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21st ANNUAL GENERAL MEETING

**Saturday, 25 APRIL 2020
@ 10.00 AM**

2019 ANNUAL REPORT

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- 3. Confirmation of Minutes**
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- 5. Reports from the Centres**
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GOOD NEWS COMMUNITY SERVICES (“GNCS”)

NOTICE IS HEREBY GIVEN that the 21st Annual General Meeting of GNCS will be held on 25th April 2020 at 10.00am via video conference.

AGENDA

1. President’s Address
2. Opening Prayer
3. Confirmation of Minutes of the 20th AGM held on 27th Apr 2019 and EGM held on the 6th October 2019
4. Matters Arising
5. To receive and adopt the audited financial statements for the year ended 31st December 2019
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 2020
7. Reports from the Centres
 - Pasir Ris Family Service Centre
 - Sonshine Child Care Centre
8. Election of Additional Management Committee Member
9. Any other matters
10. Closing Prayer

President's Address

We are barely past the first quarter of 2020 and it is already turning out to be an eventful and challenging year. The Covid-19 pandemic has affected lives the world over. In a bid to contain the spread of the virus, many countries have employed drastic measures to lockdown and restrict movements within their nations. This has brought tremendous impact to the world economy, with adverse effect on businesses and the livelihood of individuals all over the world. We thank God for the swift response of the Singapore Government which has spared our nation of such drastic measures and allowed us to continue with our lives with some form of normalcy. Like many other countries, the Singapore government has also put in place the Resilience Budget to help our nation tie through this difficult time. Nevertheless, the economic challenge will likely be protracted and the need in the community remains great.

In such a time of great darkness, we are grateful for the bright lights that have shone in our midst. The frontline personnel, especially our medical workers have been labouring tirelessly since the outbreak of the virus. There have also been community efforts to help our fellow countryman and residents affected by the virus. Now is the time for the church to arise and fulfil our god given responsibility to care for our neighbours. You and I can respond to this crisis in faith and hope because we serve a God who is in control and who works all things in accordance to His sovereign purposes. We can look to God for His continued provision and guidance in these uncertain times.

Yes 2020 will be a challenging year. But it will also be a year of opportunities. In March this year, ECDA has approved the transfer of Sonshine Childcare Centre to St James Preschool Services (soon to morph into Anglican Preschool Services). We expect the transfer to be completed in the coming weeks. With that, GNCS will be left with only one program – Pasir Ris Family Service Centre. Now is a good time to re-envision our service to the community and to re-organize ourselves to stay relevant and become more effective in serving the needs of our society. I want to commend this report to you so that you will be properly informed of the good work in GNCS and continue to render your support in this difficult time. In the words of the Prophet Isaiah, let us

“Arise, shine, for your light has come,
and the glory of the LORD rises upon you.

² See, darkness covers the earth
and thick darkness is over the peoples,
but the LORD rises upon you
and his glory appears over you.”

President,

Rev David Lee

GOOD NEWS COMMUNITY SERVICES
20th ANNUAL GENERAL MEETING

MINUTES OF MEETING

Date: 27th April 2019
Time: 10.00am – 12.30pm
Venue: Chapel of the Resurrection, #02-15
Chaired by: Rev David Lee Peng Ong, President

Present		
1.	Rev David Lee Peng Ong	President
2.	Mr Gan Tian Huat	Honorary Treasurer
3.	Ms Jacqueline Tan Yi-Ping	Honorary Secretary
4.	Mr Simon Soh Soon Heng	MC Member
5.	Mr Dui Sian Ling	MC Member and HR Committee Chairman
6.	Mr Timothy Ng Heo Yong	MC Member and Audit Committee Chairman
7.	Ms Lim Siew Lin	MC Member
8.	Mr Lee Kong Wee	MC Member
9.	Mr Christopher Krishnasamy	Ordinary Member
10.	Ms Annie Ong Chwee Yee	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.	Mr Peter Hui Kwok Thong	Vice President
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.	Mr Peter Chang Kay Hoi	Ordinary Member
8.	Ms Lim Huey Shan Cherly Fay	Ordinary Member
9.	Ms Carol Lee Seok Hwa	Ordinary Member

S/N	Item	Action
1.	President's Address	
1.1	Rev David shared from Romans 1:16-17. 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. 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. Through the ministry of His Church, God's justice, mercy and	

	<p>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.</p>	
1.2	<p>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.</p>	
1.3	<p>With these challenges and opportunities ahead of us, we are encouraged 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).</p> <p>(Note: Refer to Annual Report for full text)</p>	
2.	Opening Prayer	
2.1	Rev David led the meeting with a word of prayer.	
3.	Confirmation of Minutes	
	<p><u>19th AGM held on 28th Apr 2018</u></p>	
3.1	<p>There being no further query or amendment to the minutes, the minutes were approved by all present.</p> <ul style="list-style-type: none"> • Proposer: Mr Dui Sian Ling • Seconder: Mr Gan Tian Huat <p><u>EGM held on 28th October 2018</u></p>	
3.2	<p>There being no amendment to the minutes, the minutes were approved by all present.</p> <ul style="list-style-type: none"> • Proposer: Mr Timothy Ng Heo Yong • Seconder: Mr Dui Sian Ling 	
4.	Matters Arising	
	<p><u>EGM on 28th Oct 2018: Partnership with St. James' Preschool Services (SJPS) to Manage Sonshine Childcare Centre (SCC)</u></p>	
4.1	MC had reviewed collaboration model details and would not proceed with	

	the collaboration at this moment due to projected cumulative deficit of \$1M. GNCS would be open to future collaborate in view of changing preschool landscape. Taskforce would communicate the decision to SJPS. MC would review position in 2019 October during budgeting period.																																																													
4.2	Regarding pastoral support for staff and students, COR would continue to provide resources from pastoral team to fulfil our mission in SCC.																																																													
4.3	Sonshine Supervisory Board (SSB) shared about their initial work with former COR member Mark Tan who had offered his services pro-bono towards SCC's marketing strategy and plans. Meeting deliberated formalising the work to set expectations on both sides but was cautious about risking the good relationship with a formalised agreement. SSB would deliberate details of the engagement with an informal agreement on the scope of work.	SSB																																																												
5.	To receive and adopt the audited financial statements for the year ended 31st December 2018																																																													
5.1	<table><tr><th></th><th>2018 \$</th><th>2017 \$</th><th>Variance \$</th><th>Variance %</th></tr><tr><td>Income from generated funds</td><td>657,590</td><td>729,611</td><td>-72,021</td><td>-9.9</td></tr><tr><td>Income from charitable activities</td><td>1,568,247</td><td>1,487,869</td><td>80,378</td><td>5.4</td></tr><tr><td>Other Income</td><td>88,273</td><td>116,566</td><td>-28,293</td><td>-24.3</td></tr><tr><td>Total Income</td><td>2,314,110</td><td>2,334,046</td><td>-19,936</td><td>-0.9</td></tr><tr><td>Less Expenditure</td><td></td><td></td><td></td><td></td></tr><tr><td>Cost of generating funds</td><td>973,297</td><td>983,551</td><td>-10,254</td><td>-1.0</td></tr><tr><td>Charitable Activities</td><td>1,424,228</td><td>1,289,228</td><td>135,000</td><td>10.5</td></tr><tr><td>Governance Costs</td><td>23,707</td><td>62,317</td><td>-38,610</td><td>62.0</td></tr><tr><td>Total Expenditure</td><td>2,420,232</td><td>2,335,096</td><td>85,136</td><td>3.6</td></tr><tr><td>Net Operating Deficit</td><td>-106,122</td><td>-1,050</td><td>-105,072</td><td>N.M.</td></tr></table>		2018 \$	2017 \$	Variance \$	Variance %	Income from generated funds	657,590	729,611	-72,021	-9.9	Income from charitable activities	1,568,247	1,487,869	80,378	5.4	Other Income	88,273	116,566	-28,293	-24.3	Total Income	2,314,110	2,334,046	-19,936	-0.9	Less Expenditure					Cost of generating funds	973,297	983,551	-10,254	-1.0	Charitable Activities	1,424,228	1,289,228	135,000	10.5	Governance Costs	23,707	62,317	-38,610	62.0	Total Expenditure	2,420,232	2,335,096	85,136	3.6	Net Operating Deficit	-106,122	-1,050	-105,072	N.M.						
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5.2	Summary financial results by Centres: <table><tr><th></th><th>HQ \$</th><th>PRFSC \$</th><th>SCC \$</th><th>GNCS \$</th></tr><tr><td>2018</td><td></td><td></td><td></td><td></td></tr><tr><td>Total Income</td><td>188,424</td><td>1,706,255</td><td>619,131</td><td>2,513,317</td></tr><tr><td>Total Expenditure</td><td>199,346</td><td>1,606,868</td><td>813,225</td><td>2,619,439</td></tr><tr><td>Net Operating Income/Deficit</td><td>-10,922</td><td>99,388</td><td>-194,587</td><td>-106,122</td></tr><tr><td>Details of Balance Sheet Funds</td><td></td><td></td><td></td><td></td></tr><tr><td>Total Fund brought forward</td><td>160,545</td><td>5,498,924</td><td>387,598</td><td>6,047,068</td></tr><tr><td>Net Operating Income /Deficit</td><td>-10,922</td><td>99,388</td><td>-194,587</td><td>-106,122</td></tr><tr><td>Total Fund carried forward</td><td>149,623</td><td>5,598,312</td><td>193,011</td><td>5,940,946</td></tr><tr><td>- General Fund</td><td>132,329</td><td>700,603</td><td>185,011</td><td>1,017,943</td></tr><tr><td>- Designated Fund</td><td>17,294</td><td>283,870</td><td>8,000</td><td>309,164</td></tr><tr><td>- Restricted Fund</td><td>-</td><td>4,613,839</td><td>-</td><td>4,613,839</td></tr></table>		HQ \$	PRFSC \$	SCC \$	GNCS \$	2018					Total Income	188,424	1,706,255	619,131	2,513,317	Total Expenditure	199,346	1,606,868	813,225	2,619,439	Net Operating Income/Deficit	-10,922	99,388	-194,587	-106,122	Details of Balance Sheet Funds					Total Fund brought forward	160,545	5,498,924	387,598	6,047,068	Net Operating Income /Deficit	-10,922	99,388	-194,587	-106,122	Total Fund carried forward	149,623	5,598,312	193,011	5,940,946	- General Fund	132,329	700,603	185,011	1,017,943	- Designated Fund	17,294	283,870	8,000	309,164	- Restricted Fund	-	4,613,839	-	4,613,839	
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5.3	The audited financial statements for the year ended 31 st December 2018 was received and adopted by all present.																																																													

