of financial assets in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of financial activities.

2.5 Impairment of financial assets

The Centre assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of financial activities.

The impairment allowance is reduced through the statement of financial activities in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and at bank and fixed deposits which are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.7 Financial liabilities

Financial liabilities includes other payables. Financial liabilities are recognised when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument.

Financial liabilities shall be recognised at their transaction price, excluding transaction costs, if any, both at the initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.8 Fund Accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include unrestricted funds as follows:

Unrestricted funds

Unrestricted funds are expendable at the discretion of the Centre's Management Committee in furtherance of the Centre's objects.

Unrestricted funds comprises of general fund and designated funds. General fund is used for general purposes of the Centre. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separated fund (known as "Designated funds"). The designation has an administrative purpose only and does not legally restrict the Management Committee's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

2.9 Income recognition

Income is recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the Centre's net assets.

The following factors must also be met before income is recognised:

(a) Entitlement

The Centre has control over the rights or other access to the resource, enabling the Centre to determine its future application;

(b) Certainty

It is probable that the income will be received; and

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.9 *Income recognition (Cont'd)*

(c) Measurement

The amount of the income can be measured by the Centre with sufficient reliability.

The following specific recognition criteria must also be met before income is recognised:

(a) Income from generated funds

Investment income

Interest income is recognised on a time proportion basis using the effective interest method.

(b) Income from charitable activities

Government grants for the programmes run by the Centre. These are recognised as income according to the terms of the funding agreements, on an accrual basis with unconditional entitlement to the receipts.

(c) Other income

Government credits i.e. special employment credit, temporary employment credit, wage credit scheme and other income are recognised as and when received in the current financial year.

2.10 *Expenditures*

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the respective activity. Where costs cannot be wholly attributed to an activity, they have been apportioned on a basis consistent with the use of resources.

(a) Cost of generating funds

Costs of generating funds are those costs attributable to generating income for the Centre other than those costs incurred in undertaking charitable activities in furtherance of the Centre's objects.

(b) Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Centre as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the Centre will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities and cost associated with constitutional and statutory requirements.

PASIR RIS FAMILY SERVICE CENTRE

(A Community Service Project of Good News Community Services)

Notes to the Financial Statements

31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.10 Expenditures (Cont'd)

(c) Support costs

Support costs are costs incurred in supporting income generation activities such as fund raising and in supporting the governance of the Centre. Support costs do not in themselves constitute an activity; instead they enable output-creating activities to be undertaken. Support costs includes such as key and general management, information technology, human resources and financing and these are apportioned to the relevant activity cost category they support.

(d) Other expenditure

Other expenditure includes the payment of any expenditure that the Centre has not been able to analyse within the main expenditure categories.

2.11 Operating leases

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 are taken to the statement of financial activities 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.

2.12 Employee benefits - defined contribution plans

The Centre participates in the national pension schemes as defined by the laws of Singapore. The Centre makes contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme. Such contributions to defined contribution pension scheme are recognised as compensation expense in the period in which the related service is performed.

2.13 Provisions

Provisions are recognised when the Centre has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

3. Income from Charitable Activities

	2018 \$	2017 \$
Restricted funds:		
Care and share matching grant	12,499	—
Casework and counselling from MSF	3,220	3,735
Family Service Centre Com care grant	1,500	2,400
Funding grant from MSF	1,467,812	1,284,204
Funding grant from NCSS – ComChest	19,652	66,686
Funding grant from NCSS - TBSFF	—	70,668
School Pocket Money Fund administrative fee	784	896
School Pocket Money Fund grant	62,780	55,460
	<u>1,568,247</u>	<u>1,484,049</u>

4. Other Income

	2018 \$	2017 \$
Unrestricted funds:		
Amortisation of deferred capital grant	117	200
Government paid - child care leave claim	1,712	2,180
Government paid - paternity leave claim	9,649	2,365
Special and temporary employment credit	3,872	8,808
Supervision fees	1,500	1,500
Wage credit scheme	14,671	18,806
	<u>31,521</u>	<u>33,859</u>
Restricted funds:		
Amortisation of deferred capital grant	9,078	7,386
Consultancy grant for internal audit	13,200	—
Others	1,680	—
	<u>23,958</u>	<u>7,386</u>
	<u>55,479</u>	<u>41,245</u>

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

5. Manpower Benefit Costs

	2018	2017
	\$	\$
Restricted funds:		
Staff salaries and bonuses	1,036,904	953,403
Employer's CPF contribution and Skills Development levy	159,061	147,121
Staff medical and insurance	9,455	7,322
Staff training	18,682	19,213
Staff welfare	6,487	7,784
Honorarium	510	200
	<u>1,231,099</u>	<u>1,135,043</u>

6. Programme Costs

	2018	2017
	\$	\$
Unrestricted funds:		
Economic downturn assistance	1,100	600
PRFSC Financial Assistance fund	8,385	4,310
	<u>9,485</u>	<u>4,910</u>
Restricted funds:		
Casework and counselling	552	—
Care and share fund	12,963	9,442
Children programme expenses	737	1,527
Community outreach fund	12,037	4,655
FSC Comcare fund	2,000	900
North East Community Development Council fund	40	60
School Pocket Money Fund disbursement	56,120	53,110
Non-funded programme fee	11,990	5,000
	<u>96,439</u>	<u>74,694</u>
	<u>105,924</u>	<u>79,604</u>

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

7. Other Operating Costs

	2018 \$	2017 \$
Unrestricted funds:		
Amortisation charge for deferred capital grant	117	200
Restricted funds:		
Advertisement	2,782	2,782
Amortisation charge for deferred capital grant	9,078	7,386
Bank charges	539	360
Depreciation charge	27,393	18,108
General expenses	731	1,554
Insurance	238	238
Maintenance of equipment	3,715	2,769
Maintenance of premises	1,016	1,302
Non-capitalised purchases	468	135
Printing, stationery and postage	4,601	4,327
Refreshments	694	689
Rent and conservancy fees	14,304	14,272
Rental of equipment	3,120	3,120
Resource materials	131	149
Telecommunication	3,417	4,180
Transport	8,677	7,742
Utilities	6,184	5,267
	<u>87,088</u>	<u>74,380</u>
	<u>87,205</u>	<u>74,580</u>

8. Governance Costs

	2018 \$	2017 \$
Restricted funds:		
Administrative support costs	158,889	147,486
Auditor's remuneration	10,500	10,500
Internal audit fees	1,000	1,000
License fees	250	250
	<u>170,639</u>	<u>159,236</u>

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

9. Cash and Cash Equivalents

	2018	2017
	\$	\$
<i>Cash and bank balances:</i>		
Cash at bank	1,960,834	2,229,088
Cash on hand	1,600	1,600
Fixed deposits	3,399,289	3,359,531
	<u>5,361,723</u>	<u>5,590,219</u>
Cash and cash equivalents per statement of cash flows		

Fixed deposits earn interest rate that ranges approximately from 0.78% to 1.70% (2017: 1.18% to 1.25%) per annum for a period of 12 months (2017: 12 months).

10. Other Receivables

	2018	2017
	\$	\$
Fixed deposit interest receivable	24,206	20,351
Programme fund receivable from MSF	266,852	–
Programme fund receivable from NCSS	1,281	–
Receivable from CPF Board	513	–
Others	1,070	1,541
	<u>293,922</u>	<u>21,892</u>

11. Other Current Assets

	2018	2017
	\$	\$
Deposits	1,967	1,452
Prepayments	1,477	1,889
	<u>3,444</u>	<u>3,341</u>

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

12. Property, Plant and Equipment

	Computers \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
<i>Cost:</i>					
At 01-01-2017	24,873	59,277	58,885	167,850	310,885
Additions	—	4,216	18,361	25,145	47,722
Write-offs	(4,355)	(5,059)	(9,460)	—	(18,874)
At 31-12-2017	20,518	58,434	67,786	192,995	339,733
Additions	33,956	—	—	—	33,956
Write-offs	(20,518)	(1,206)	—	—	(21,724)
At 31-12-2018	33,956	57,228	67,786	192,995	351,965
<i>Accumulated depreciation:</i>					
At 01-01-2017	24,873	56,239	35,846	166,850	283,808
Depreciation charge	—	1,474	11,864	4,771	18,109
Write-offs	(4,355)	(5,059)	(9,460)	—	(18,874)
At 31-12-2017	20,518	52,654	38,250	171,621	283,043
Depreciation charge	8,489	1,684	12,190	5,030	27,393
Write-offs	(20,518)	(1,206)	—	—	(21,724)
At 31-12-2018	8,489	53,132	50,440	176,651	288,712
<i>Net carrying amount:</i>					
At 31-12-2018	25,467	4,096	17,346	16,344	63,253
At 31-12-2017	—	5,780	29,536	21,374	56,690

13. Other Payables

	2018 \$	2017 \$
Accrued operating expenses	83,802	134,157
Amount due to Good News Community Services	38,900	38,280
Others	1,328	781
	<u>124,030</u>	<u>173,218</u>

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

14. Unrestricted Funds

(a) General fund

	2018 \$	2017 \$
Balance at beginning of the year	975,457	941,598
Net income for the year	31,521	33,859
Balance at end of the year	<u>1,006,978</u>	<u>975,457</u>

(b) Designated funds

	Balance at 01-01-2018 \$	Transfer from Restricted Fund \$	Income \$	Expenditure \$	Amortisation \$	Balance at 31-12-2018 \$
2018						
Economic downturn assistance fund	3,600	—	—	(1,100)	—	2,500
Elderly fund	47,320	—	—	—	—	47,320
Five loaves and two fish fund	89,479	—	26,792*	—	—	116,271
PRFSC financial assistance fund	175	12,000	—	(8,385)	—	3,790
Renovation fund	113,989	—	—	—	—	113,989
Deferred capital grants	117	—	—	—	(117)	—
	<u>254,680</u>	<u>12,000</u>	<u>26,792</u>	<u>(9,485)</u>	<u>(117)</u>	<u>283,870</u>
2017						
Economic downturn assistance fund	4,200	—	—	(600)	—	3,600
Elderly fund	47,320	—	—	—	—	47,320
Five loaves and two fish fund	71,079	—	18,400*	—	—	89,479
PRFSC financial assistance fund	4,485	—	—	(4,310)	—	175
Renovation fund	113,989	—	—	—	—	113,989
Deferred capital grants	317	—	—	—	(200)	117
	<u>241,390</u>	<u>—</u>	<u>18,400</u>	<u>(4,910)</u>	<u>(200)</u>	<u>254,680</u>

* The donations towards Five loaves and two fish fund in Pasir Ris Family Service Centre are tax deductible donations under the name of Good News Community Services, an approved Institution of a Public Character ("IPC").

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

14. Unrestricted Funds (Cont'd)

(b) Designated funds (Cont'd)

The designated funds were established for the following purposes:

- (i) Economic downturn assistance fund is to provide financial aid to people in the Pasir Ris community directly affected by retrenchment or loss of employment.
- (ii) Elderly fund is to be used by the Centre for the work of elderly care.
- (iii) Five loaves and two fish fund is to provide groceries and other daily essentials for families seeking help because of financial difficulties or loss of employment.
- (iv) PRFSC financial assistance fund is set up to support deserving students with continuation of monthly pocket money at SPMF level, beyond their eligible period. The allowance will be part of other intervention efforts to address family issues experience by beneficiaries of Code of Social Work Practice framework.
- (v) Renovation fund is set up for capital expenditure to be incurred for major replacements and repairs of the Family Service Centre.
- (vi) Deferred capital grant is to reflect the corresponding credit of the capitalised property, plant and equipment which were financed from government grants. The deferred capital donations would be amortised over a period between one to five years to match the estimated useful lives of the capitalised property, plant and equipment.

15. Restricted Funds

	Balance at 01-01-2018 \$	Transferred to designated funds \$	Income \$	Expenditure \$	Balance at 31-12-2018 \$
2018					
Family Service Centre Operation Fund (FSC)	4,214,945	(12,000)	1,559,163	(1,514,142)	4,247,966
Family Service Centre Comcare Fund (FCF)	9,100	—	1,500	(2,000)	8,600
North East Essential Relief Fund (NEER)	429	—	—	(40)	389
School Pocket Money Fund (SPMF)	30,810	—	62,780	(56,120)	37,470
Care and Share Fund	13,503	—	12,499	(12,963)	13,039
	<u>4,268,787</u>	<u>(12,000)</u>	<u>1,635,942</u>	<u>(1,585,265)</u>	<u>4,307,464</u>

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

15. Restricted Funds (Cont'd)

	Balance at 01-01-2017 \$	Transferred to designated funds \$	Income \$	Expenditure \$	Balance at 31-12-2017 \$
2017					
Family Service Centre Operation Fund (FSC)	4,119,938	—	1,474,848	(1,379,841)	4,214,945
Family Service Centre Comcare Fund (FCF)	7,600	—	2,400	(900)	9,100
North East Essential Relief Fund (NEER)	489	—	—	(60)	429
School Pocket Money Fund (SPMF)	28,460	—	55,460	(53,110)	30,810
Care and Share Fund	22,945	—	—	(9,442)	13,503
	<u>4,179,432</u>	<u>—</u>	<u>1,534,208</u>	<u>(1,443,353)</u>	<u>4,268,787</u>

(a) Family Service Centre Operation Fund ("FSC")

FSC supports the low-income families, especially those with a socially disadvantaged background, and to help them out of the poverty cycle. The Centre facilitates the access to social services, financial and other resources; enhancing the ability to achieve sustainable financial independence and strengthening their integration into the neighbourhoods or communities.

The FSC service model includes Casework and Counselling where community workers help families reach mutually satisfactory resolutions to the problems presented. If the specific needs of the families cannot be met by the FSC, they will provide the necessary information and referrals to appropriate agencies.

(b) FSC Comcare Fund ("FCF")

Established by the Ministry of Social and Family Development to support the FSC's role in helping needy Singaporeans. FCF provides immediate assistance to clients of FSC who require urgent and temporary financial relief to tide over their current situations.

(c) North East Essential Relief Fund ("NEER")

The Centre participates in the North East Essential Relief scheme with North East CDC. The Centre can provide provisions as well as transport assistance to needy residents capped at \$40 per household per month.

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

15. Restricted Funds (Cont'd)

(d) School Pocket Money Fund ("SPMF")

The SPMF is a charity fund-raising project organised by the Straits Times to heighten public awareness of the plight of the children from low-income families who were attending school without proper breakfast or pocket money to sustain their day in school. The fund is distributed to all FSC through NCSS to benefit the eligible clients of the Centre.

(e) Care and Share Fund

Integral to the SG50 Celebration, the National Council of Social Service initiated the Care and share movement - a national fund-raising and volunteerism movement. With the support from Government, eligible donations raised by the Volunteer Welfare Organisations ("VWO") is matched dollar-for-dollar to develop social service related VWOs and their programmes to better serve beneficiaries. VWOs can use the grant in four areas namely (i) capability building, (ii) capacity building, (iii) new programmes/enhancement/expansion of existing services and (iv) critical existing needs.

16. Income Tax

The Centre is a community service project of Good News Community Services, which is a Society registered as a charity organisation under the Singapore Charities Act, Chapter 37. As an approved charity, it is exempted from income tax under Section 13(1)(zm) of the Singapore Income Tax Act, Chapter 134.

17. Operating Lease Commitments

The Centre has entered into a commercial lease for the use of certain equipment as lessee. This lease have an average tenure of 5 years. There are no restrictions placed upon the Centre by entering into this lease. Operating lease payments recognised as an expense in the statement of financial activities for the financial year ended 31 December 2018 amounted to \$3,120 (2017: \$3,120).

Future minimum lease payments payable under non-cancellable operating leases at the reporting date are as follows:

	2018 \$	2017 \$
Not later than one year	1,820	3,120
Later than one year but not later than five years	—	1,820
	<u>1,820</u>	<u>4,940</u>

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

18. Related Party Transactions

Key Management Personnel Compensation

Key management personnel comprised the Head of the Centre which are having the authority and responsibility for planning, directing and controlling the activities of the Centres.