	<ul style="list-style-type: none">Proposed: Mr Lee Kong WeeSeconded: Mr Simon Soh Soon Heng <p>(Note: Refer to Annual Report for details)</p>																																																									
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																																																									
6.1	Audit Committee had met External Auditors and were happy with the work completed. Treasurer had also feedbacked that External Auditors were very professional. Audit Committee Chairman recommended re-appointment of E H Luar & Co as external auditors for FY2019.																																																									
6.2	<p>The meeting approved the appointment of E H Luar & Co as auditor for FY2019 and authorized Executive Committee to approve the audit fees for the year ended 31st December 2019.</p> <ul style="list-style-type: none">Proposer: Mr Timothy Ng Heo YongSeconder: Mr Gan Tian Huat																																																									
7.	Reports from the Centres - Pasir Ris Family Service Centre (PRSC)																																																									
7.1	Choon Wai presented PRFSC report (refer to Annual Report).																																																									
7.2	<p>In addition to case statistics in annual report, meeting discussed 2016-2018 case statistics. Higher case closure in 2016 was due to transition to SSNet which required review of all cases and only carrying forward important cases. Meeting discussed case closure timelines, challenges and considerations and KPIs. PRFSC planned to increase headcount to increase case management capacity. PRFSC had space constraints to house additional staff though PRFSC Annex had cubicles for 2pax more staff. Meeting discussed exploring ways for staff to work out of office to maximise space. PRFSC would address this matter separately.</p> <table><tr><th>Cases</th><th>2016</th><th>2017</th><th>2018</th></tr><tr><td>Total no. of cases Managed</td><td>372</td><td>333</td><td>413</td></tr><tr><td>Total no. of cases Opened</td><td>100</td><td>127</td><td>120</td></tr><tr><td>Total no. of cases Closed</td><td>166</td><td>40</td><td>57</td></tr><tr><td>Total no. of active cases brought forward</td><td>206</td><td>293</td><td>356</td></tr></table> <table><tr><th>Presenting Issues from Referrals / Enquires</th><th>2017</th><th>2018</th></tr><tr><td>Financial Difficulties</td><td>18.3% (93)</td><td>15.5% (81)</td></tr><tr><td>Marital Conflicts</td><td>16.3% (84)</td><td>16.6% (87)</td></tr><tr><td>Family Relationships Issues</td><td>14.2% ((73)</td><td>13.4% (70)</td></tr><tr><td>Family / Partner Violence</td><td>12.7% (65)</td><td>10.7% (56)</td></tr><tr><td>Health / Mental Issues</td><td>8.9% (46)</td><td>12.2% (64)</td></tr><tr><td>Care / Shelter Arrangement</td><td>8.8% (45)</td><td>7.8% (41)</td></tr><tr><td>Youth Issues</td><td>7.8% (40)</td><td>8.0% (42)</td></tr><tr><td>Intra / Inter-personal Issues</td><td>4.9% (25)</td><td>6.6% (34)</td></tr><tr><td>Children Issues</td><td>4.3% (22)</td><td>4.6% (24)</td></tr><tr><td>Others</td><td>3.8% (21)</td><td>4.6% (24)</td></tr><tr><td>Total no. of referrals</td><td>100% (514)</td><td>100% (523)</td></tr></table>	Cases	2016	2017	2018	Total no. of cases Managed	372	333	413	Total no. of cases Opened	100	127	120	Total no. of cases Closed	166	40	57	Total no. of active cases brought forward	206	293	356	Presenting Issues from Referrals / Enquires	2017	2018	Financial Difficulties	18.3% (93)	15.5% (81)	Marital Conflicts	16.3% (84)	16.6% (87)	Family Relationships Issues	14.2% ((73)	13.4% (70)	Family / Partner Violence	12.7% (65)	10.7% (56)	Health / Mental Issues	8.9% (46)	12.2% (64)	Care / Shelter Arrangement	8.8% (45)	7.8% (41)	Youth Issues	7.8% (40)	8.0% (42)	Intra / Inter-personal Issues	4.9% (25)	6.6% (34)	Children Issues	4.3% (22)	4.6% (24)	Others	3.8% (21)	4.6% (24)	Total no. of referrals	100% (514)	100% (523)	
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7.3	PRFSC would start a Homeless Outreach Project to reach out to the Homeless within service boundary such as Pasir Ris Park, Changi Beach / Village as well as Changi Airport. PRFSC had conducted night walk in these areas to assess the present situation. PRFSC had invited staff from Marine Parade FSC who had some experiences in reaching out to the Homeless in East Coast Park to share their experiences. PRFSC would employ a new Social Work Associate to start this project.															
7.4	PRFSC would continue to explore possibilities of expanding services within and beyond Pasir Ris. There were possibilities to explore new services for the elderly and working more closely with the various schools.															
7.5	Meeting expressed appreciation to Choon Wai and PRFSC team for the good work at PRFSC.															
8.	Reports from the Centres – Sonshine Childcare Centre (SCC)															
8.1	Sangeeta presented SCC report (refer to Annual Report).															
8.2	Major changes in 2018 included renovation of premises, new curriculum, new character education program, new logo, new marketing collaterals and pastoral care from COR English congregation. SSB would liaise with COR Mandarin congregation for pastoral support for SCC’s Mandarin staff.	SSB														
8.3	SCC had applied for SPARK accreditation in July 2018. SPARK provides quality benchmarks to guide SCC in improvement efforts. The assessment would take place on 7 th - 8 th May 2019 and Sangeeta expressed confidence in attaining the accreditation. Meeting suggested organizing pre and post assessment gatherings with staff and SSB members to appreciate their efforts and motivate staff.															
8.4	Sangeeta highlighted risk of teachers leaving due to workload of teaching two classes each and lack of teacher assistance for younger levels. Meeting understood various manpower optimization methods implemented by other preschools. Meeting suggested having regular COR volunteers through the week to provide additional manpower. Sangeeta highlighted importance that volunteers were regular and committed for this arrangement to work well. SSB would address this matter and consider the suggestion separately.	SSB														
8.5	Meeting expressed appreciation to Sangeeta and SCC team for the good work at SCC.															

9.	Election of Management Committee and Appointment of Office Bearers and Chairman of Committees																															
9.1	<p>The following members were nominated and seconded for the respective positions:</p> <table border="1"> <thead> <tr> <th>SN</th><th>Office/Position</th><th>Name</th></tr> </thead> <tbody> <tr> <td>1</td><td>President</td><td>Rev David Lee Peng Ong</td></tr> <tr> <td>2</td><td>Vice President</td><td>Mr Peter Hui Kwok Thong</td></tr> <tr> <td>3</td><td>Honorary Treasurer</td><td>Mr Gan Tian Huat</td></tr> <tr> <td>4</td><td>Honorary Secretary</td><td>Ms Jacqueline Tan Yi-Ping</td></tr> <tr> <td>5</td><td>MC Member</td><td>Mr Simon Soh Soon Heng</td></tr> <tr> <td>6</td><td>MC Member and Chairman of HR Committee</td><td>Mr Dui Sian Ling</td></tr> <tr> <td>7</td><td>MC Member and Chairman of Audit Committee</td><td>Mr Timothy Ng Heo Yong</td></tr> <tr> <td>8</td><td>MC Member</td><td>Ms Lim Siew Lin</td></tr> <tr> <td>9</td><td>MC Member and Chairman of Sonshine Supervisory Board</td><td>Mr Lee Kong Wee</td></tr> </tbody> </table> <p>For EXCO members:</p> <ul style="list-style-type: none"> • Proposer: Mr Timothy Ng Heo Yong • Second: Ms Annie Ong Chwee Yee <p>For MC members and Chairman of Committees:</p> <ul style="list-style-type: none"> • Proposer: Ms Jacqueline Tan Yi-Ping • Second: Mr Gan Tian Huat 	SN	Office/Position	Name	1	President	Rev David Lee Peng Ong	2	Vice President	Mr Peter Hui Kwok Thong	3	Honorary Treasurer	Mr Gan Tian Huat	4	Honorary Secretary	Ms Jacqueline Tan Yi-Ping	5	MC Member	Mr Simon Soh Soon Heng	6	MC Member and Chairman of HR Committee	Mr Dui Sian Ling	7	MC Member and Chairman of Audit Committee	Mr Timothy Ng Heo Yong	8	MC Member	Ms Lim Siew Lin	9	MC Member and Chairman of Sonshine Supervisory Board	Mr Lee Kong Wee	
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8	MC Member	Ms Lim Siew Lin																														
9	MC Member and Chairman of Sonshine Supervisory Board	Mr Lee Kong Wee																														
9.2	<p>Meeting noted that a new Treasurer had to be appointed in 2021 as Tian Huat would have served the regulatory limit of 4yrs by then. Treasurer's understudy would ideally be co-opted by 2020. Meeting suggested forming a Nominations Committee to search and recommend new MC members based on skillsets and experience to complement existing MC members. Meeting also suggested making service announcements or in newsletters to invite volunteers to join as MC members. MC would deliberate recommended persons during next meeting and formation of Nominations Committee.</p>																															
10.	Any Other Business																															
10.1	<p><u>Internal Audit</u></p> <p>Meeting noted four areas for internal audit as discussed with incumbent internal auditors Shared Services for Charities:</p> <ol style="list-style-type: none"> 1) 2020: PDPA, risk assessment 2) 2021: HR and payroll and procurement process 3) 2021: To be advised 																															

GNCS Annual Report 2019

	Next funding application window was Aug-Oct with results in December. Quotations would be sourced for MC's review and necessary approval.	
11.	Closing Prayer	
11.1	Tian Huat 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 EXTRAORDINARY GENERAL MEETING

MINUTES OF MEETING

Date: 6th October 2019
Time: 12.00pm – 1.00pm
Venue: COR, #01-16
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 Lee Kong Wee	MC Member
10.	Mr Tai Wen Liang Dennes	MC Member
11.	Ms Lim Huey Shan Cherly Fay	Ordinary Member
12.	Ms Carol Lee Seok Hwa	Ordinary Member
13.	Ms Annie Ong Chwee Yee	Ordinary Member
Absent with Apologies		
1.	Dr Leong Soon Kai	Ordinary Member
2.	Mr Scott Lee Hon Mun	Ordinary Member
3.	Mr Christopher Krishnasamy	Ordinary Member
4.	Mr Tay Khoon Eng	Ordinary Member
5.	Mr Peter Chang Kay Hoi	Ordinary Member
6.	Mr Vincent Wang Zexiong	Ordinary Member
7.	Mr Chelladurai Subasanran	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.	Sonshine Childcare Centre and Partner Operator Scheme	
2.1	Preschool sector landscape had changed with nationalisation of preschool services. To increase enrolment capacity of preschool sector, Early Childhood Development Agency (ECDA) launched Anchor Operator scheme (AOP), for bigger operators, and Partner Operator scheme (POP), for mid-sized operators, who receive different tiers of government grants to cover operations whilst keeping fees affordable. By 2025, 80% of preschools would be government supported (AOP, POP or MOE) with mass market pricing with remaining 20% covered by premium operators.	

2.2	Government recently announced plans for POP to lower fees to \$300 per month which means further increase in government grants for POP. In comparison, operating cost is \$1,000+ per child. As a result, without government grants given to AOP and POP, faith-based preschools operating in the 80% mass market category would not be commercially viable. Minister at MSF Desmond Lee engaged with and encouraged Diocese of Singapore and Anglican preschools to join the POP.	
2.3	POP application would open in Dec 2019 and SJPS projected that this scheme would not be re-opened for a long time in view of market saturation. SJPS projected POP application requirement to include 500 enrolment capacity, which can only be achieved if all five Anglican childcare centres come onboard together. In view of above, there is urgency to act.	
2.4	Bishop Rennis met up with Vicars and called for all Anglican preschools to come under St James' Preschool Services (SJPS) through transfer of ownership. SJPS is owned by Secretary of Synod and is an entity under the Diocese of Singapore. SJPS would eventually become Anglican Preschools Services (APS). With the transfer of ownership to the Diocese through SJPS, profit and losses and management of the centres would be under SJPS. Management team would be current SJPS' team and Bishop would appoint board members. Parishes would hence be able focus on ministry with children and families in the centres while professional services would be managed by SJPS. This governance model is identical to Singapore Anglican Community Services (SACS).	
2.5	SJPS is actively engaging ECDA and MSF for matters pertaining to transfer of a program from GNCS (a charity with IPC status) to SJPS. Sonshine Supervisory Board would actively engage SJPS for the transition.	
2.6	Once mandate is given by EGM, SJPS would work out matters pertaining to the transfer of Sonshine, including staff employment and morale, management, etc. Regardless of POP application results, SJPS is committed to operating all five Anglican childcare centres once ownership is transferred.	
2.7	From staff perspective, consolidation of Anglican preschools enhances training and development and career development and advancement opportunities. SJPS had verbally committed to retaining staff.	
2.8	Regarding naming of Sonshine Childcare Centre, SJPS would be deliberating and working out the details.	
2.9	On freedom to engage children with biblical teachings, Minister at MSF assured Diocese that there's a place for faith-based childcare centres. We	

2.10	anticipate ECDA to allow freedom of engagement with certain guidelines similar to Christian mainstream schools. EGM unanimously approved the following: 1) Transfer of ownership of Sonshine Childcare Centre to St James' Preschool Services 2) Empower EXCO to manage the transfer process	
3.	Any Other Matters	
3.1	Nil.	

Prepared by: James Zhou, Development Manager

Approved by:

Rev David Lee Peng Ong, President

Matters Arising

EGM (6th Oct 2019)

S/N	Item	Action
2.	Sonshine Childcare Centre (SCC) and St James Preschool Services (SJPS)	
2.10	<p>EGM unanimously approved the following:</p> <ol style="list-style-type: none"> 1) Transfer of ownership of Sonshine Childcare Centre to St James' Preschool Services 2) Empower EXCO to manage the transfer process <p><u>Update</u></p> <p>As GNCS is an Institute of Public Character (IPC), a status higher than a Charity, MSF only allows for transfer of SCC's licence to another charity. SJPS is currently not a charity but is in process of applying for charity status, pending the approval from Ministry of Education (MOE). The Committee of Charity has appointed MOE to approve charity status for SJPS.</p> <p>On 26 December 2019, GNCS signed a management agreement with SJPS to let SJPS manage the operations of SCC with effect from 1 Jan 2020. SCC staff had also been novated to SJPS with effect from 1 Jan 2020. This management agreement will be void once SCC's licence is fully transferred to SJPS.</p> <p>GNCS will work closely with SJPS to facilitate transfer of SCC's licence to SJPS once SJPS obtains charity status.</p>	

GOOD NEWS COMMUNITY SERVICES
Annual Report for Year Ended 31 December 2019

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 Annual General Meeting held on 28 April 2019 for a term of 2 years		
	SN	Name	Designation
	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	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 2019 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 2019 (as prepared on the SOFA Format).

Items	YTD 2019 Draft	YTD 2018 Audited	% change 2019 vs 2018
Total Income	\$2,453,364	\$2,314,109	6.0%
Total Expenditure	\$2,558,373	\$2,420,231	5.7%
Surplus (Deficit) for the year	(\$105,010)	(\$106,121)	-1.0%

INCOME

For the year ended 31st December 2019, Total Income compared to last year was higher by 6.0% or \$139,255 contributed by the following:

\$89,519	Increased in funding from MSF from handling higher case load.
\$87,083	Higher enrolment in SCC
\$21,248	Increased in interest earned from fixed deposits
(\$44,380)	Reduction in other government grants
(\$14,215)	Various Items
\$139,255	

EXPENDITURE

For the year ended 31st December, 2019, Total Expenditure increased by 5.7% or \$138,142 mainly contributed by the following:

Items	YTD 2019 Draft	YTD 2018 Audited	% change 2019 vs 2018
Manpower Expenditure Unrestricted	\$774,349	\$789,725	(1.9%)
Manpower Expenditure Restricted	\$1,345,710	\$1,231,099	9.3%
Total Manpower Cost	\$2,120,059	\$2,020,824	4.9%
Other Expenditure Unrestricted	\$203,492	\$204,128	(0.3%)

Other Expenditure Restricted	\$234,822	\$195,279	20.2%
Total Other Expenditure	\$438,314	\$399,407	9.7%
Total Expenditure Unrestricted	\$977,841	\$993,853	(1.6%)
Total Expenditure Restricted	\$1,580,532	\$1,426,378	10.8%
Total Expenditure	\$2,558,373	\$2,420,231	5.7%

Total Manpower Expenditure for YTD2019 was 4.9% or \$99,235 higher than last year.

Total Manpower Expenditure by Operating Centres are tabulated below:

Centres	YTD 2019 Draft	YTD 2018 Audited	% change 2019 vs 2018
PRFSC	\$1,345,710	\$1,231,099	9.3%
SCC	\$601,364	\$619,131	(2.9%)
GNCS (HQ)	\$172,985	\$170,594	1.4%
Total GNCS	\$2,120,059	\$2,020,824	4.9%

Total Manpower Expenditure in PRFSC increased by 9.3% or \$114,611 from the higher performance bonuses paid out to the staff.

Total Manpower Expenditure in SCC include compensation to staff for unutilized annual leave encashment of \$16,417.

Total Other Expenditure for YTD2019 increased by 9.7% or \$38,907 compared to FY2018 mainly from increase in disbursement of Restricted Funds in PRFSC amounting to \$30,702, 7.7% of the increase.

Tabulated comparison by Centres as below:

Centres	YTD 2019 Draft	YTD 2018 Audited	% change 2019 vs 2018
PRFSC (Restricted)	\$234,823	\$195,279	20.3%
PRFSC (Unrestricted)	\$17,307	\$9,601	80.3%
SCC	\$157,120	\$165,775	(5.2%)
GNCS (HQ)	\$29,064	\$28,752	1.1%
Total GNCS	\$438,314	\$399,407	9.7%

Total Other Expenditure in PRFSC (Restricted) was 20.3% or \$39,544 higher than last year mainly from the following:

\$32,786	Higher Disbursements from Restricted Funds:	
	Non Funded Programmes	\$15,321
	Adhoc Events/Projects	\$1,841
	Community Outreach	(\$7,666)
	PRFSC Financial Assistance	\$8,000
	FSC Comcare	\$400
	SPMF	\$14,890
\$6,389	More Community Outreach Programs (MUIS \$6,000/NEER \$389)	
\$4,563	Higher Maintenance of Premise \$1,568, Communication \$970 and Plant & Eqm – Non-Capitalised \$2,025	
(\$4,194)	Various Items	
\$39,544		

Total Other Expenditure in PRFSC (Unrestricted) was 80.3% or \$7,706 higher than FY2018 from the following:

(\$700)	Economic Downturn
\$2,663	Five Loaves & Two Fish (Donation)
\$5,860	Financial Assistance
(\$117)	Amortisation of deferred grant
\$7,706	

Total Other Expenditure in SCC was (5.2%) or (\$8,655) lower than FY2018 from the following:

(\$27,581)	Spark Accreditation Program
(\$3,585)	Teaching Materials & Toys
(\$4,162)	Food & Beverage, Cooking Gas
(\$2,031)	Marketing Programs
(\$1,168)	General Expenses
\$19,228	Depreciation of Fixed Assets
\$10,644	Various items
(\$8,655)	

Total Other Expenditure in GNCS (HQ) was 1.1% or \$312 higher than last year from higher professional fee.

NET (EXPENDITURE) INCOME

Income	GNCS	PRFSC	SCC	YTD 2019 Draft	YTD 2018 Audited
Income from generated funds					
10% Quota (exclusive of SOFA Format)	\$238,461			\$238,461	\$187,208
Voluntary income	\$839	\$24,580		\$25,419	\$26,792
Activities for generating funds			\$683,111	\$683,111	\$586,218
Investment income	\$81	\$64,986		\$65,067	\$44,581
Income from charitable activities		\$1,634,085		\$1,634,085	\$1,568,247
Other income	\$4,290	\$29,215	\$12,178	\$45,683	\$88,271
Total income	\$243,671	\$1,752,866	\$695,289	\$2,691,826	\$2,501,317
Less: Expenditures					
Manpower Costs	\$172,985	\$1,345,710	\$601,364	\$2,120,059	\$2,020,824
Costs of Generating funds	\$24,497		\$148,109	\$172,606	\$182,570
Charitable Activities		\$240,880		\$240,880	\$193,129
Governance Costs	\$4,567	\$11,250	\$9,011	\$24,828	\$23,707
10% Quota (exclusive of SOFA format)		\$168,015	\$70,446	\$238,461	\$187,208
Total EXPENDITURE	\$202,049	\$1,765,855	\$828,930	\$2,796,834	\$2,607,438

Net income/(expenditure) before tax expense	\$41,622	(\$12,990)	(\$133,641)	(\$105,009)	(\$106,121)
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Details of Fund Movements:

	Unrestricted Fund			Restricted Fund	Total Funds
Combined GNCS	General Fund	Designated Fund	Total Unrestricted Fund		
2019 Brought Forward	\$1,017,943	\$309,164	\$1,327,107	\$4,613,839	\$5,940,946
Net (Expenditure) Income for the year 2019	(\$255,296)	\$7,349	(\$247,947)	\$142,939	(\$105,008)
Gross Transfer Between Funds (SCC)					
Gross Transfer Between Fund (PRFSC)		\$20,,000	\$20,000	(\$20,000)	
Total Funds Carried Forward	\$762,647	\$336,513	\$1,099,160	\$4,736,778	\$5,835,938
By Operating Centres					
GNCS	\$173,876	\$64,690	\$238,566		\$238,566
PRFSC	\$537,401	\$263,823	\$801,224	\$4,736,778	\$5,538,001
SCC	\$51,370	\$8,000	\$59,370	-	\$59,370
Total	\$762,647	\$336,513	\$1,099,160	\$4,736,778	\$5,835,938

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 2020 is to utilize fully the funding from MSF.
- GNCS will transfer SCC operation to SJPS when SJPS receive licence approval to operate SCC.

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 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)

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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 2019 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.

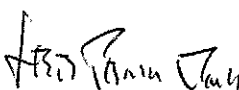
1. The Management Committee Members


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

X 
Rev Lee Peng Ong @ David Lee
President

X 
Gan Tian Huat
Honorary Treasurer

Singapore, 4 April 2020

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 2019

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 2019, 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 2019 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 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 2019 (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 2019 (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.

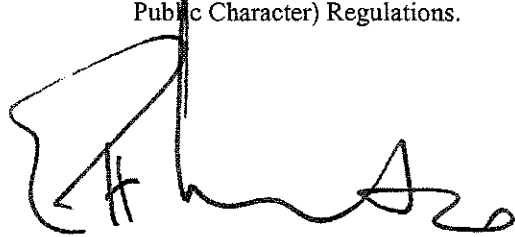
We communicate with the management committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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, 4 April 2020

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 2019

	Note	Unrestricted Funds \$	Restricted funds \$	2019 Total \$	2018 Total \$
Income					
Income from generated funds					
Voluntary income		25,419	—	25,419	26,792
Activities for generating funds		683,111	—	683,111	586,218
Investment income		81	64,986	65,067	44,580
Income from charitable activities		—	1,634,085	1,634,085	1,568,247
Other income		21,279	24,401	45,680	88,273
Total income		729,890	1,723,472	2,453,362	2,314,110
Less: Expenditures					
Costs of generating funds		946,952	—	946,952	972,297
Charitable activities		17,308	1,569,283	1,586,591	1,424,228
Governance costs		13,578	11,250	24,828	23,707
Total expenditures		977,838	1,580,533	2,558,371	2,420,232
Net income/(expenditure) before tax expense	4	(247,948)	142,939	(105,009)	(106,122)
Tax expense	13	—	—	—	—
Net income/(expenditure) before transfers		(247,948)	142,939	(105,009)	(106,122)
Gross transfers between funds	11	20,000	(20,000)	—	—
Net income/(expenditure) before holding gains and losses		(227,948)	122,939	(105,009)	(106,122)
Other recognised gains or losses		—	—	—	—
Net movement in funds		(227,948)	122,939	(105,009)	(106,122)
Reconciliation of funds:					
Total funds brought forward		1,327,107	4,613,839	5,940,946	6,047,068
Total funds carried forward		1,099,159	4,736,778	5,835,937	5,940,946

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
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Statement of Financial Position
As at 31 December 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	5	5,797,845	5,518,866
Other receivables	6	66,056	295,187
Other current assets	7	16,125	9,334
		<u>5,880,026</u>	<u>5,823,387</u>
Non-current assets			
Property, plant and equipment	8	<u>193,330</u>	<u>274,558</u>
Total assets		<u>6,073,356</u>	<u>6,097,945</u>
LIABILITIES			
Current liabilities			
Other payables	9	193,149	119,649
Refundable deposits		<u>44,270</u>	<u>37,350</u>
Total liabilities		<u>237,419</u>	<u>156,999</u>
Net assets		<u>5,835,937</u>	<u>5,940,946</u>
FUNDS			
Unrestricted funds			
General fund	10(a)	762,647	1,017,943
Designated funds	10(b)	<u>336,512</u>	<u>309,164</u>
		1,099,159	1,327,107
Restricted funds	11	<u>4,736,778</u>	<u>4,613,839</u>
Total Funds		<u>5,835,937</u>	<u>5,940,946</u>

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

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Statement of Cash Flows
For the Financial Year Ended 31 December 2019

	2019 \$	2018 \$
Cash flows from operating activities		
Net expenditure before tax expense	(105,009)	(106,122)
Adjustments for:		
Depreciation	89,101	59,382
Interest income	(65,067)	(44,580)
	<u>(80,975)</u>	<u>(91,320)</u>
Operating cash flows before changes in working capital	(80,975)	(91,320)
Changes in working capital:		
Decrease/(Increase) in other receivables	244,634	(241,106)
(Increase)/Decrease in other current assets	(6,791)	101,623
Increase/(Decrease) in other payables	73,500	(69,087)
Increase in refundable deposits	6,920	3,100
	<u>237,288</u>	<u>(296,790)</u>
Net cash generated from/(used in) operations	237,288	(296,790)
Interest received	49,564	41,842
	<u>286,852</u>	<u>(254,948)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,873)	(221,713)
	<u>(7,873)</u>	<u>(221,713)</u>
Net cash used in investing activities	(7,873)	(221,713)
Cash flows from financing activities		
Net cash flows from financing activities	—	—
	<u>—</u>	<u>—</u>
Net increase/(decrease) in cash and cash equivalents	278,979	(476,661)
Cash and cash equivalents at beginning of the financial year	5,518,866	5,995,527
	<u>5,518,866</u>	<u>5,995,527</u>
Cash and cash equivalents at the end of the financial year (Note 5)	5,797,845	5,518,866
	<u>5,797,845</u>	<u>5,518,866</u>

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

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Notes to the Financial Statements

31 December 2019

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 July 2019 to 23 January 2022.

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 2019 incorporates the results of Sonshine Childcare Centre and Pasir Ris Family Service Centre.

On or about 26 December 2019, Good News Community Services (“GNCS”) has entered into a management agreement with St. James’ Preschool Services (Anglican) Ltd. (“SJPS”), to manage, operate and direct the Pre-school set up in Sonshine Childcare Centre (SCC) with effect from 1 January 2020. GNCS shall pay SJPS a management fee equal to the education fees charged by SCC.

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.

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

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.

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.

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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.

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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 comprise 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.

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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.

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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 expenditures are accounted for on an accrual basis and have 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) Costs 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) Costs of charitable activities

Costs 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 Society. 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.

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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.