The remuneration paid to key management personnel during the year are as follows:

	2018 \$	2017 \$
Salaries and bonuses	121,574	175,230
Employer's CPF contribution	14,297	21,529
	<u>135,871</u>	<u>196,759</u>

The remuneration of the key management personnel of the Centre shown in salary bands are as follows:

	2018	2017
<i>Salaries and benefits bands for key management personnel</i>		
Between \$50,000 - \$100,000	<u>1</u>	<u>2</u>

None of the members of the Management Committee have received any compensation during the financial year ended 31 December 2018 and 2017.

19. Financial Risk Management

The Centre's charitable activities expose it to minimal financial risks such as credit risk and liquidity risk on an informal basis. The Management Committee reviews and agrees policies for managing each of these risks and continually monitors the Centre's risk management process to ensure that an appropriate balance between risk and control is achieved.

(a) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Centre. The Centre manages such risks by dealing with a diversity of credit-worthy counter parties to mitigate any significant concentration of credit risk. The Centre places its cash and cash equivalents with creditworthy institutions.

The maximum exposure to credit risk in the event that the counter parties fail to perform the obligations as at the end of the financial year in relation to each class of financial assets is the carrying amount of these assets in the statement of financial position.

As at the financial year end, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

PASIR RIS FAMILY SERVICE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

19. Financial Risk Management (Cont'd)

(b) Liquidity Risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting financial obligations due to shortage of funds. The Centre's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Management Committee exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flows at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Centre's financial liabilities at the end of the financial year based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not expected to be significant.

	Less than 1 year \$	Between 1 – 5 years \$	Total contractual cash flow \$
2018			
<i>Financial liabilities</i>			
Other payables	124,030	–	124,030
Total undiscounted financial liabilities	124,030	–	124,030
2017			
<i>Financial liabilities</i>			
Other payables	173,218	–	173,218
Total undiscounted financial liabilities	173,218	–	173,218

20. Fund Management Policy

The primary objective of the Centre is to safeguard its assets; to effectively and efficiently manage the usage of available capital resources towards supporting the Centre's principal and related activities, and ensuring long-term financial sustainability.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2018 and 31 December 2017.

21. Authorisation of Financial Statements

These financial statements for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Management Committee of Good News Community Services on 13 April 2019.

Report and Audited Financial Statements

SONSHINE CHILDCARE CENTRE
(A Community Service Project of
GOOD NEWS COMMUNITY SERVICES)

31 December 2018

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

General Information

**Members of Good News Community Services
Management Committee**

Rev Lee Peng Ong @ David Lee	-	President
Hui Kwok Thong	-	Vice-President
Gan Tian Huat	-	Honorary Treasurer
Tan Yi-Ping Jacqueline	-	Honorary Secretary
Dui Sian Ling	-	Committee member
Soh Soon Heng Simon	-	Committee member
Ng Heo Yong	-	Committee member
Lee Kong Wee	-	Committee member
Lim Siew Lin	-	Committee member

Centre's Address

Blk 211 Bukit Batok
Street 21, #01-252
Singapore 650211

UEN No.

-

Auditor

E H Luar & Co

Bankers

DBS Bank Ltd

Index	Page
Statement by Members of the Good News Community Services Management Committee	1
Independent Auditor's Report	2-4
Statement of Financial Activities	5
Statement of Financial Position	6
Statement of Cash Flows	7
Notes to the Financial Statements	8-23

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

Statement by Members of the Good News Community Services Management Committee

Opinion of the Good News Community Services Management Committee

In the opinion of the Good News Community Services Management Committee,

- (a) the accompanying financial statements of Sonshine Childcare Centre (a Community Service Project of Good News Community Services) (the "Centre"), are drawn up in accordance with the provisions of the Charities Accounting Standard (the "CAS") in Singapore, so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2018 and the results of the financial activities and cash flows of the Centre for the year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Centre will be able to pay its debts as and when they fall due.

The members of the Good News Community Services management committee has, on the date of this statement, authorised these financial statements for issue.


1. Members of Good News Community Services Management Committee


Rev Lee Peng Ong @ David Lee	- President
Hui Kwok Thong	- Vice-President
Gan Tian Huat	- Honorary Treasurer
Tan Yi-Ping Jacqueline	- Honorary Secretary
Dui Sian Ling	- Committee member
Soh Soon Heng Simon	- Committee member
Ng Heo Yong	- Committee member
Lee Kong Wee	- Committee member
Lim Siew Lin	- Committee member

2. Independent Auditor

The independent auditor, E H Luar & Co, Chartered Accountants has expressed its willingness to accept re-appointment.

On behalf of the Good News Community Services Management Committee


Rev Lee Peng Ong @ David Lee
President


Gan Tian Huat
Honorary Treasurer

Singapore, 13 April 2019

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

**Independent Auditor's Report to the Members of
Good News Community Services – Sonshine Childcare Centre
For the Financial Year Ended 31 December 2018****Report on the Audit of the Financial Statements***Opinion*

We have audited the accompanying financial statements of Sonshine Childcare Centre (A Community Service Project of Good News Community Services), (the "Centre"), which comprise the statement of financial position as at 31 December 2018, and the statement of financial activities 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 Accounting Standard (the "CAS") in Singapore so as to present fairly, in all material respects, the financial position of the Centre as at 31 December 2018 and the results of the financial activities and cash flows of the Centre 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 Centre 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.

Information Other than the Financial Statements and Auditor's Report Thereon

The Management Committee is responsible for the other information. The other information comprises the General Information and the Statement by Members of the Good News Community Services Management Committee as set out on page 1.

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.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

**Independent Auditor's Report to the Members of
Good News Community Services – Sonshine Childcare Centre**

For the Financial Year Ended 31 December 2018 (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

Responsibilities of the Management Committee for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the the Charities Accounting Standard (the "CAS") in Singapore, 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 Committee is responsible for assessing the Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

The Management Committee is responsible for overseeing the Centre'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:

- (a) 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.
- (b) 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 Centre's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management committee.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

**Independent Auditor's Report to the Members of
Good News Community Services – Sonshine Childcare Centre**
For the Financial Year Ended 31 December 2018 (Cont'd)

Report on the Audit of the Financial Statements (Cont'd)

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

- (d) Conclude on the appropriateness of management committee'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 Centre'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 Centre to cease to continue as a going concern.
- (e) 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 management committee 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.



E H LUAR & CO
Public Accountants and
Chartered Accountants

Singapore, 13 April 2019

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Statement of Financial Activities
For the Financial Year Ended 31 December 2018

		Unrestricted Funds	
	Note	2018	2017
		\$	\$
Income			
Income from generated funds:			
Activities for generating funds	3	586,218	640,480
Investment income		776	4,220
Other income	4	31,644	41,249
Total income		618,638	685,949
Less: Expenditures			
Costs of generating funds			
Direct operating costs	5	83,464	69,257
Manpower benefit costs	6	619,131	630,721
Other operating costs	7	73,479	50,995
Governance costs	8	37,151	78,285
Total expenditures		813,225	829,258
Net expenditure before tax expense		(194,587)	(143,309)
Tax expense	15	—	—
Net expenditure before transfers		(194,587)	(143,309)
Gross transfers between funds		—	58,189
Net expenditure before holding gains and losses		(194,587)	(85,120)
Other recognised gains or losses		—	—
Net movement in funds		(194,587)	(85,120)
Reconciliation of funds:			
Total funds brought forward		387,598	472,718
Total funds carried forward		193,011	387,598

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Statement of Financial Position
As at 31 December 2018

	Note	2018 \$	2017 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	91,571	346,879
Other receivables	10	1,237	3,625
Other current assets	11	3,981	103,487
		<u>96,789</u>	<u>453,991</u>
Non-current assets			
Property, plant and equipment	12	<u>170,859</u>	<u>3,214</u>
Total assets		<u>267,648</u>	<u>457,205</u>
LIABILITIES			
Current liabilities			
Other payables	13	37,287	35,357
Refundable deposits		<u>37,350</u>	<u>34,250</u>
Total liabilities		<u>74,637</u>	<u>69,607</u>
Net assets		<u>193,011</u>	<u>387,598</u>
FUNDS			
Unrestricted funds			
General fund	14(a)	185,011	213,567
Designated funds	14 (b)	<u>8,000</u>	<u>174,031</u>
Total Funds		<u>193,011</u>	<u>387,598</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Statement of Cash Flows
For the Financial Year Ended 31 December 2018