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31 December 2019

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	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME											
Income from generated funds:											
<u>Voluntary income</u>											
- Tax deductible donations (Note 12)	—	25,419	25,419	—	—	—	—	—	—	25,419	26,792
<u>Activities for generating funds</u>											
- School fees – Centre based student care and childcare	380,646	—	380,646	—	—	—	—	—	—	380,646	289,402
- School fees subsidies	284,397	—	284,397	—	—	—	—	—	—	284,397	288,557
- Income from school programme	18,068	—	18,068	—	—	—	—	—	—	18,068	8,259
	683,111	—	683,111	—	—	—	—	—	—	683,111	586,218
<u>Investment income</u>											
- Interest income	81	—	81	64,986	—	—	—	—	64,986	65,067	44,580
Total income from generated funds	683,192	25,419	708,611	64,986	—	—	—	—	64,986	773,597	657,590

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Notes to the Financial Statements
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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	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOME (Cont'd)											
Income from charitable activities											
Counselling fees	–	–	–	2,965	–	–	–	–	2,965	2,965	3,220
Funding from MSF	–	–	–	1,576,983	–	–	–	–	1,576,983	1,576,983	1,467,812
Funding from NCSS – Comchest	–	–	–	–	–	–	–	–	–	–	19,652
MUIS Ramadan bonus received	–	–	–	6,000	–	–	–	–	6,000	6,000	–
Programme funding	–	–	–	–	8,062	1,600	–	38,475	48,137	48,137	77,563
Total income from charitable activities	–	–	–	1,585,948	8,062	1,600	–	38,475	1,634,085	1,634,085	1,568,247
Other income											
Government grants	18,220	–	18,220	9,078	–	–	–	–	9,078	27,298	84,863
Others	3,059	–	3,059	15,323	–	–	–	–	15,323	18,382	3,410
Total other income	21,279	–	21,279	24,401	–	–	–	–	24,401	45,680	88,273
TOTAL INCOME	704,471	25,419	729,890	1,675,335	8,062	1,600	–	38,475	1,723,472	2,453,362	2,314,110

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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	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURES											
Cost of generating funds											
Cost of school programme	13,817	—	13,817	—	—	—	—	—	—	13,817	5,016
Manpower benefit costs:											
- Staff salaries and bonuses	668,900	—	668,900	—	—	—	—	—	—	668,900	681,154
- Employer CPF contribution and SDL	73,882	—	73,882	—	—	—	—	—	—	73,882	82,568
- Staff medical and insurance	9,708	—	9,708	—	—	—	—	—	—	9,708	9,769
- Staff foreign worker levy	10,621	—	10,621	—	—	—	—	—	—	10,621	11,880
- Staff training	8,433	—	8,433	—	—	—	—	—	—	8,433	2,925
- Staff transport	324	—	324	—	—	—	—	—	—	324	264
- Staff welfare	2,379	—	2,379	—	—	—	—	—	—	2,379	1,165
- Honorarium	102	—	102	—	—	—	—	—	—	102	—
Amortisation charge	—	763	763	—	—	—	—	—	—	763	1,232
Bank charges	465	—	465	—	—	—	—	—	—	465	503
Depreciation of plant and equipment	50,124	—	50,124	—	—	—	—	—	—	50,124	31,989
Food and beverages	20,503	—	20,503	—	—	—	—	—	—	20,503	24,666
General expenses	2,810	—	2,810	—	—	—	—	—	—	2,810	4,484
Total costs of generating funds c/f	862,068	763	862,831	—	—	—	—	—	—	862,831	857,615

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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	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURES (Cont'd)											
Cost of generating funds b/f	862,068	763	862,831	—	—	—	—	—	—	862,831	857,615
Impairment loss/(Recovery)/ on-school fees receivable	260	—	260	—	—	—	—	—	—	260	(364)
Insurance	2,162	—	2,162	—	—	—	—	—	—	2,162	2,389
Maintenance of equipment	4,807	—	4,807	—	—	—	—	—	—	4,807	4,068
Maintenance of premises	10,580	—	10,580	—	—	—	—	—	—	10,580	9,930
Marketing program	5,092	—	5,092	—	—	—	—	—	—	5,092	7,123
Non-capitalised purchases	1,252	—	1,252	—	—	—	—	—	—	1,252	139
Printing, stationery and postage	4,681	—	4,681	—	—	—	—	—	—	4,681	5,371
Rent and conservancy fees	19,913	—	19,913	—	—	—	—	—	—	19,913	19,913
Rental of equipment	2,414	—	2,414	—	—	—	—	—	—	2,414	2,414
Spark Accreditation programme	7,277	—	7,277	—	—	—	—	—	—	7,277	34,859
Student healthcare and medical expenses	96	—	96	—	—	—	—	—	—	96	118
Subscription fees	5,468	—	5,468	—	—	—	—	—	—	5,468	5,163
Teaching materials and toys	8,461	—	8,461	—	—	—	—	—	—	8,461	12,046
Telecommunications	2,003	—	2,003	—	—	—	—	—	—	2,003	2,019
Utilities	9,655	—	9,655	—	—	—	—	—	—	9,655	9,494
Total costs of generating funds	946,189	763	946,952	—	—	—	—	—	—	946,952	972,297

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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	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURES (Cont'd)											
Charitable activities											
Programme costs	—	17,308	17,308	34,304	13,039	2,400	389	71,010	121,142	138,450	105,924
MUIS Ramadan bonus disbursements	—	—	—	6,000	—	—	—	—	6,000	6,000	—
Manpower benefit costs:											
- Staff salaries and bonuses	—	—	—	1,126,804	—	—	—	—	1,126,804	1,126,804	1,036,904
- Employer CPF contribution and SDL	—	—	—	171,373	—	—	—	—	171,373	171,373	159,061
- Staff medical and insurance	—	—	—	10,215	—	—	—	—	10,215	10,215	9,455
- Staff training	—	—	—	30,154	—	—	—	—	30,154	30,154	18,682
- Staff welfare	—	—	—	6,314	—	—	—	—	6,314	6,314	6,487
- Honorarium	—	—	—	850	—	—	—	—	850	850	510
Advertisement	—	—	—	—	—	—	—	—	—	—	2,782
Amortisation charge	—	—	—	9,078	—	—	—	—	9,078	9,078	9,195
Bank charges	—	—	—	519	—	—	—	—	519	519	539
Depreciation of plant and equipment	—	—	—	38,977	—	—	—	—	38,977	38,977	27,393
General expenses	—	—	—	458	—	—	—	—	458	458	731
Insurance	—	—	—	138	—	—	—	—	138	138	238
Maintenance of equipment	—	—	—	1,641	—	—	—	—	1,641	1,641	3,715
Maintenance of premises	—	—	—	2,584	—	—	—	—	2,584	2,584	1,016
Total charitable activities c/f	—	17,308	17,308	1,439,409	13,039	2,400	389	71,010	1,526,247	1,543,555	1,382,632

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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	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURES (Cont'd)											
Charitable activities b/f	—	17,308	17,308	1,439,409	13,039	2,400	389	71,010	1,526,247	1,543,555	1,382,632
Non-capitalised purchases	—	—	—	2,493	—	—	—	—	2,493	2,493	468
Printing, stationery and postage	—	—	—	3,462	—	—	—	—	3,462	3,462	4,601
Refreshments	—	—	—	602	—	—	—	—	602	602	694
Rent and conservancy fees	—	—	—	14,304	—	—	—	—	14,304	14,304	14,304
Rental of equipment	—	—	—	3,120	—	—	—	—	3,120	3,120	3,120
Resource material	—	—	—	25	—	—	—	—	25	25	131
Telecommunications	—	—	—	4,387	—	—	—	—	4,387	4,387	3,417
Transport	—	—	—	8,652	—	—	—	—	8,652	8,652	8,677
Utilities	—	—	—	5,991	—	—	—	—	5,991	5,991	6,184
Total charitable activities	—	17,308	17,308	1,482,445	13,039	2,400	389	71,010	1,569,283	1,586,591	1,424,228
Governance costs											
Administrative support costs-Note 4(a)	—	—	—	—	—	—	—	—	—	—	—
Auditors' remuneration											
- current year	8,100	—	8,100	11,000	—	—	—	—	11,000	19,100	18,200
- certification of subsidy claims	4,000	—	4,000	—	—	—	—	—	—	4,000	4,000
Governance costs c/f	12,100	—	12,100	11,000	—	—	—	—	11,000	23,100	22,200

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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	2019	2018
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
EXPENDITURES (Cont'd)											
Governance costs b/f	12,100	—	12,100	11,000	—	—	—	—	11,000	23,100	22,200
License fees	236	—	236	250	—	—	—	—	250	486	507
Internal audit fees	—	—	—	—	—	—	—	—	—	—	1,000
Others	1,242	—	1,242	—	—	—	—	—	—	1,242	—
Total governance costs	13,578	—	13,578	11,250	—	—	—	—	11,250	24,828	23,707
TOTAL EXPENDITURE	959,767	18,071	977,838	1,493,695	13,039	2,400	389	71,010	1,580,533	2,558,371	2,420,232
NET (EXPENDITURE)/INCOME FOR THE YEAR	(255,296)	7,348	(247,948)	181,640	(4,977)	(800)	(389)	(32,535)	142,939	(105,009)	(106,122)

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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 \$	2019 \$	2018 \$
NET (EXPENDITURE)/INCOME FOR THE YEAR (Cont'd)	(255,296)	7,348	(247,948)	181,640	(4,977)	(800)	(389)	(32,535)	142,939	(105,009)	(106,122)
Gross transfers between funds											
Transferred from/(to) unrestricted - designated funds -Note 10(b)	-	-	-	-	-	-	-	-	-	-	-
Transferred from restricted -FSC fund to unrestricted designated funds -Note 11	-	20,000	20,000	(20,000)	-	-	-	-	(20,000)	-	-
	(255,296)	27,348	(227,948)	161,640	(4,977)	(800)	(389)	(32,535)	122,939	(105,009)	(106,122)
Reconciliation of funds											
Total funds brought forward	1,017,943	309,164	1,327,107	4,554,341	13,039	8,600	389	37,470	4,613,839	5,940,946	6,047,068
TOTAL FUNDS CARRIED FORWARD	762,647	336,512	1,099,159	4,715,981	8,062	7,800	-	4,935	4,736,778	5,835,937	5,940,946

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

The administrative support costs billed to the existing community service project of GNCS namely: Pasir Ris Family Service Centre and Sonshine Childcare Centre is based on the 10% of the total revenue generated of the said community service projects at the end of each quarter.

For the financial year ended 31 December 2019, the billing of headquarter charges to the respective community service projects amounted to \$238,461 (2018: \$187,208), which was contra with the Administrative Support Costs of each community service projects.

5. Cash and Cash Equivalents

	2019 \$	2018 \$
<i>Denominated in Singapore dollars:</i>		
Fixed deposits	3,948,647	3,399,289
Cash at banks	1,845,398	2,115,777
Cash on hand	3,800	3,800
	<u>5,797,845</u>	<u>5,518,866</u>
Cash and cash equivalents per statement of cash flows	<u>5,797,845</u>	<u>5,518,866</u>

Fixed deposits earn interest rate that ranges approximately 0.78% to 1.90% (2018: 0.78% to 1.70%) per annum and placed for a period of 12 months (2018: 12 months).

6. Other Receivables

	2019 \$	2018 \$
<i>Denominated in Singapore dollars:</i>		
Fixed deposit interest receivable	39,709	24,206
School fees receivable	11,730	1,095
Programme fund receivable from MSF	928	266,852
Programme fund receivable from NCSS	8,062	1,281
Others	5,627	1,753
	<u>66,056</u>	<u>295,187</u>

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7. Other Current Assets

	2019	2018
	\$	\$
Deposits	4,342	4,392
Prepayments	11,783	4,942
	<u>16,125</u>	<u>9,334</u>

8. Property, Plant and Equipment

	Computers and software \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
<i>Cost:</i>					
At 01-01-2018	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
Additions	—	7,873	—	—	7,873
Write-offs	—	—	—	—	—
At 31-12-2019	<u>91,603</u>	<u>116,571</u>	<u>76,399</u>	<u>383,799</u>	<u>668,372</u>
<i>Accumulated depreciation:</i>					
At 01-01-2018	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
Depreciation charge	36,252	2,602	7,058	43,189	89,101
Write-offs	—	—	—	—	—
At 31-12-2019	<u>61,942</u>	<u>107,204</u>	<u>65,807</u>	<u>240,089</u>	<u>475,042</u>
<i>Net carrying amount:</i>					
At 31-12-2019	<u>29,661</u>	<u>9,367</u>	<u>10,592</u>	<u>143,710</u>	<u>193,330</u>
At 31-12-2018	<u>65,913</u>	<u>4,096</u>	<u>17,650</u>	<u>186,899</u>	<u>274,558</u>

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9. Other Payables

	2019	2018
	\$	\$
<i>Denominated in Singapore dollars:</i>		
Accrued operating expenses	185,163	118,091
School fees received in advance	150	150
Others	7,836	1,408
	<u>193,149</u>	<u>119,649</u>

10. Unrestricted Funds**(a) General fund**

	2019	2018
	\$	\$
Balance at beginning of the year	1,017,943	1,184,025
Transferred from unrestricted –designated funds	–	165,564
	<u>1,017,943</u>	<u>1,349,589</u>
Net expenditure for the year	(255,296)	(331,646)
	<u>762,647</u>	<u>1,017,943</u>

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10. Unrestricted Funds (Cont'd)

(b) Designated funds

	Balance at 1 Jan \$	Transferred from restricted- FSC fund \$	Income \$	Expenditure \$	Amortisation \$	Balance at 31 Dec \$
2019						
Bursary fund	8,000	—	—	—	—	8,000
Deferred capital grants	2,864	—	—	—	(763)	2,101
Economic downturn assistance fund	2,500	—	—	(400)	—	2,100
Elderly fund	47,320	—	—	—	—	47,320
Five loaves and two fish fund	116,271	—	24,580	(2,663)	—	138,188
GNCS Financial assistance fund	14,430	—	839	—	—	15,269
PRFSC Financial assistance fund	3,790	20,000	—	(14,245)	—	9,545
Renovation fund	113,989	—	—	—	—	113,989
	<u>309,164</u>	<u>20,000</u>	<u>25,419</u>	<u>(17,308)</u>	<u>(763)</u>	<u>336,512</u>

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10. Unrestricted Funds (Cont'd)**(b) Designated funds (Cont'd)**

	Balance at 1 Jan \$	Transferred from/(to) unrestricted- general funds \$	Transferred from 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

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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) 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.
- (d) Elderly fund - to be used for the work of elderly care.
- (e) 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.
- (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) 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.
- (h) Property maintenance fund - for the upkeep and repairs on the premises occupied by Sonshine Childcare Centre which is fully utilised in 2018.
- (i) Renovation fund - for capital expenditure to be incurred for major replacements and repairs of Pasir Ris Family Service Centre.
- (j) Sinking fund - for capital expenditure to be incurred for major replacements, repairs and cyclical maintenance of Sonshine Childcare Centre which is fully utilised in 2018

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11. Restricted Funds

	Balance at 1 Jan \$	Transferred to designated funds \$	Income \$	Expenditure \$	Balance at 31 Dec \$
2019					
Family Service Centre Operation Fund (FSC)	4,554,341	(20,000)	1,675,335	(1,493,695)	4,715,981
Family Service Centre Comcare Fund (FCF)	8,600	—	1,600	(2,400)	7,800
North East Essential Relief Fund (NEER)	389	—	—	(389)	—
School Pocket Money Fund (SPMF)	37,470	—	38,475	(71,010)	4,935
Care and Share Fund	13,039	—	8,062	(13,039)	8,062
	<u>4,613,839</u>	<u>(20,000)</u>	<u>1,723,472</u>	<u>(1,580,533)</u>	<u>4,736,778</u>
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>

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.

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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 two years and six months with effect from 24 July 2019. Tax-exempt receipts issued for donations during the year amounted to \$25,419 (2018: \$26,792).

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.

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14. Operating Lease Commitments

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 2019 amounted to \$5,534 (2018: \$5,534).

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

	2019 \$	2018 \$
Not later than 1 year	5,534	4,234
Later than 1 year but within 5 years	10,861	2,615
	<u>16,395</u>	<u>6,849</u>

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:

	2019 \$	2018 \$
Salaries and bonuses	178,317	181,754
CPF contributions	23,092	24,530
	<u>201,409</u>	<u>206,284</u>

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

	2019	2018
<i>Salaries and benefits bands for key management personnel</i>		
Between \$50,000 - \$150,000	<u>2</u>	<u>2</u>

None of the members of the Management Committee have received any compensation during the financial year ended 31 December 2019 and 2018.

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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.

	Less than 1 year \$	Between 1 – 5 years \$	Total contractual cash flow \$
2019			
<i>Financial liabilities</i>			
Other payables	193,149	—	193,149
Refundable deposits	44,270	—	44,270
Total undiscounted financial liabilities	237,419	—	237,419

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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

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 2019 and 31 December 2018.

18. Reserves Policy

The Society's income depends 28% (2018: 25%) from fund generating activities, 67% (2018: 68%) from government funding/charitable activities and 1% (2018: 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.

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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. Subsequent Event

The emergence of Coronavirus Disease ("COVID-19") has brought about uncertainties to the Society's operating environment and has impacted the Society's operations and its financial position subsequent to the financial year end. The Society is cognizant of the challenges posed by these developing events and potential impact they have on its operations. The Society will continuously assess the situation, work closely with the government to support their efforts in containing the spread of COVID-19, and put in place measures to minimise impact to its operation. As the situation is still evolving, the full effect of the outbreak is subject to uncertainty and could not be ascertained yet.

21. Authorisation of Financial Statements

These financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Management Committee on 4 April 2020.

Report and Audited Financial Statements

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

31 December 2019

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

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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 2019 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 have, on the date of this statement, authorised these financial statements for issue.

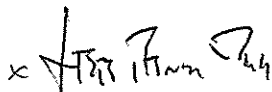
1. Members of Good News Community Services Management Committee

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, 4 April 2020

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 2019

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 2019, 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 2019 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 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 2019 (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

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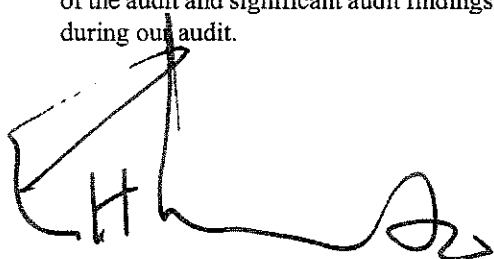
**Independent Auditor's Report to the Members of
Good News Community Services – Pasir Ris Family Service Centre
For the Financial Year Ended 31 December 2019 (Cont'd)**

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, 4 April 2020

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 2019

	Note	Unrestricted Funds \$	Restricted Funds \$	2019 \$	2018 \$
Income					
<u>Income from generated funds:</u>					
Voluntary income					
-Tax deductible donations	14(b)	24,580	—	24,580	26,792
Investment income		—	64,986	64,986	43,737
Income from charitable activities	3	—	1,634,085	1,634,085	1,568,247
Other income	4	4,813	24,401	29,214	55,479
Total income		29,393	1,723,472	1,752,865	1,694,255
Less: Expenditures					
<u>Charitable activities</u>					
Manpower benefit costs	5	—	1,345,710	1,345,710	1,231,099
Programme costs	6	17,308	127,142	144,450	105,924
Other operating costs	7	—	96,431	96,431	87,205
Governance costs	8	—	179,265	179,265	170,639
Total expenditures		17,308	1,748,548	1,765,856	1,594,867
Net income/(loss) before tax expense		12,085	(25,076)	(12,991)	99,388
Tax expense	16	—	—	—	—
Net income/(loss) before transfers		12,085	(25,076)	(12,991)	99,388
Gross transfers between funds	14&15	20,000	(20,000)	—	—
Transfer to GNCS Unrestricted fund	14	(47,320)	—	(47,320)	—
Net movement in funds		(15,235)	(45,076)	(60,311)	99,388
Reconciliation of funds:					
Total funds brought forward		1,290,848	4,307,464	5,598,312	5,498,924
Total funds carried forward		1,275,613	4,262,388	5,538,001	5,598,312

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 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	5,641,752	5,361,723
Other receivables	10	51,313	293,922
Other current assets	11	3,913	3,444
		<u>5,696,978</u>	<u>5,659,089</u>
Non-current assets			
Property, plant and equipment	12	<u>24,276</u>	<u>63,253</u>
Total assets		<u>5,721,254</u>	<u>5,722,342</u>
LIABILITIES			
Current liabilities			
Other payables	13	<u>183,253</u>	<u>124,030</u>
Total liabilities		<u>183,253</u>	<u>124,030</u>
Net assets		<u>5,538,001</u>	<u>5,598,312</u>
FUNDS			
Unrestricted funds			
General fund	14(a)	1,011,791	1,006,978
Designated funds	14(b)	<u>263,822</u>	<u>283,870</u>
		1,275,613	1,290,848
Restricted funds	15	<u>4,262,388</u>	<u>4,307,464</u>
Total Funds		<u>5,538,001</u>	<u>5,598,312</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 2019

	2019 \$	2018 \$
Cash flows from operating activities		
Net (loss)/income for the year before tax expense	(12,991)	99,388
Adjustments for:		
Depreciation of property, plant and equipment (Note 12)	38,977	27,393
Interest income from cash at bank and fixed deposits	(64,986)	(43,737)
	<u>(39,000)</u>	<u>83,044</u>
Operating (loss)/income before working capital changes	(39,000)	83,044
Changes in working capital:		
Decrease/(Increase) in other receivables	258,112	(268,175)
Increase in other current assets	(469)	(103)
Increase/(Decrease) in other payables	59,223	(49,188)
	<u>277,866</u>	<u>(234,422)</u>
Net cash from/(used in) operations	277,866	(234,422)
Interest received	49,483	39,882
	<u>327,349</u>	<u>(194,540)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	—	(33,956)
	<u>—</u>	<u>(33,956)</u>
Net cash used in investing activities	—	(33,956)
Cash flows from financing activities		
Elderly fund transfer to GNCS unrestricted fund (Note 14(b))	(47,320)	—
	<u>(47,320)</u>	<u>—</u>
Net cash used in financing activities	(47,320)	—
Net increase/(decrease) in cash and cash equivalents	280,029	(228,496)
Cash and cash equivalents at the beginning of the year	5,361,723	5,590,219
Cash and cash equivalents at the end of the year (Note 9)	<u>5,641,752</u>	<u>5,361,723</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 2019

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, TBSFF 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 ("S") 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 2019

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.

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

Notes to the Financial Statements
31 December 2019

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 2019

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 2019

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
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Notes to the Financial Statements
31 December 2019

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
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Notes to the Financial Statements
31 December 2019

3. Income from Charitable Activities

	2019 \$	2018 \$
Restricted funds:		
Family Service Centre Operation Fund		
Funding grant from MSF	1,576,983	1,467,812
Funding grant from NCSS – ComChest	–	19,652
NCSS administrative fee	–	784
Casework and counselling from MSF	2,965	3,220
MUIS Ramadan bonus received	6,000	–
	<u>1,585,948</u>	<u>1,491,468</u>
Family Service Centre Comcare Fund	1,600	1,500
School Pocket Money Fund	38,475	62,780
Care and Share Fund	8,062	12,499
	<u>1,634,085</u>	<u>1,568,247</u>

4. Other Income

	2019 \$	2018 \$
Unrestricted funds:		
General Fund		
Amortisation of deferred capital grant	–	117
Government paid - child care leave claim	1,373	1,712
Government paid - paternity leave claim	(4,868)	9,649
Special and temporary employment credit	1,036	3,872
Supervision fees	1,520	1,500
Wage credit scheme	5,752	14,671
	<u>4,813</u>	<u>31,521</u>
Restricted funds:		
Family Service Centre Operation Fund		
Amortisation of deferred capital grant	9,078	9,078
Consultancy grant for internal audit	–	13,200
Sabbatical leave claim	14,296	–
Others	1,027	1,680
	<u>24,401</u>	<u>23,958</u>
	<u>29,214</u>	<u>55,479</u>

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

Notes to the Financial Statements
31 December 2019

5. Manpower Benefit Costs

	2019 \$	2018 \$
Restricted funds:		
Family Service Centre Operation Fund		
Staff salaries and bonuses	1,126,804	1,036,904
Employer's CPF contribution and Skills Development levy	171,373	159,061
Staff medical and insurance	10,215	9,455
Staff training	30,154	18,682
Staff welfare	6,314	6,487
Honorarium	850	510
	<u>1,345,710</u>	<u>1,231,099</u>

6. Programme Costs

	2019 \$	2018 \$
Unrestricted funds:		
Designated funds		
Economic Downturn Assistance Fund	400	1,100
Five Loaves and Two Fish Fund	2,663	—
PRFSC Financial Assistance Fund	14,245	8,385
	<u>17,308</u>	<u>9,485</u>
Restricted funds:		
Family Service Centre Operation Fund		
Casework and counselling	44	552
Non-funded programme fee	27,311	11,990
Children programme expenses	2,578	737
Community outreach expenses	4,371	12,037
MUIS Ramadan bonus disbursement	6,000	—
	<u>40,304</u>	<u>25,316</u>
Family Service Centre Comcare Fund	2,400	2,000
North East Essential Relief Fund	389	40
School Pocket Money Fund	71,010	56,120
Care and Share Fund	13,039	12,963
	<u>127,142</u>	<u>96,439</u>
	<u>144,450</u>	<u>105,924</u>

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

Notes to the Financial Statements
31 December 2019

7. Other Operating Costs

	2019 \$	2018 \$
Unrestricted funds:		
Designated funds		
Amortisation charge for deferred capital grant	—	117
Restricted funds:		
Family Service Centre Operation Fund		
Advertisement	—	2,782
Amortisation charge for deferred capital grant	9,078	9,078
Bank charges	519	539
Depreciation charge	38,977	27,393
General expenses	458	731
Insurance	138	238
Maintenance of equipment	1,641	3,715
Maintenance of premises	2,584	1,016
Non-capitalised purchases	2,493	468
Printing, stationery and postage	3,462	4,601
Refreshments	602	694
Rent and conservancy fees	14,304	14,304
Rental of equipment	3,120	3,120
Resource materials	25	131
Telecommunication	4,387	3,417
Transport	8,652	8,677
Utilities	5,991	6,184
	96,431	87,088
	96,431	87,205

8. Governance Costs

	2019 \$	2018 \$
Restricted funds:		
Family Service Centre Operation Fund		
Administrative support costs	168,015	158,889
Auditor's remuneration	11,000	10,500
Internal audit fees	—	1,000
License fees	250	250
	179,265	170,639

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

Notes to the Financial Statements
31 December 2019

9. Cash and Cash Equivalents

	2019	2018
	\$	\$
<i>Cash and bank balances:</i>		
Cash at bank	1,691,505	1,960,834
Cash on hand	1,600	1,600
Fixed deposits	3,948,647	3,399,289
	<u>5,641,752</u>	<u>5,361,723</u>
Cash and cash equivalents per statement of cash flows	<u>5,641,752</u>	<u>5,361,723</u>

Fixed deposits earn interest rate that ranges approximately from 0.78% to 1.90% (2018: 0.78% to 1.70%) with maturity period of about 4 to 12 months (2018: 4 to 12 months) from the end of the reporting period.