	2018 \$	2017 \$
Cash flows from operating activities		
Net expenditure before tax expense	(194,587)	(143,309)
Adjustments for:		
Depreciation of plant and equipment	20,112	1,668
Interest income	<u>(776)</u>	<u>(4,220)</u>
Operating cash flow before changes in working capital	(175,251)	(145,861)
Changes in working capital:		
Increase in other receivables	1,271	(2,508)
(Increase)/Decrease in other current assets	99,506	(100,614)
Increase/(Decrease) in other payables	1,930	(67,427)
Increase/(Decrease) in refundable deposits	<u>3,100</u>	<u>(2,530)</u>
Cash used in operations	(69,444)	(318,940)
Interest received	<u>1,893</u>	<u>5,186</u>
Net cash used in operating activities	<u>(67,551)</u>	<u>(313,754)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	<u>(187,757)</u>	<u>—</u>
Net cash used in investing activities	<u>(187,757)</u>	<u>—</u>
Cash flows from financing activities		
Funds received from Commonwealth Student Care Centre (Note 14(a))	—	8,189
Funds received from Good News Community Services (Note 14(b))	<u>—</u>	<u>50,000</u>
Net cash from financing activities	<u>—</u>	<u>58,189</u>
Net decrease in cash and cash equivalents	(255,308)	(255,565)
Cash and cash equivalents at beginning of the financial year	<u>346,879</u>	<u>602,444</u>
Cash and cash equivalents at the end of the financial year (Note 9)	<u>91,571</u>	<u>346,879</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

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

1. Domicile and Activities

Sonshine Childcare Centre (the "Centre") is a community service project of Good News Community Services (UEN no. S99SS0015F), which is registered with the Registry of Societies. The Centre is located at Blk 211 Bukit Batok Street 21, #01-252 Singapore 650211.

The principal activities of the Centre are to provide education, supervision and care for young children. There have been no significant changes in the nature of these activities during the financial year.

In the financial statements, CPF and ECDA represent Central Provident Fund and Early Childhood Development Agency.

2. Summary of Significant Accounting Policies

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below, and are prepared in accordance with Charities Accounting Standard ("CAS") as issued by the Singapore Accounting Standards Council.

The preparation of the Centre's financial statements requires Management Committee to make judgements, estimates and assumptions that affect the reported amounts of the income, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management Committee is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

2.2 Functional and presentation currency

The Good News Community Services Management Committee has determined the currency of the primary economic environment in which the Centre operates to be Singapore dollar ("the functional currency"). The financial statements are presented in Singapore dollars ("SGD" or "\$") and all values are rounded to the nearest dollar ("¢") unless otherwise indicated.

2.3 Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation.

The cost of an item of property, plant and equipment includes its purchase price and any costs 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 Committee. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Centre and the cost of the item can be measured reliably.

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.3 Property, plant and equipment and depreciation (Cont'd)

When significant parts of property, plant and equipment are required to be replaced in intervals, the costs of replacing such an item when the cost is incurred is added to the carrying amount of the item if the recognition criteria are met. The costs of day-to-day servicing of an item of property, plant and equipment is recognised as expenditure in the Statement of Financial Activities in the period in which the costs are incurred. Property, plant and equipment shall not be revalued and are not required to be assessed for impairment.

Depreciation is calculated using the straight-line basis to allocate its depreciable amounts over its estimated useful lives at the following annual rates:

Computers	-	100%
Furniture and fittings	-	20%
Office equipment	-	20%
Renovation	-	20%

The depreciation charge for each period is recognised as expenditure in the statement of financial activities unless another section of the CAS requires it to be included in the carrying amount of another asset. The residual values, estimated useful lives and depreciation method of property and equipment are reviewed and adjusted, as appropriate, at each reporting period. The effects of any revisions are recognised in the statement of financial activities for the financial year in which the changes arise. The carrying amount of the property, plant and equipment at the date of revision or changes is depreciated over the revised remaining useful lives.

Fully depreciated assets still in use are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in statement of financial activities in the year the asset is derecognised.

2.4 Financial assets

The Centre classifies the following financial assets and are presented in the statement of financial position as follows:

- (i) cash and cash equivalents; and
- (ii) other receivables and deposits.

Financial assets are recognised on the statement of financial position when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

Notes to the Financial Statements

31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.4 *Financial assets (Cont'd)*

Financial assets are initially recognised at the transaction price excluding transaction costs, if any, which shall be recognised as expenditure immediately in the statement of financial activities. Subsequent to initial measurement, financial assets, including other receivables and deposits excluding prepayments, are measured at cost less any accumulated impairment losses. Prepayments are subsequently measured at the amount paid less the economic resources received or consumed during the financial year.

Financial assets (consisting of cash and cash equivalents, and other receivables and deposits excluding prepayments), are derecognised when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Centre has transferred substantially all risks and rewards of ownership. On de-recognition of financial assets in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of financial activities.

2.5 *Impairment of financial assets*

The Centre assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the statement of financial activities.

The impairment allowance is reduced through the statement of financial activities in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.6 *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank and fixed deposits which are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

2.7 *Financial liabilities*

Financial liabilities includes other payables and refundable deposits.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

Notes to the Financial Statements

31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.7 Financial liabilities (Cont'd)

Financial liabilities are recognised when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument.

Financial liabilities shall be recognised at their transaction price, excluding transaction costs, if any, both at the initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

2.8 Fund Accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include unrestricted funds as follows:

Unrestricted funds

Unrestricted funds are expendable at the discretion of the Centre's Management Committee in furtherance of the Centre's objects.

Unrestricted funds comprises of general fund and designated funds. General fund is used for general purposes of the Centre. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separated fund (known as "Designated funds"). The designation has an administrative purpose only and does not legally restrict the Management Committee's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

2.9 Income recognition

Income is recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the Centre's net assets.

The following factors must also be met before income is recognised:

(a) Entitlement

The Centre has control over the rights or other access to the resource, enabling the Centre to determine its future application;

(b) Certainty

It is probable that the income will be received; and

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.9 Income recognition (Cont'd)

(c) Measurement

The amount of the income can be measured by the Centre with sufficient reliability.

The following specific recognition criteria must also be met before income is recognised:

(a) Income from generated funds

Activities for generating funds

Income from school fees and school programmes are recognised as revenue over the period the services are rendered and school programme are conducted.

Investment income

Interest income is recognised on a time proportion basis using the effective interest method.

(b) Other income

Comprise of government credits i.e. special employment credit, temporary employment credit, wage credit scheme and other income are recognised as and when received in the current financial year.

2.10 Expenditures

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to the respective activity. Where costs cannot be wholly attributed to an activity, they have been apportioned on a basis consistent with the use of resources.

(a) Cost of generating funds

Costs of generating funds are those costs attributable to generating income for the Centre other than those costs incurred in undertaking charitable activities in furtherance of the Centre's objects.

(b) Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Centre as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the Centre will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities and cost associated with constitutional and statutory requirements.

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

2. Summary of Significant Accounting Policies (Cont'd)

2.10 Expenditures (Cont'd)

(c) Support costs

Support costs are costs incurred in supporting income generation activities such as fund raising and in supporting the governance of the Centre. Support costs do not in themselves constitute an activity; instead they enable output-creating activities to be undertaken. Support costs includes such as key and general management, information technology, human resources and financing and these are apportioned to the relevant activity cost category they support.

(d) Other expenditure

Other expenditure includes the payment of any expenditure that the Centre has not been able to analyse within the main expenditure categories.

2.11 Operating leases

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 are taken to the statement of financial activities 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.

2.12 Employee benefits - defined contribution plans

The Centre participates in the national pension schemes as defined by the laws of Singapore. The Centre makes contributions to the Central Provident Fund (CPF) scheme in Singapore, a defined contribution pension scheme. Such contributions to defined contribution pension scheme are recognised as compensation expense in the period in which the related service is performed.