10. Other Receivables

	2019	2018
	\$	\$
Fixed deposit interest receivable	39,709	24,206
Programme fund receivable from MSF	928	266,852
Programme fund receivable from NCSS	8,062	1,281
Receivable from CPF Board	1,374	513
Others	1,240	1,070
	<u>51,313</u>	<u>293,922</u>

11. Other Current Assets

	2019	2018
	\$	\$
Deposits	1,967	1,967
Prepayments	1,946	1,477
	<u>3,913</u>	<u>3,444</u>

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

Notes to the Financial Statements
31 December 2019

12. Property, Plant and Equipment

	Computers \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
<i>Cost:</i>					
At 01-01-2018	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
Additions	—	—	—	—	—
Write-offs	—	—	—	—	—
At 31-12-2019	33,956	57,228	67,786	192,995	351,965
<i>Accumulated depreciation:</i>					
At 01-01-2018	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
Depreciation charge	25,467	1,684	6,798	5,028	38,977
Write-offs	—	—	—	—	—
At 31-12-2019	33,956	54,816	57,238	181,679	327,689
<i>Net carrying amount:</i>					
At 31-12-2019	—	2,412	10,548	11,316	24,276
At 31-12-2018	25,467	4,096	17,346	16,344	63,253

13. Other Payables

	2019 \$	2018 \$
Accrued operating expenses	132,686	83,802
Amount due to Good News Community Services	45,699	38,900
Others	4,868	1,328
	<u>183,253</u>	<u>124,030</u>

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

Notes to the Financial Statements
31 December 2019

14. Unrestricted Funds

(a) General fund

	2019 \$	2018 \$
Balance at beginning of the year	1,006,978	975,457
Net income for the year	4,813	31,521
Balance at end of the year	<u>1,011,791</u>	<u>1,006,978</u>

(b) Designated funds

	Balance at 01 Jan \$	Transfer from Restricted Fund \$	Transfer to GNCS Unrestricted Fund \$	Income \$	Expenditure \$	Balance at 31 Dec \$
2019						
Economic Downturn Assistance Fund	2,500	—	—	—	(400)	2,100
Elderly fund	47,320	—	(47,320)	—	—	—
Five Loaves and Two Fish Fund	116,271	—	—	24,580*	(2,663)	138,188
PRFSC Financial Assistance Fund	3,790	20,000	—	—	(14,245)	9,545
Renovation Fund	113,989	—	—	—	—	113,989
	<u>283,870</u>	<u>20,000</u>	<u>(47,320)</u>	<u>24,580</u>	<u>(17,308)</u>	<u>263,822</u>

	Balance at 01 Jan \$	Transfer from Restricted Fund \$	Income \$	Expenditure \$	Amortisation \$	Balance at 31 Dec \$
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>

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

Notes to the Financial Statements
31 December 2019

14. Unrestricted Funds (Cont'd)

(b) Designated funds (Cont'd)

* 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").

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. During the current financial year under review, this fund amounting to \$47,320 has been transfer to the designated elderly fund (unrestricted fund) of GNCS as approved by the management committee on or about 29 June 2019.
- (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.

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

Notes to the Financial Statements
31 December 2019

15. Restricted Funds

	Balance at 01 Jan \$	Transferred to designated funds \$	Income \$	Expenditure \$	Balance at 31 Dec \$
2019					
Family Service Centre Operation Fund (FSC)	4,247,966	(20,000)	1,675,335	(1,661,710)	4,241,591
Family Service Centre Comcare Fund (FCF)	8,600	–	1,600	(2,400)	7,800
North East Essential Relief Fund (NEER)	389	–	–	(389)	–
School Pocket Money Fund (SPMF)	37,470	–	38,475	(71,010)	4,935
Care and Share Fund	13,039	–	8,062	(13,039)	8,062
	<u>4,307,464</u>	<u>(20,000)</u>	<u>1,723,472</u>	<u>(1,748,548)</u>	<u>4,262,388</u>
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>

(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.

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

Notes to the Financial Statements
31 December 2019

15. 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.

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 2019 amounted to \$3,120 (2018: \$3,120).

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

Notes to the Financial Statements
31 December 2019

17. Operating Lease Commitments (Cont'd)

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

	2019 \$	2018 \$
Not later than one year	3,120	1,820
Later than one year but not later than five years	10,660	—
	<u>13,780</u>	<u>1,820</u>

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:

	2019 \$	2018 \$
Salaries and bonuses	125,862	121,574
Employer's CPF contribution	14,168	14,297
	<u>140,030</u>	<u>135,871</u>

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

	2019	2018
<i>Salaries and benefits bands for key management personnel</i>		
Between \$50,000 - \$150,000	<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 2019 and 2018.

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.

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

Notes to the Financial Statements
31 December 2019

19. 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 \$
2019			
<i>Financial liabilities</i>			
Other payables	183,253	–	183,253
Total undiscounted financial liabilities	183,253	–	183,253
2018			
<i>Financial liabilities</i>			
Other payables	124,030	–	124,030
Total undiscounted financial liabilities	124,030	–	124,030

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

Notes to the Financial Statements
31 December 2019

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 2019 and 31 December 2018.

21. Subsequent Event

The emergence of Coronavirus Disease ("COVID-19") has brought about uncertainties to the Centre's operating environment and has impacted the Centre's operations and its financial position subsequent to the financial year end. The Centre is cognizant of the challenges posed by these developing events and potential impact they have on its operations. The Centre will continuously assess the situation, work closely with the government to support their efforts in containing the spread of COVID-19, and put in place measures to minimise impact to its operation. As the situation is still evolving, the full effect of the outbreak is subject to uncertainty and could not be ascertained yet.

22. Authorisation of Financial Statements

These financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Management Committee of Good News Community Services on 4 April 2020.

Report and Audited Financial Statements

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

31 December 2019

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

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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 2019 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.

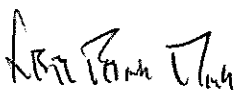
1. Members of Good News Community Services Management Committee


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, 4 April 2020

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 2019****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 2019, 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 2019 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 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 2019 (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)

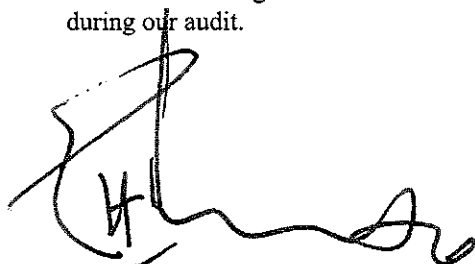
**Independent Auditor's Report to the Members of
Good News Community Services – Sonshine Childcare Centre
For the Financial Year Ended 31 December 2019 (Cont'd)**

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, 4 April 2020

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

Statement of Financial Activities
For the Financial Year Ended 31 December 2019

	Note	Unrestricted Funds	
		2019	2018
		\$	\$
Income			
Income from generated funds:			
Activities for generating funds	3	683,111	586,218
Investment income		—	776
Other income	4	12,177	31,644
Total income		695,288	618,638
Less: Expenditures			
Costs of generating funds			
Direct operating costs	5	55,506	83,464
Manpower benefit costs	6	601,364	619,131
Other operating costs	7	92,602	73,479
Governance costs	8	79,457	37,151
Total expenditures		828,929	813,225
Net expenditure before tax expense		(133,641)	(194,587)
Tax expense	15	—	—
Net expenditure before transfers		(133,641)	(194,587)
Gross transfers between funds		—	—
Net expenditure before holding gains and losses		(133,641)	(194,587)
Other recognised gains or losses		—	—
Net movement in funds		(133,641)	(194,587)
Reconciliation of funds:			
Total funds brought forward		193,011	387,598
Total funds carried forward		59,370	193,011

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 2019

	Note	2019 \$	2018 \$
ASSETS			
Current assets			
Cash and cash equivalents	9	35,694	91,571
Other receivables	10	14,243	1,237
Other current assets	11	10,017	3,981
		<u>59,954</u>	<u>96,789</u>
Non-current assets			
Property, plant and equipment	12	<u>139,393</u>	<u>170,859</u>
Total assets		<u>199,347</u>	<u>267,648</u>
LIABILITIES			
Current liabilities			
Other payables	13	95,707	37,287
Refundable deposits		<u>44,270</u>	<u>37,350</u>
Total liabilities		<u>139,977</u>	<u>74,637</u>
Net assets		<u>59,370</u>	<u>193,011</u>
FUNDS			
Unrestricted funds			
General fund	14(a)	51,370	185,011
Designated funds	14 (b)	<u>8,000</u>	<u>8,000</u>
Total Funds		<u>59,370</u>	<u>193,011</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 2019

	2019 \$	2018 \$
Cash flows from operating activities		
Net expenditure before tax expense	(133,641)	(194,587)
Adjustments for:		
Depreciation of plant and equipment	39,339	20,112
Interest income	—	(776)
	<u>(94,302)</u>	<u>(175,251)</u>
Operating cash flow before changes in working capital	(94,302)	(175,251)
Changes in working capital:		
(Increase)/Decrease in other receivables	(13,006)	1,271
(Increase)/Decrease in other current assets	(6,036)	99,506
Increase in other payables	58,420	1,930
Increase in refundable deposits	6,920	3,100
	<u>(48,004)</u>	<u>(69,444)</u>
Cash used in operations	(48,004)	(69,444)
Interest received	—	1,893
	<u>(48,004)</u>	<u>(67,551)</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(7,873)	(187,757)
	<u>(7,873)</u>	<u>(187,757)</u>
Cash flows from financing activities		
Net cash from financing activities	—	—
	<u>(55,877)</u>	<u>(255,308)</u>
Net decrease in cash and cash equivalents	(55,877)	(255,308)
Cash and cash equivalents at beginning of the financial year	<u>91,571</u>	<u>346,879</u>
Cash and cash equivalents at the end of the financial year (Note 9)	<u>35,694</u>	<u>91,571</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 2019

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.

On or about 26 December 2019, Good News Community Services ("GNCS") has entered into a management agreement with St. James' Preschool Services (Anglican) Ltd. ("SJPS"), to manage, operate and direct the Pre-school set up in Sonshine Childcare Centre (SCC) with effect from 1 January 2020. GNCS shall pay SJPS a management fee equal to the education fees charged by SCC.

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.

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

Notes to the Financial Statements
31 December 2019

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.

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 2019

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 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 2019

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 2019

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 2019**

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
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Notes to the Financial Statements
31 December 2019

3. Activities for Generating Funds

	2019	2018
	\$	\$
School fees subsidies from ECDA	284,397	288,557
School fees, net of discounts	380,646	289,402
Registration fees	1,200	990
Income from school programme	16,868	7,269
	<u>683,111</u>	<u>586,218</u>

4. Other Income

	2019	2018
	\$	\$
Amortisation of deferred capital grants	—	467
Government paid - child care leave claim	150	242
Special and temporary credit	6,603	9,277
Wage credit scheme	5,129	19,956
Others	295	1,702
	<u>12,177</u>	<u>31,644</u>

5. Direct Operating Costs

	2019	2018
	\$	\$
Cost of school programme	13,817	5,016
Food and beverages	20,503	24,666
Marketing program	5,092	7,123
Spark Accreditation programme	7,277	34,859
Student healthcare and medical expenses	96	118
Teaching materials and toys	8,461	12,046
Impairment loss/(Recovery) on school fee receivables	260	(364)
	<u>55,506</u>	<u>83,464</u>

SONSHINE CHILDCARE CENTRE
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Notes to the Financial Statements
31 December 2019

6. Manpower Benefit Costs

	2019 \$	2018 \$
Staff salaries and bonuses	527,119	537,038
Employer's CPF contribution and Skills Development Levy	50,659	57,974
Foreign worker levy	10,621	11,880
Staff medical and insurance	8,214	8,695
Staff training	2,355	2,604
Staff transport	221	218
Staff welfare	2,073	722
Honorarium	102	—
	<u>601,364</u>	<u>619,131</u>

7. Other Operating Costs

	2019 \$	2018 \$
Amortisation of deferred capital grant	—	467
Bank charges	326	219
Depreciation of plant and equipment	39,339	20,112
General expenses	1,047	2,215
Insurance	315	307
Maintenance of equipment	50	299
Maintenance of premises	10,559	9,885
Non-capitalised purchases	1,252	139
Printing, stationery and postage	3,856	4,428
Rent and conservancy fees	19,913	19,913
Rental of equipment	2,414	2,414
Subscription fees	1,873	1,568
Telecommunication expenses	2,003	2,019
Utilities	9,655	9,494
	<u>92,602</u>	<u>73,479</u>

8. Governance Costs

	2019 \$	2018 \$
Administrative support costs	70,446	28,319
Auditor's remuneration		
— current year	4,900	4,700
— certification on statement of subsidy claims	4,000	4,000
License fees	111	132
	<u>79,457</u>	<u>37,151</u>

SONSHINE CHILDCARE CENTRE
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Notes to the Financial Statements
31 December 2019

9. Cash and Cash Equivalents

	2019 \$	2018 \$
<i>Denominated in Singapore dollars:</i>		
Cash at banks	33,494	89,371
Cash on hand	2,200	2,200
	<u>35,694</u>	<u>91,571</u>
Cash and cash equivalents per statement of cash flows	<u>35,694</u>	<u>91,571</u>

10. Other Receivables

	2019 \$	2018 \$
School fees receivable	3,411	270
Allowance for impairment loss	(260)	–
	<u>3,151</u>	<u>270</u>
Amount due from ECDA	8,579	825
Others	2,513	142
	<u>14,243</u>	<u>1,237</u>

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

	2019 \$	2018 \$
Balance at 1 January	–	539
Allowance for impairment during the year	260	–
Recovery of allowance	–	(364)
Written-off	–	(175)
	<u>260</u>	<u>–</u>
Balance as at 31 December	<u>260</u>	<u>–</u>

SONSHINE CHILDCARE CENTRE
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Notes to the Financial Statements
31 December 2019

11. Other Current Assets

	2019 \$	2018 \$
Deposits	2,375	2,425
Prepayments	7,642	1,556
	<u>10,017</u>	<u>3,981</u>

12. Property, Plant and Equipment

	Computers \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Total \$
<i>Cost:</i>					
At 01-01-2018	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
Additions	–	7,873	–	–	7,873
Write-off	–	–	–	–	–
At 31-12-2019	–	54,870	8,613	190,804	254,287
<i>Accumulated depreciation:</i>					
At 01-01-2018	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
Depreciation charge	–	918	260	38,161	39,339
Write-off	–	–	–	–	–
At 31-12-2019	–	47,915	8,569	58,410	114,894
<i>Net carrying amount:</i>					
At 31-12-2019	–	6,955	44	132,394	139,393
At 31-12-2018	–	–	304	170,555	170,859

SONSHINE CHILDCARE CENTRE
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Notes to the Financial Statements
31 December 2019

13. Other Payables

	2019	2018
	\$	\$
<i>Denominated in Singapore dollars:</i>		
Accrued operating expenses	37,732	20,652
Amount due to Good News Community Services	54,857	16,405
School fees received in advance	150	150
Others	2,968	80
	<u>95,707</u>	<u>37,287</u>

14. Unrestricted Funds

(a) General fund

	2019	2018
	\$	\$
Balance at beginning of the year	185,011	213,567
Transfer from Property maintenance fund	—	13,014
Transfer from Sinking fund	—	152,550
	<u>185,011</u>	<u>379,131</u>
Net expenditure for the year	(133,641)	(194,120)
	<u>51,370</u>	<u>185,011</u>
Balance at end of the year		

SONSHINE CHILDCARE CENTRE

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Notes to the Financial Statements**31 December 2019****14. Unrestricted Funds (Cont'd)**

(b) Designated funds

	Balance at 01-01-2019 \$	Transferred to general fund \$	Income \$	Expenditure \$	Amortisation \$	Balance at 31-12-2019 \$
2019						
Bursary fund	8,000	—	—	—	—	8,000
	8,000	—	—	—	—	8,000
	Balance at 01-01-2018 \$	Transferred from GNCS – 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

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

Notes to the Financial Statements
31 December 2019

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 financial year ended 31 December 2018, 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 financial year ended 31 December 2018, the sinking fund amounting to \$152,550 has been transfer to general fund to finance part of the renovation costs.

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

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 2019 amounted to \$2,414 (2018: \$2,414).

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	201	5,029
	<u>2,615</u>	<u>7,443</u>

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

Notes to the Financial Statements
31 December 2019

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:

	2019 \$	2018 \$
Salaries and bonuses	52,455	60,180
Employer's CPF contributions	8,924	10,233
	<u>61,379</u>	<u>70,413</u>

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

	2019	2018
<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 2019 and 2018.

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.

(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.

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

Notes to the Financial Statements
31 December 2019

18. 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 \$
2019			
<i>Financial liabilities</i>			
Other payables	95,707	–	95,707
Refundable deposits	44,270	–	44,270
Total undiscounted financial liabilities	139,977	–	139,977
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

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 2019 and 31 December 2018.

SONSHINE CHILDCARE CENTRE

(A Community Service Project of Good News Community Services)

Notes to the Financial Statements**31 December 2019**

20. Subsequent Event

The emergence of Coronavirus Disease ("COVID-19") has brought about uncertainties to the Centre's operating environment and has impacted the Centre's operations and its financial position subsequent to the financial year end. The Centre is cognizant of the challenges posed by these developing events and potential impact they have on its operations. The Centre will continuously assess the situation, work closely with the government to support their efforts in containing the spread of COVID-19, and put in place measures to minimise impact to its operation. As the situation is still evolving, the full effect of the outbreak is subject to uncertainty and could not be ascertained yet.

21. Authorisation of Financial Statements

These financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Management Committee of Good News Community Services on 4 April 2020.

5. REPORTS FROM THE CENTRES

5.1 Pasir Ris Family Service Centre

5.2 Sonshine Childcare Centre

Reports from Centres - Pasir Ris Family Service Centre

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

<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
<u>STAFF</u>			
Executive Director	See Choon Wai	Blk 256 Pasir Ris St 21 #01-289 Singapore 510256	6581 2159

1. **MISSION AND VISION**

- a. The Mission of Pasir Ris Family Service Centre is to enhance lives and build resilient families through quality service and active collaboration. The theme for 2019 is “Growing Together as One”. Some of the major plans include:
 - i. Equipping Staff with specialisation courses to build competencies.
 - ii. More therapeutic activities with our clients.
 - iii. To start exploratory and outreach work with the Homeless in Pasir Ris and Changi Village.
 - iv. Enhance visibility and quality of our services.

2. **STAFFING**

- a. One of the Social Workers, Rebecca Loke, has resigned for personal reasons to pursue her ambitions. One of the Assistant Senior Social Workers, Feroz, has successfully applied for the NCSS Sabbatical Leave Scheme to rest and re-energize. He took his 10 weeks leave from Feb 2019. Another staff, Hazel Foo is on maternity leave from December 2019 to March 2020.
- b. We have employed a Social Work Associate, Nelson Aw, to outreach and look into the needs of the Homeless in Pasir Ris and Changi Village. We have promoted Victoria Fong to be an Assistant Senior Social Worker.
- c. The following staff attended specialised or certification courses:
 - i. Fay Lim – Masters in Social Work at National University of Singapore
 - ii. Royston Chia- Graduate Diploma in Counselling Practice at Counselling and Care Centre

- iii. Nora and Adelina – Signposts for building better behavior at KK Women’s and Children’s Hospital.
 - iv. Ru Pei – Family-based Casework Supervision Training at Counselling and Care Centre.
 - v. Victoria Fong – Certificate in Supervision for the Social Service at Singapore Association of Social Workers.
- d. All staff attended the Staff Bonding Retreat at Batam from 16-19 September. During the retreat, staff discussed how our corporate values of Care, Teamwork and Excellence could be applied in our daily work. Besides the retreat, quarterly informal staff bonding sessions were also conducted to foster mutual understanding and team spirit. Some of the activities include stretching exercises and festive celebrations.

3. PROGRAMMES AND SERVICES

3.1 Community Work

- a. For the past several years, PRFSC has collaborated with Hai Sing Catholic School to train their student leaders to conduct structured programmes for latch key children in Pasir Ris neighbourhood. This Wonder Kids Programme has reached out to the children from rental block and low-income families at Costa Ris neighbourhood.
- b. PRFSC also collaborated with Pasir Ris Bethesda Mission Church to provide tuition to the children from disadvantaged families. The church provided the volunteers who conducted weekly tuition sessions for the children before the school examinations. Some of these volunteers are school teachers.
- c. PRFC also partnered with Divine Mercy Church in Pasir Ris to outreach to the elderly at the studio apartment at Block 212A. They helped conduct quarterly social activities at the void deck to engage and reach out to the elderly who may have difficulties coping.

3.2 Group Work

- a. Staff conducted 4 sessions of group work with mothers who have parenting difficulties. Some are single- parents or has special needs children to care for. A total of seven mothers participated and they continue to meet as an informal care group after the group work sessions.

3.3 Community Networking

- a. Regular case conferences and networking sessions were conducted with Pasir Ris Social Service Office and HDB Pasir Ris Branch to discuss how best to help families with housing issues. Other case conferences involved Medical Social Workers and School Counsellors. We also network with Pasir Ris Senior Activity Centre, Pentecost Methodist Church and River Life Community Services in providing services to some of our clients.
- b. PRFSC organised a Community Partners and Volunteers Appreciation session to thank them for their support and contributions. A total of 21 volunteers and community partners representatives attended the event.

3.4 Family Camp

- a. PRFSC organized a 2-day Family Camp at the Loyang Civil Service Club Chalet for eight families. Besides family bonding games where children played with their parents, there were separate sessions for parents to share about their coping issues and children to learn to social skills.
- b. PRFSC also organized a family day outing to Jurong Bird Park for about 12 families.

3.5 Food Ration and Financial Assistance Scheme

- a. Besides casework and counselling, PRFSC also provide food ration to poor and needy families. This 5 Loaves and 2 Fish food ration scheme, provides basic foodstuff such as rice, infant milk powder and diapers, oil and milo to about 60 families on a monthly basis.
- b. PRFSC also prepared festive food hampers for low income families to bring cheer and joy to them.
- c. PRFSC provide financial assistance to school going children who may not qualify or eligible for School Pocket Money Fund. This financial assistance support scheme is similar to SPMF and the beneficiaries are mostly school going children who has maximized their eligibility with SPMF.
- d. PRFSC also presented Back to School vouchers to needy school going children at the end of the year to enable them to buy books and stationery and to motivate them to go back to school.

3.6 Internship

- a. PRFSC provided internship to three Social Work students from the Singapore University of Social Science and the National University of Singapore. They were supervised by our team of experienced Social Workers.

4. MAJOR EVENTS

- a. President Halimah Yacob was our Guest-of -Honour during our Gift of Love Carnival. The Management Committee and staff presented a short introduction about our services to the President. The President interacted and took photographs with some of our performers. The PRFSC mothers' group, the children from Sonshine Child Care Centre as well as our children and volunteers from the tuition programme performed during the event. About 150 of our clients and volunteers attended the Carnival.
- b. The MSF Minister Mr Desmond Lee and staff from MSF joined us in one of our night walks to outreach to the Homeless in Changi Village. MSF presented a plaque to PRFSC as a token of appreciation for being a member of the Partners Engaging and Empowering Rough Sleepers network during the Appreciation Dinner for volunteers who have helped out in the Homeless survey and other related activities.

5. FINANCIAL REPORT: INCOME AND EXPENSES

a. For the year ended 31 December 2019 (Unaudited)

Total Income	\$1,684,466
Total Expenditure	\$1,670,345
Surplus / Deficit	\$ 14,121

6. SERVICE OUTCOME EVALUATION**6.1 Total no. of cases managed in 2017: 333**

Total no. of cases managed in 2018: 413

Total no. of cases managed in 2019: 504

There was an increase of about 22% in the number of cases managed in 2019. One of the reasons could be that most social workers have taken on more cases as there are more referrals in 2019.

6.2 Total no. of referrals / enquires in 2017: 514

Total no. of referrals / enquires in 2018: 519

Total no. of referrals / enquires in 2019: 541

There was an increase of about 4% in the total number of referrals / enquires received in 2019. This could be that there was greater awareness of our services among the residents and community agencies.

6.3 Total no. of cases opened in 2017: 127

Total no. of cases opened in 2018: 120

Total no of cases opened in 2019: 148

There was an increase of about 23% in the total number of cases opened. The top five presenting problems from the enquires or referrals are;

- i. Family and Marital Issues - 45%
- ii. Financial Issues - 18%
- iii. Health / Mental Issues - 12%
- iv. Shelter / Care Arrangement Issues - 9%
- v. Interpersonal issues - 9%.