2.13 Provisions

Provisions are recognised when the Centre has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

3. Activities for Generating Funds

	2018	2017
	\$	\$
School fees subsidies from ECDA	288,557	309,693
School fees, net of discounts	289,402	295,287
Registration fees	990	1,050
Income from school programme	7,269	34,450
	<u>586,218</u>	<u>640,480</u>

4. Other Income

	2018	2017
	\$	\$
Amortisation of deferred capital grants	467	799
Government paid - child care leave claim	242	159
Special and temporary credit	9,277	18,985
Wage credit scheme	19,956	17,366
Others	1,702	3,940
	<u>31,644</u>	<u>41,249</u>

5. Direct Operating Costs

	2018	2017
	\$	\$
Cost of school programme	5,016	27,719
Food and beverages	24,666	27,177
Marketing program	7,123	—
Spark Accreditation programme	34,859	—
Student healthcare and medical expenses	118	129
Teaching materials and toys	12,046	13,693
(Recovery)/Impairment loss on school fee receivables	(364)	539
	<u>83,464</u>	<u>69,257</u>

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

6. Manpower Benefit Costs

	2018	2017
	\$	\$
Staff salaries and bonuses	537,038	542,672
Employer's CPF contribution and Skills Development Levy	57,974	72,180
Foreign worker levy	11,880	2,512
Staff medical and insurance	8,695	8,296
Staff training	2,604	2,268
Staff transport	218	168
Staff welfare	722	1,291
Honorarium	—	1,334
	619,131	630,721

7. Other Operating Costs

	2018	2017
	\$	\$
Amortisation of deferred capital grant	467	799
Bank charges	219	282
Depreciation of plant and equipment	20,112	1,668
General expenses	2,215	1,406
Insurance	307	613
Maintenance of equipment	299	—
Maintenance of premises	9,885	8,551
Non-capitalised purchases	139	865
Printing, stationery and postage	4,428	3,336
Rent and conservancy fees	19,913	19,913
Rental of equipment	2,414	2,414
Subscription fees	1,568	784
Telecommunication expenses	2,019	2,032
Utilities	9,494	8,332
	73,479	50,995

8. Governance Costs

	2018	2017
	\$	\$
Administrative support costs	28,319	69,174
Auditor's remuneration		
– current year	4,700	4,700
– certification on statement of subsidy claims	4,000	4,000
License fees	132	411
	37,151	78,285

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

9. Cash and Cash Equivalents

	2018	2017
	\$	\$
<i>Denominated in Singapore dollars:</i>		
Cash at banks	89,371	180,510
Cash on hand	2,200	2,200
Fixed deposits	—	164,169
	<u>91,571</u>	<u>346,879</u>
Cash and cash equivalents per statement of cash flows	<u>91,571</u>	<u>346,879</u>

Fixed deposits earn interest rate that ranges approximately from 1.15% (2017: 1.05% to 1.63%) per annum. During the current financial year under review, all fixed deposits has been fully withdrawn.

10. Other Receivables

	2018	2017
	\$	\$
School fees receivable	270	809
Allowance for impairment loss	—	(539)
	<u>270</u>	<u>270</u>
Fixed deposit interest receivable	—	1,117
Amount due from ECDA	825	2,238
Others	142	—
	<u>1,237</u>	<u>3,625</u>

The movement of the allowance for impairment loss are as follows:

	2018	2017
	\$	\$
Balance at 1 January	539	—
Allowance for impairment during the year	—	539
Recovery of allowance	(364)	—
Written-off	(175)	—
	<u>—</u>	<u>—</u>
Balance as at 31 December	<u>—</u>	<u>539</u>

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

11. Other Current Assets

	2018 \$	2017 \$
Advance payments	—	98,100
Deposits	2,425	1,880
Prepayments	1,556	3,507
	<u>3,981</u>	<u>103,487</u>

The advance payments in financial year ended 31 December 2017 represent payments made for renovation costs and purchase of new curriculum for Spark Accreditation of the Centre.

12. Property, Plant and Equipment

	Computers \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
Cost:					
At 01-01-2017	1,259	57,823	14,913	45,062	119,057
Additions	—	—	—	—	—
Write-off	—	(342)	(1,300)	—	(1,642)
At 31-12-2017	1,259	57,481	13,613	45,062	117,415
Additions	—	—	—	187,757	187,757
Write-off	(1,259)	(10,484)	(5,000)	(42,015)	(58,758)
At 31-12-2018	—	46,997	8,613	190,804	246,414
Accumulated depreciation:					
At 01-01-2017	1,259	57,823	12,824	42,269	114,175
Depreciation charge	—	—	1,059	609	1,668
Write-off	—	(342)	(1,300)	—	(1,642)
At 31-12-2017	1,259	57,481	12,583	42,878	114,201
Depreciation charge	—	—	726	19,386	20,112
Write-off	(1,259)	(10,484)	(5,000)	(42,015)	(58,758)
At 31-12-2018	—	46,997	8,309	20,249	75,555
Net carrying amount:					
At 31-12-2018	—	—	304	170,555	170,859
At 31-12-2017	—	—	1,030	2,184	3,214

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

13. Other Payables

	2018	2017
	\$	\$
<i>Denominated in Singapore dollars:</i>		
Accrued operating expenses	20,652	16,656
Amount due to Good News Community Services	16,405	17,126
School fees received in advance	150	60
Others	80	1,515
	<u>37,287</u>	<u>35,357</u>

14. Unrestricted Funds

(a) General fund

	2018	2017
	\$	\$
Balance at beginning of the year	213,567	346,042
Transfer from Property maintenance fund	13,014	—
Transfer from Sinking fund	152,550	—
Transfer from Commonwealth Student Care Centre		
– General fund	—	6,355
Transfer from Commonwealth Student Care Centre		
– Dwelling Place tuition fund	—	1,834
	<u>379,131</u>	<u>354,231</u>
Net expenditure for the year	(194,120)	(140,664)
	<u>185,011</u>	<u>213,567</u>

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

14. Unrestricted Funds (Cont'd)

(b) Designated funds

	Balance at 01-01-2018 \$	Transferred to general fund \$	Income \$	Expenditure \$	Amortisation \$	Balance at 31-12-2018 \$
2018						
Bursary fund	8,000	-	-	-	-	8,000
Deferred capital grants	467	-	-	-	(467)	-
Property maintenance fund	13,014	(13,014)	-	-	-	-
Sinking fund	152,550	(152,550)	-	-	-	-
	174,031	(165,564)	-	-	(467)	8,000

	Balance at 01-01-2017 \$	Transferred from GNCS -- general fund \$	Income \$	Expenditure \$	Amortisation \$	Balance at 31-12-2017 \$
2017						
Bursary fund	8,000	-	-	-	-	8,000
Deferred capital grants	1,266	-	-	-	(799)	467
Property maintenance fund	13,014	-	-	-	-	13,014
Sinking fund	102,550	50,000	-	-	-	152,550
Staff training fund	1,846	-	-	(1,846)	-	-
	126,676	50,000	-	(1,846)	(799)	174,031

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

14. Unrestricted Funds (Cont'd)

(b) Designated funds (Cont'd)

The designated funds were established for the following purposes:

- (i) Bursary fund - to grant bursary to children of needy families at the child care centre.
- (ii) Deferred capital grants - to reflect the corresponding credit of the capitalised plant and equipment and expenses which were financed from government grants. The deferred capital grants would be amortised over a period between one to five years to match the estimated useful lives of the capitalised plant and equipment.
- (iii) Property maintenance fund - for the upkeep and repairs on the premises occupied by the Centre. During the current financial year under review, the property maintenance fund amounting to \$13,014 has been transfer to general fund to finance part of the renovation costs.
- (iv) Sinking fund - for capital expenditure to be incurred for major replacements, repairs and cyclical maintenance. During the current financial year under review, the sinking fund amounting to \$152,550 has been transfer to general fund to finance part of the renovation costs.
- (v) Staff training fund - to provide training subsidies for teachers attending training institutions.

15. Income Tax

The Centre is a community service project of Good News Community Services, which is a Society registered as a charity organisation under the Singapore Charities Act, Chapter 37. As an approved charity, it is exempted from income tax under Section 13(1)(zm) of the Singapore Income Tax Act, Chapter 134.

16. Commitments

(a) *Capital commitment*

In 2017, the Centre has entered into a contract with a supplier for the renovation of the Centre's premises amounting to \$207,500 and had paid deposit amounting to \$83,000. As such, the capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements for the year ended 31 December 2017 amounted to \$124,500.