7. FUTURE PLANS

- a. We have conducted weekly night walk at Pasir Ris Park and Changi Village to outreach to the Homeless or rough sleepers. There were contacts with about 12 rough sleepers with most of them at Changi Village. We have contacted Singapore Land Authorities to express our plans to rent one of their housing unit at Changi Village to operate as an overnight shelter for the rough sleepers. MSF has supported our plans and has helped us in the discussion with SLA. We have submitted the application for a unit and SLA is processing the application. If successful the unit will be ready in March 2020. The Management Committee has decided that this overnight shelter for the rough sleepers would be a separate entity or community service project for GNCS.
- b. GNCS and 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 in Pasir Ris. GNCS has plans to have more structured services with the elderly in Potong Pasir and to conduct needs assessment at the new housing estate of Bidadari.
- c. MSF has outlined their Strategic Priorities and Plans for the next 5 years. The focus will be:
 - i. Clients with complex needs eg families from rental blocks and the homeless, to receive more comprehensive and targeted support
 - ii. Clients to benefit from more coordinated service planning and delivery (by SSO and FSC) at the regional level and
 - iii. Clients are well supported by FSCs' enhanced competencies and capacities

In view of the MSF strategic plans, PRFSC will continue to equip staff competency through intensive training and courses so as to enhance the quality of service. There will also be more focus on collaboration with various community agencies in meeting the various needs of the residents in Pasir Ris.

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 2019

1.1 Renovation of Toilets

SCC underwent renovation of toilets with HDB under the Home Improvement Programme. The scope of work entailed painting, retiling, plumbing and refitting of accessories for 2 toilets.

2. MAJOR EVENTS IN 2019

2.1 July Open House & Family Carnival cum Open House

As part of SCC's marketing efforts, we had 2 Open Houses in July and Nov. The first Open House was held immediately after the renovation. The Open Houses introduced the curriculum through a talk and a lesson demonstration. The November Open House cum Family Carnival was to reach out to the Bukit Batok Community, increase enrolment and encourage family bonding among the existing and potential families. Teachers planned engaging activities and games for the children to participate in. Several children enrolled after the Family Carnival.

2.2 Parent Talk on Managing Transition to Primary One

A talk was conducted by Mrs Josephine Lim, former Vice-Principal of St Andrew's Primary School. The talk was intended for existing and prospective parents and was conducted during the Open House in November. 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 with Sonshine Supervisory Board

Gan Tian Huat and Lee Kong Wee conducted a 3-day Staff Engagement Session in December. The purpose of the session was to thank the staff for their contributions to the centre during the licensing and Spark preparation, to obtain general feedback, understand their concerns and provide support where necessary. The session was a fruitful one. The staff were appreciative of the support given.

2.4 SJPS Staff and Parent Engagement Session

The management of SJPS conducted engagement sessions with the staff and parents in November. Both sessions went smoothly. All staff signed the employment contracts with SJPS.

2.5 SPARK Celebration Lunch

The Management rewarded the staff for their SPARK achievement with a dinner at Tung Lok Seafood Restaurant on 8th December.

3. MAJOR PROJECTS IN 2019

3.1 Renovation of Toilets

Refer to 1.1 above

3.2 Primary One Preparation Programme

The K2 teacher adapted the revision programme created by Curriculum Plus in 2018, to suit the needs of her 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, mathematical skills and teach social and emotional skills and dispositions so children could learn to embrace changes. Volunteers from COR facilitated the implementation of the programme.

3.3 Re-Licensing

SCC underwent re-licensing exercise in July 2019 and was granted the maximum license tenure of 36-months. The license will expire on 14 July 2022.

4. Enrolment over 3year-period

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	Annual Average
YEAR													
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
2019	71	69	71	73	75	74	77	81	84	86	87	83	78

5. EVALUATION

With the attainment of SPARK and relicensing, the year has indeed been a fruitful one. In addition, marketing efforts resulted in an increase in the enrolment numbers towards the second half of the year. On the whole, the staff feel that their efforts have paid off and that The Management has recognized their hard work. Staff are looking forward towards the upcoming integration of preschools under the Anglican Preschool Services.

Ms U.K.Sangeeta
Principal

6. CORPORATE GOVERNANCE AND POLICIES

6.1 Management Committee

6.2 Reserves and Investment Policy

Governance Evaluation Checklist

To be submitted to Charity Council.

(Evaluation Period: 01/01/2019 to 31/12/2019)

SN	Code Guideline	Code ID	Response	Explanation (if Code guideline is not complied with)
BOARD GOVERNANCE				
1	Induction and orientation are provided to incoming Board members on joining the Board.	1.1.2	Complied	
2	Are there governing board members holding staff ¹ appointments? Remarks: (skip items 3 and 4 if "No")		No	
3	Staff ¹ does not chair the Board and does not comprise more than one third of the Board.	1.1.3	-	
4	There are written job descriptions for the staff's executive functions and operational duties, which are distinct from the staff's Board role.	1.1.5	-	
5	The Treasurer of the charity (or any person holding an equivalent position in the charity, e.g. Finance Committee Chairman or a governing board member responsible for overseeing the finances of the charity) can only serve a maximum of 4 consecutive years. If the charity has not appointed any governing board member to oversee its finances, it will be presumed that the Chairman oversees the finances of the charity.	1.1.7	Complied	
6	All governing board members must submit themselves for re-nomination and re-appointment, at least once every 3 years.	1.1.8	Complied	
7	The Board conducts self-evaluation to assess its performance and effectiveness once during its term or every 3 years, whichever is shorter.	1.1.12	Not complied	Will begin self-evaluation from term of 2019 Apr -2021 Apr
8	Is there any governing board member who has served for more than 10 consecutive years? Remarks: (skip item 9 if "No")		Yes	
9	The charity discloses in its annual report the reasons for retaining the governing board member who has served for more than 10 consecutive years.	1.1.13	Complied	
10	There are documented terms of reference for the Board and each of its committees.	1.2.1	Complied	
CONFLICT OF INTEREST				
11	There are documented procedures for governing board members and staff to declare actual or	2.1	Complied	

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	potential conflicts of interest to the Board at the earliest opportunity.			
12	Governing board members do not vote or participate in decision making on matters where they have a conflict of interest.	2.4	Complied	
STRATEGIC PLANNING				
13	The Board periodically reviews and approves the strategic plan for the charity to ensure that the charity's activities are in line with the charity's objectives.	3.2.2	Complied	
HUMAN RESOURCE AND VOLUNTEER MANAGEMENT				
14	The Board approves documented human resource policies for staff.	5.1	Complied	
15	There is a documented Code of Conduct for governing board members, staff and volunteers (where applicable) which is approved by the Board.	5.3	Complied	
16	There are processes for regular supervision, appraisal and professional development of staff.	5.5	Complied	
17	Are there volunteers ² serving in the charity? Remarks: (skip item 18 if "No")		Yes	
18	There are volunteer management policies in place for volunteers.	5.7	Complied	
FINANCIAL MANAGEMENT AND INTERNAL CONTROLS				
19	There is a documented policy to seek the Board's approval for any loans, donations, grants or financial assistance provided by the charity which are not part of the charity's core charitable programmes.	6.1.1	Complied	
20	The Board ensures that internal controls for financial matters in key areas are in place with documented procedures.	6.1.2	Complied	
21	The Board ensures that reviews on the charity's internal controls, processes, key programmes and events are regularly conducted.	6.1.3	Complied	
22	The Board ensures that there is a process to identify, and regularly monitor and review the charity's key risks.	6.1.4	Complied	
23	The Board approves an annual budget for the charity's plans and regularly monitors the charity's expenditure.	6.2.1	Complied	
24	Does the charity invest its reserves (e.g. in fixed deposits)? Remarks: (skip item 25 if "No")		Yes	
25	The charity has a documented investment policy approved by the Board.	6.4.3	Complied	
FUND RAISING PRACTICES				
26	Did the charity receive cash donations (solicited or unsolicited) during the financial year? Remarks: (skip item 27 if "No")		Yes	

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27	All collections received (solicited or unsolicited) are properly accounted for and promptly deposited by the charity.	7.2.2	Complied			
28	Did the charity receive donations in kind during the financial year? Remarks: (skip item 29 if “No”)		Yes			
29	All donations in kind received are properly recorded and accounted for by the charity.	7.2.3	Complied			
DISCLOSURE AND TRANSPARENCY						
30	The charity discloses in its annual report a) the number of Board meetings in the financial year; and b) the attendance of every governing board member at those meetings.	8.2	Complied			
31	Are governing board members remunerated for their services to the Board? Remarks: (skip item 32 and 33 if “No”)		No			
32	No governing board member is involved in setting his own remuneration.	2.2	-			
33	The charity discloses the exact remuneration and benefits received by each governing board member in its annual report. <u>OR</u> The charity discloses that no governing board member is remunerated.	8.3	-			
34	Does the charity employ paid staff? Remarks: (skip item 35, 36 and 37 if “No”)		Yes			
35	No staff is involved in setting his own remuneration.	2.2	Complied			
36	The charity discloses in its annual report a) the total annual remuneration for each of its 3 highest paid staff who each has received remuneration (including remuneration received from the charity’s subsidiaries) exceeding \$100,000 during the financial year; and b) whether any of the 3 highest paid staff also serves as a governing board member of the charity. The information relating to the remuneration of the staff must be presented in bands of \$100,000. <u>OR</u> The charity discloses that none of its paid staff receives more than \$100,000 each in annual remuneration. <u>GNCS Disclosure</u> <table><tr><td>Annual Remuneration Salary Band</td><td>2019</td></tr></table>	Annual Remuneration Salary Band	2019	8.4	Complied	
Annual Remuneration Salary Band	2019					

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	<table><tr><td>\$100,000 - \$200,000</td><td>4</td></tr></table>	\$100,000 - \$200,000	4			
\$100,000 - \$200,000	4					
	Staff do not serve as governing board member of the charity.					
37	<p>The charity discloses the number of paid staff¹ who satisfies all of the following criteria:</p> <p>a) the staff is a close member of the family³ belonging to the Executive Head or a governing board member of the charity;</p> <p>b) the staff has received remuneration exceeding \$50,000 during the financial year. The information relating to the remuneration of the staff must be presented in bands of \$100,000.</p> <p><u>OR</u></p> <p>The charity discloses that there is no paid staff, being a close member of the family³ belonging to the Executive Head or a governing board member of the charity, who has received remuneration exceeding \$50,000 during the financial year.</p> <p><u>GNCS Disclosure</u></p> <p>There are no paid staff, being a close member of the family³ belonging to the Executive Head or a governing board member of the charity, who has received remuneration exceeding \$50,000 during the financial year.</p>	8.5	Complied			
PUBLIC IMAGE						
38	The charity has a documented communication policy on the release of information about the charity and its activities across all media platforms.	9.2	Complied			

Notes:

- 1) Staff: Paid or unpaid individuals who are involved in the day-to-day operations of the charity, e.g. Executive Director or Administrative personnel.
- 2) Volunteer: Persons who willingly give up time for charitable purposes, without expectation of any remuneration. For volunteers who are involved in the day-to-day operations of the charity, they should also abide by the best practices set out in the Code applicable to 'staff'.
- 3) Close members of the family: Those family members who may be expected to influence, or be influenced by, that person in their dealings with the charity. In most cases, they would include:
 - That person's children and spouse;
 - Children of that person's spouse; and
 - Dependants of that person or that person's spouse.

Management Committee

The Good News Community Services (GNCS) Management Committee (MC) is made up of up to 10 members. The composition, powers and functions of the MC are governed by the GNCS Constitution.

MC members are elected, and serve for a period of two years. All MC members are not paid any remuneration or director's fees. There is a maximum term limit of four consecutive years for the Treasurer position.

The MC meets at least four times a year with a quorum of a simple majority. No staff member sits on the MC.

MC Members	Current Designation	Date of First Appointment to MC	MC Attendance
Rev Lee Peng Ong @ David Lee	President (From 28.04.2018)	28.04.2018	6 of 6
Mr Hui Kwok Thong Peter	Vice President (From 30.04.2017)	29.03.2007	6 of 6
Mr Gan Tian Huat	Honorary Treasurer (From 30.04.2017)	31.05.2009	5 of 6
Ms Tan Yi-Ping Jacqueline	Honorary Secretary (From 30.04.2017)	29.03.2007	3 of 6
Mr Simon Soh Soon Heng	MC Member (From 27.04.2011)	27.04.2011	6 of 6
Mr Dui Sian Ling	MC Member (From 12.04.2015)	12.04.2015	6 of 6
Mr Ng Heo Yong Timothy	MC Member (From 30.04.2017)	30.04.2017	5 of 6
Mr Lee Kong Wee	MC Member (From 30.04.2017)	30.04.2017	4 of 6
Mrs Lim Siew Lin	MC Member (From 30.04.2017)	30.04.2017	3 of 6
Mr Dennis Tai Wen Liang	MC Member (From 31.08.2019)	31.08.2019	4 of 6

MC members Mr Hui Kwok Thong Peter, Mr Gan Tian Huat and Ms Tan Yi-Ping Jacqueline have each served more than 10 years on the GNCS MC. Their organizational knowledge, experience in the social service sector, management expertise and most importantly continued passion to serve the community makes them invaluable members of the MC as GNCS looks towards expanding our service footprint in the community.

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.

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- 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.