During the current financial year under review, the renovation has been completed and there are no outstanding capital commitments.

(b) *Operating lease commitment*

The Centre has entered into a commercial lease for the use of certain equipment as lessee. This lease have an average tenure of 5 years. There are no restrictions placed upon the Centre by entering into this lease. Operating lease payments recognised as an expense in the statement of financial activities for the financial year ended 31 December 2018 amounted to \$2,414 (2017: \$2,414).

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

16. Commitments (Cont'd)

(b) *Operating lease commitment (Cont'd)*

Future minimum lease payments payable under non-cancellable operating leases at the reporting date are as follows:

	2018 \$	2017 \$
Not later than one year	2,414	2,414
Later than one year but not later than five years	2,615	5,029
	<u>5,029</u>	<u>7,443</u>

17. Related Party Transactions

Key Management Personnel Compensation

Key management personnel comprised the Head of the Centre which are having the authority and responsibility for planning, directing and controlling the activities of the Centre.

The remuneration paid to key management personnel during the year are as follows:

	2018 \$	2017 \$
Salaries and bonuses	60,180	60,797
Employer's CPF contributions	10,233	10,342
	<u>70,413</u>	<u>71,139</u>

The remuneration of the key management personnel of the Centre shown in salary bands are as follows:

	2018	2017
<i>Salaries and benefits bands for key management personnel</i>		
Between \$50,000 - \$100,000	<u>1</u>	<u>1</u>

None of the members of the Management Committee have received any compensation during the financial year ended 31 December 2018 and 2017.

18. Financial Risk Management

The Centre's charitable activities expose it to minimal financial risks such as credit risk and liquidity risk on an informal basis. The Management Committee reviews and agrees policies for managing each of these risks and continually monitors the Centre's risk management process to ensure that an appropriate balance between risk and control is achieved.

SONSHINE CHILDCARE CENTRE
(A Community Service Project of Good News Community Services)

Notes to the Financial Statements
31 December 2018

18. Financial Risk Management (Cont'd)

(a) ***Credit risk***

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Centre. The Centre manages such risks by dealing with a diversity of credit-worthy counter parties to mitigate any significant concentration of credit risk. The Centre places its cash and cash equivalents with creditworthy institutions.

The maximum exposure to credit risk in the event that the counter parties fail to perform the obligations as at the end of the financial year in relation to each class of financial assets is the carrying amount of these assets in the statement of financial position.

As at the financial year end, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

(b) ***Liquidity Risk***

Liquidity risk is the risk that the Centre will encounter difficulty in meeting financial obligations due to shortage of funds. The Centre's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Management Committee exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flows at all times.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Centre's financial liabilities at the end of the financial year based on contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not expected to be significant.

	Less than 1 year \$	Between 1 – 5 years \$	Total contractual cash flow \$
2018			
<i>Financial liabilities</i>			
Other payables	37,287	–	37,287
Refundable deposits	37,350	–	37,350
Total undiscounted financial liabilities	74,637	–	74,637
2017			
<i>Financial liabilities</i>			
Other payables	35,357	–	35,357
Refundable deposits	34,250	–	34,250
Total undiscounted financial liabilities	69,607	–	69,607

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

Notes to the Financial Statements**31 December 2018**

19. Fund Management Policy

The primary objective of the Centre is to safeguard its assets; to effectively and efficiently manage the usage of available capital resources towards supporting the Centre's principal and related activities, and ensuring long-term financial sustainability.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2018 and 31 December 2017.

20. Authorisation of Financial Statements

These financial statements for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of the Management Committee of Good News Community Services on 13 April 2019.

Reports from Centres - Pasir Ris Family Service Centre

Block 256 Pasir Ris Street 21 #01-289 Singapore 510256

<u>BOARD</u>	<u>NAME</u>	<u>ADDRESS</u>	<u>TEL NO.</u>
President	Rev David Lee	1 Francis Thomas Dr #02-17 Singapore 359340	6289 7611
<u>STAFF</u>			
Executive Director	See Choon Wai	Blk 256 Pasir Ris St 21 #01-289 Singapore 510256	6581 2159

1. **MAJOR CHANGES IN 2018**

1.1 Staffing

- (a) Two Social Workers, Constance and Joelle, resigned in 2018 to care for their young children. Despite offering them flexi working hours, they wanted a break to spend time with their children and to pursue further studies.
- (b) Two new staff were employed in June 2018. They are Lim Ru Pei, a Senior Social Worker and Adelina Yeo, a Social Worker.
- (c) A total of four staff were promoted. Feroz and Nora were promoted to Assistant Senior Social Worker, Royston promoted to Grade 3 Social Worker and Jesslyn to Social Worker after completing her Graduate Diploma studies.

1.2 MSF Funding

- (a) Besides the primary tier funding, MSF has revised the Funding Model according to the intensity of intervention for the different levels of needs and risks. Funding norms will be higher for cases with higher risks and / or complexity of needs. Social Workers have to conduct a detail assessment for each case to determine the category of risks. MSF will fund low risk cases (Gp 2) \$2,775 per case per year, medium risks cases (Gp 3) \$3,375 and high risks cases (Gp 4) \$3,825 per case per year. MSF is confident that this revised funding model will provide more fund to FSC than the previous model.

2. MAJOR EVENTS IN 2018

2.1 Community Work

- (a) PRFSC collaborated with Hai Sing Catholic School to train their student leaders to conduct structured programmes for latch key children in Pasir Ris neighborhood from March to September. This Wonder Kids Programme has been on-going for the past three years.

- (b) PRFSC also collaborated with the Pentecost Methodist Church to provide tuition to the children from low income families. The church provided the volunteers who conducted weekly tuition sessions for the children before the school examinations.

PRFSC also partnered with Divine Mercy Catholic Church to outreach to the elderly at the studio apartment at Block 212A. They conducted a series of activities at the void deck to engage and reach out to the elderly who may have difficulties coping.

- (c) We have attached one of our Social Workers to be at the weekly MP Meet the people session at Pasir Ris East. They will assist the MP in assessing and assisting those who need financial assistance.

- (d) PRFSC conducted a Roadshow to reach out and publicise our services at Pasir Ris West Elias Community Club in November. We gave out ice cream and umbrellas to 100 families and about 500 residents signed a pledge card 'I Love My Family'. Our community partners Anglican Care Centre, Mendaki and Club Heal also participated in publicizing their services.

2.2 Group Work

- (a) Staff conducted 4 sessions of group work in November entitled 'Young Warriors' for 6 children from disadvantaged families. The goal of the group work is to enhance teamwork and social skills. The children also learned baking and has an outing at Downtown East.

2.3 Gift of Love

- (a) PRFSC organized a year-end carnival 'Gift of Love' for our beneficiaries, volunteers and community partners. A total of about 150 people attended the event. There were performances, magic show, games stall and food. More than 25 hampers donated by SAJC were given away to the beneficiaries.

2.4 Data Verification by MSF

- (a) MSF conducted a data verification exercise with PRFSC in Oct 2018 to validate the accuracy of the data on the number of active cases for funding computation. Caseworkers have to review and update all their case recordings. The data were verified to be accurate.

2.5 Community Partners and Volunteers Appreciation

- (a) PRFSC organized a Community Partners and Volunteers Appreciation session to thank them for their contribution. A total of 5 volunteers and 9 community organisations attended.

2.6 Networking

- (a) Pasir Ris SSO arranged a case conference with other agencies regarding a complex case managed by PRFSC. The client is a disabled destitute living in a rental flat. Some agencies involved in this case include Changi General Hospital, Home Nursing Foundation, THK Moral Society, Pentecost Methodist Church and Eastern Health Alliance. The care plan for this client is to be admitted into a nursing Home but his application was rejected because of his behavioural issues.
- (b) Pasir Ris SSO also partner with PRFSC to conduct a needs assessment survey at the Rental block. This is to identify the needs of the elderly and meet the emerging needs in Pasir Ris.
- (c) PRFSC networked with Silver Ribbon, Habitat for Humanity, World Vision for possible future collaboration and projects to enhance awareness and coping with mental health issues.

2.7 Staff Planning and Bonding Retreat

- (a) The Retreat was held in Johore Bahru in September 2018. A SOAR (Strength, Opportunities, Aspiration, Results) Analysis was conducted to identify the strength and aspirations of the FSC. Staff feedback that while they appreciate the support and flexibility of the work environment, they would like to learn more specialization skills and to enhance their quality of work.

2.8 Upgrading of Computers

- (a) A total of 19 sets of Lenovo desk top computers were purchased and installed as our old computers were beginning to break down. Some of the old but still functioning computers were given to Sonshine Child Care Centre.

2.9 Master Practice Leader Sessions

- (a) As part of MSF Service Delivery initiatives, they have appointed Social Work Master Practice Leaders (MPL) to work with various FSC to review SOP for high risk cases and develop effective supervision structure for staff. Our assigned MPL is Dr Vincent Ng, CEO of Ang Mo Kio Community Services. He has facilitated several sessions for staff to review our SOP and conducted a skills learning session.

2.10 SUSS Student Attachment

- (a) Two SUSS (Singapore University of Social Science) Social Work students studying for their Bachelors in Social Work were attached to the Centre for their field practicum from July to November. They were being supervised by two Social Workers.

2.11 People Practice Consultancy

- (a) As part of NCSS initiatives to improve HR practices in Social Services through the People Practice Consultancy programmes, Ernst and Young (EY) has conducted training for all staff on performance management to prepare them for the revised performance appraisal form.
- (b) EY will also help PRFSC to look at the recruitment and selection process as well as career planning.

3. COMMUNITY AND FAMILY BONDING PROGRAMME

3.1 5 Loaves 2 Fish

- (a) This is a food ration programme which the FSC provides monthly basic necessities to the poor and needy. We have distributed baby milk powder and diapers, rice, cooking oil, milo and noodles to more than 100 families in 2018.

3.2 Back to School Vouchers

- (a) Staff distributed Popular Bookshop vouchers to 100 needy children studying in primary and secondary schools in December. Each child received \$50 worth of vouchers to purchase books and stationery to prepare for school in the new year.

3.3 Festive Celebrations

- (a) Festive hampers goodies worth about \$50 each were given to needy families and single elderly during the festive seasons such as Chinese New Year, Hari Raya Puasa and Deepavali. We hope to bring and share festive joy with the poor and needy.

3.4 Family Day

- (a) PRFSC organised a Family Day at Gardens by the Bay for all our beneficiaries. Family bonding activities were organised to foster family understanding and relationships. About 80 adults, children and staff participated in the outing.

4. **FINANCE**

For the year ended 31 December 2018 (Unaudited)

Income	\$1,590,683
Expenditure	\$1,517,064
Surplus / Deficit	\$ 73,619

5. **EVALUATION**

5.1 **Total no. of cases managed in 2017: 333** **Total no. of cases managed in 2018: 413**

- (a) There was an increase of about 24% in the number of cases managed in 2018. One of the reasons could be that most social workers have taken on more cases. The employment of a Senior Social Worker also enabled more complex cases to be managed.

5.2 **Total no, of referrals / enquires in 2017: 514** **Total no. of referrals / enquires in 2018: 519** **Total no. of cases opened in 2017: 127** **Total no. of cases opened in 2018: 120**

- (a) There is not much difference in the total number of referrals/enquires received in 2018. The total number of cases opened is slightly lower. It could be that some of these enquires are consultative and/or seeking information and thus there is no necessity to open a case.
- (b) The top four presenting problems from the enquires or referrals are (a) Family and Marital Issues, (b) Financial Issues, (c) Health / Mental Issues and (d) Shelter / Care Arrangement Issues.

5.3 **Support from Management Committee and Chaplain**

- (a) Staff appreciated the support from the Management Committee this year especially during the mid-year planning retreat as well as through the various events organized by PRFSC. Our Chaplain Pastor Richard Ting conducted regular staff development sessions for all staff. There is also great support from Pastor Jeremy and Rayman who provided monthly devotions and pastoral ministry to staff members.

5.4 Development Projects / Special Projects

- (a) PRFSC have decided to start a Homeless Outreach Project to reach out to the Homeless within our service boundary such as Pasir Ris Park, Changi Beach / Village as well as Changi Airport. Staff has conducted night walk in these areas to assess the present situation. We have invited staff from Marine Parade FSC who has some experiences in reaching out to the Homeless in East Coast Park to share their experiences with us. We will employ a new staff to start this project.

6 Future Plans 2019

- (a) PRFSC strategic vision for the next few years is “Growing Together as One”. We will focus on the development of professional skills for staff, building a deeper therapeutic relationship with our beneficiaries and networking with community partners. We will send some staff for certification courses, conduct family camps for our beneficiaries as well as collaborate with community partners to meet the needs of the residents.
- (b) There are plans to recruit a Social Work Associate for the Homeless project as well as an experienced Social Worker to take on complex cases. This will also help to reduce the present caseload of the Social Workers.
- (c) PRFSC will continue to explore possibilities of expanding our services within and beyond Pasir Ris. There are possibilities to explore new services for the elderly and working more closely with the various schools.

See Choon Wai
Executive Director

Reports from Centres - Sonshine Child Care Centre

Blk 211 Bukit Batok Street 21 #01-252 Singapore 650211

<u>STAFF</u>	<u>NAME</u>	<u>ADDRESS</u>	<u>TEL NO.</u>
President	Rev David Lee	1 Francis Thomas Dr #02-17 Singapore 359340	6289 7611
Principal	U.K Sangeeta	Blk 211 Bukit Batok St 21 #01-252 Singapore 650211	6565 0844

1. MAJOR CHANGES IN 2018

1.1 Renovation of Premises

SCC underwent renovation from March to May. The scope of work entailed rewiring, painting, installation of lights, fans, and air conditioners, laying of new flooring and retiling, plumbing and refitting of accessories in 1 toilet. To improve the security, video surveillance was installed at the lobby as well as a safety gate and glass door with EM lock. A partition wall displaying the centre's new logo was also erected. After the renovation, the centre looks brighter and aesthetically more appealing.

1.2 New Curriculum

Esther from Curriculum Plus was hired to write curriculum for all levels from PG to K2. The curriculum was implemented in January and was written using ECDA's NEL (Nurturing Early Learners) framework as a guide. The main objective for engaging Curriculum Plus was to meet the curriculum requirements in the SPARK criterion. The teachers were guided by Esther during the implementation.

1.3 New Character Education Programme

Curriculum Plus implemented the Adonei Character Education Programme in January 2018. The Christian-based values education programme was conducted once a week by Jerome and team from COR.

1.4 Primary One Preparation Programme

Curriculum plus created a 4-week revision programme in June and December for the K2 class children. The purpose of the programme was to give children a better sense of what is happening in the local primary school and to develop confidence by gaining exposure and skills needed in primary school. The programme helped reinforce and expand literacy skills, reinforce and expand mathematical skills and teach social and emotional skills and

dispositions so children learn to embrace changes. Volunteers from COR facilitated the implementation of the programme.

1.5 Pastoral Care for Staff

SCC English teachers have been having devotion sessions with Rayman from COR. The sessions are held twice a month as pastoral support for the teachers.

1.6 Change of SCC's Logo and use of Marketing Collaterals

A small team of volunteers from COR helped to design the new logo for SCC. They also helped design flyers for marketing purposes. The flyers were distributed in Bukit Batok before the Openhouses.

2. MAJOR EVENTS IN 2018

2.1 Openhouse

As part of SCC's marketing efforts, we had 2 Openhouses in June and Oct. The first Openhouse was held immediately after the renovation, to introduce our centre to SCC's existing and prospective families. The slogan for the Openhouse was "Refreshed, Revamped, Renewed". There was an average of 4 sign-ups per Openhouse. The Openhouses introduced the new curriculum through a talk and a lesson demonstration. Teachers also planned engaging activities and games for the children to participate in.

2.2 Parent Talk on Managing Transition to Primary One

A talk was conducted by Mrs Josephine Lim, Vice Principal of St Andrew's Primary School. The talk was intended for existing and prospective parents and was conducted during the Openhouse in October. Some of the topics covered included:-

- The importance of soft skills versus knowledge.
- Teaching children child to understand the value of hard work.
- Training children to be independent and resilient.
- What typically happens in a Primary school.
- Building strong partnerships in school.

2.3 Staff Engagement Session

Mr Gan and Kong Wee conducted a 2-day Staff Engagement Session in December. The purpose of the session was to get to know the staff better, to understand their concerns if any and provide support where necessary. The session was a fruitful one. The staff are appreciative of the support given.

3. MAJOR PROJECTS IN 2018

3.1 Application for SPARK

SCC applied for SPARK accreditation in July. SPARK provides quality benchmarks to guide SCC in our improvement efforts. The staff have been working on several areas in preparation for SPARK. The assessment will take place in 2019.

4. FINANCE***4.1 For the year ended 31 December 2018 (Unaudited)***

Income	\$618638
Expenditure	\$797672
Surplus / Deficit	(\$179034)

5. Enrolment over 3yr-period

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Annual Average
YEAR													
2016	72	72	78	79	82	84	87	88	90	90	93	90	84
2017	74	78	80	81	82	82	81	82	81	80	78	75	80
2018	68	66	67	69	68	71	73	72	74	74	76	75	71

6. EVALUATION

With the implementation of the new curriculum and the preparation for Spark, the staff have been kept on their toes. They recognise that these changes are necessary and understand that in order to improve the quality of the centre, they need to work hard to upkeep the standards. The current team seems to work relatively well and they understand the centre's vision and mission amidst the competitive Early Childhood landscape.

Ms U.K.Sangeeta
Principal

6. CORPORATE GOVERNANCE AND POLICIES

6.1 Governance Evaluation Checklist

6.2 Reserves and Investment Policy

Governance Evaluation Checklist

To be submitted to Charity Council.

(Evaluation Period: 01/01/2018 to 31/12/2018)

SN	Code Description	Code ID	Compliance
BOARD GOVERNANCE			
1	Are there Board members holding staff appointments?		No
4	There is a maximum term limit of four consecutive years for the Treasurer position (or equivalent, e.g. Finance Committee Chairman).	1.1.6	Complied
5	There are Board committees (or designated Board members) with documented terms of reference.	1.2.1	Complied
6	The Board meets regularly with a quorum of at least one third or at least three members, whichever is greater (or as required by the governing instrument).	1.3.1	Complied
CONFLICT OF INTEREST			
7	There are documented procedures for Board members and staff to declare actual or potential conflicts of interest to the Board.	2.1	Complied
8	Board members do not vote or participate in decision making on matters where they have a conflict of interest.	2.4	Complied
STRATEGIC PLANNING			
9	The Board reviews and approves the vision and mission of the charity. They are documented and communicated to its members and the public.	3.1.1	Complied
10	The Board approves and reviews a strategic plan for the charity to ensure that the activities are in line with its objectives.	3.2.2	Complied
HUMAN RESOURCE MANAGEMENT			
11	The Board approves documented human resource policies for staff.	5.1	Complied
12	There are systems for regular supervision, appraisal and professional development of staff.	5.6	Complied
FINANCIAL MANAGEMENT AND CONTROLS			
13	The Board ensures internal control systems for financial matters are in place with documented procedures.	6.1.2	Complied
14	The Board ensures reviews on the charity's controls, processes, key programs and events.	6.1.3	Complied
15	The Board approves an annual budget for the charity's plans and regularly monitors its expenditure.	6.2.1	Complied
16	The charity discloses its reserves policy in the annual report.	6.4.1	Complied
17	Does the charity invest its reserves?		Yes

GNCS Annual Report 2018

FUND RAISING PRACTICES							
19	Donations collected are properly recorded and promptly deposited by the charity.	7.2.2	Complied				
DISCLOSURE AND TRANSPARENCY							
20	The charity makes available to its stakeholders an annual report that includes information on its programs, activities, audited financial statements, Board members and executive management.	8.1	Complied				
21	Are Board members remunerated for their Board services?		No				
24	Does the charity employ paid staff?		Yes				
25	No staff is involved in setting his or her own remuneration.	2.2	No				
26	<div>The charity discloses in its annual report the annual remuneration of its three highest paid staff who each receives remuneration exceeding \$100,000, in bands of \$100,000. If none of its top three highest paid staff receives more than \$100,000 in annual remuneration each, the charity discloses this fact.</div> <table><tr><td>Annual Remuneration Salary Band</td><td>2018</td></tr><tr><td>\$100,000 - \$200,000</td><td>3</td></tr></table>	Annual Remuneration Salary Band	2018	\$100,000 - \$200,000	3	8.3	Complied
Annual Remuneration Salary Band	2018						
\$100,000 - \$200,000	3						
PUBLIC IMAGE							
27	The charity accurately portrays its image to its members, donors and the public.	9.1	Complied				

RESERVES AND INVESTMENT POLICY

1. REQUIREMENTS

- 1.1 This Policy applies to all staff of The Centre.

2. RESPONSIBILITIES

- 2.1 The purpose of this paper is to specify the reserve and investment guidelines of Good News Community Services, Sonshine Childcare Centre and Pasir Ris Family Service Centre (which are collectively known as “The Centre”). It provides a framework to ensure that funds are prudently managed and adequate liquidity is maintained.
- 2.2 The Centre builds up its funds from donations received, government grants, receipts from receipts from centres, and through prudent management of its financial resources. The funds provide financial stability and means for the development of the programmes and activities carried out by the Centre. The Centre intends to maintain reserves at a level sufficient for its operating needs. The EXCO reviews the level of reserves regularly for day to day operations, and its continuing obligations.

3. USAGE OF FUNDS

- 3.1 The charity should ensure that restricted funds and endowment funds are set up solely for clear and justifiable needs. The charity should make sure that these funds are used or transferred to other funds only after getting the permission of the donor to do so. The charity must inform prospective donors of the:
- a) Purpose of the funds; and
 - b) Amount of funds needed.
- 3.2 For existing restricted and endowment funds, the charity must disclose the purpose, size and planned timing of use for these funds.

4. INVESTMENT OBJECTIVES

- 4.1 Given the Centre’s status as an Institution of Public Character (IPC) funded by government subvention and provision of care services, the primary consideration in the management of funds is the preservation of value in real terms. Hence our investment objective is to offset asset erosion due to inflation.

5. INVESTMENT POLICY GUIDELINES

5.1 Funds for day-to-day operations

In order to fund day-to-day operations and provide a buffer against fluctuations in monthly income, the Centre will set aside a minimum of 3 months of operating expenses in cash and cash equivalent (Operating Cash). Operating Cash is to be kept as petty cash, and deposits including current account, savings account and fixed term deposits. Current and savings accounts may only be held with commercial banks while fixed term deposits may only be placed with commercial.

Operating Cash must be held in Singapore Dollars.

5.2 Investible fund

The investible fund in the investment account is to cover the reserve requirement. Funds available over and above Operating Cash (Investible Fund) will be invested. If necessary, the Investible Fund may be managed by a Fund Manager that is approved by the Board, on behalf of the Centre. Funds may only be invested in Singapore Dollar denominated investments in one or more of the following classes of investment:

- a) Short-term deposits
- b) Negotiable certificates of deposit
- c) Commercial/Bank bills
- d) Treasury bills
- e) Short term notes and bonds
- f) The minimum credit rating for any bond issue is Baa3 by Moody's or BBB by Standard & Poor's. Where the bond issue is unrated by the rating agencies, the Fund Manager's internal credit rating of BBB- will apply.
- g) Investments in bonds denominated in foreign currencies are allowed provided the foreign currency exposure is hedged back to SGD.
- h) Unit Trusts
- i) Limited to fixed income unit trusts no more than S\$ 250,000 is to be invested in a single entity.

The investment products must have good liquidity; defined as the ability for the investment products to be sold and proceeds to be received within 30 days.

5.3 Other investments

The Centre may, through the generosity of donors, receive donations or gifts in the form of shares or foreign currency-denominated cash, bonds or other securities. Under such circumstances, the Centre should:

- a) Sell or encash into SGD such shares within 12 months of receiving title, unless otherwise instructed by donors.

GNCS Annual Report 2018

- b) Encash into SGD such foreign currency-denominated cash, bonds or other securities
- c) within 12 months of receiving ownership, unless otherwise instructed by donors.