

YOUTH GUIDANCE OUTREACH SERVICES

(Registered in Singapore under the Societies Act, Cap. 311)

UEN No. S96SS0067H

AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

TAN & TEH

Public Accountants and Chartered Accountants Singapore

YOUTH GUIDANCE OUTREACH SERVICES

AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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YOUTH GUIDANCE OUTREACH SERVICES

STATEMENT BY THE MANAGEMENT BOARD

For the financial year ended 30 June 2020

In the opinion of the Management Board:

- (a) the accompanying financial statements of the Society, as set out on pages 5 to 9, are drawn up so as to present fairly, in all material respects, the state of affairs of the Society as at 30 June 2020, the results, changes in funds and reserve and cash flows of the Society for the year then ended; and
- (b) the Society is in compliance with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations.

On behalf of the Management Board,



Timothy Hia Yi Liang
Chairman



Dennis Ang
Honorary Treasurer

Date: 16 DEC 2020

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOUTH GUIDANCE
OUTREACH SERVICES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020****Report on the Audit of the Financial Statements***Opinion*

We have audited the financial statements of Youth Guidance Outreach Services (the "Society"), which comprise the statement of financial position as at 30 June 2020, statement of income and expenditure and other comprehensive income, statement of changes in funds and reserve and the statement of cash flows of the Society for the year then ended, and a summary of significant accounting policies and other explanatory information as set out on pages 9 to 30.

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 Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Society as at 30 June 2020 and of the results, changes in total funds and reserve 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.

Other Information

Management Board is responsible for the other information. The other information comprises the Statement by the Management Board 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOUTH GUIDANCE
OUTREACH SERVICES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONTINUED)**

Responsibilities of Management Board for the Financial Statements

The Management Board is responsible for the preparation and fair presentation of the financial statements in accordance with the provision of the Societies Act, the Charities Act and other Regulations and the FRSs, and for devising and for such internal controls as management determines is necessary to enable the preparation of the financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, Management Board 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 Board either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

The Management Board's responsibilities include 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 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 judgment and maintain professional scepticism throughout the audit. We also:

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF YOUTH GUIDANCE
OUTREACH SERVICES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONTINUED)**

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

- 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 Board 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.

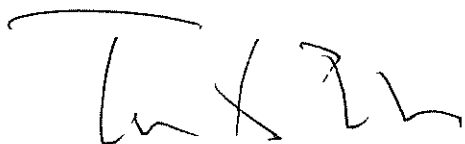
Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) 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; and
- (b) There was no fund-raising appeals held during the year that should have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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 (Institution of a Public Character) Regulations; and
- (b) The Society has not complied with the requirements of Regulations 15 of the Charities (Institutions of a Public Character) Regulations.



TAN & TEH
Public Accountants and Chartered Accountants
Singapore

Date: 16 DEC 2020

YOUTH GUIDANCE OUTREACH SERVICES

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2020

	Note	2020 S\$	2019 S\$
Revenue	4	2,031,577	1,460,303
Other income	5	17,964	14,966
Programme expenses	6	(1,057,056)	(860,876)
Other operating expenses	7	<u>(829,822)</u>	<u>(641,317)</u>
Surplus / (Deficit) from operation		<u>162,663</u>	<u>(26,924)</u>
Surplus from:			
Care and share fund	13	-	457,471
Total surplus for the year, representing total comprehensive surplus for the year		<u><u>162,663</u></u>	<u><u>430,547</u></u>

YOUTH GUIDANCE OUTREACH SERVICES

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

	Note	2020 S\$	2019 S\$
ASSETS			
Non-current assets			
Plant and equipment	8	8,780	18,057
Other assets	10	2,500	5,000
		<u>11,280</u>	<u>23,057</u>
Current assets			
Trade and other receivables	9	290,307	497,042
Contract assets	4	-	24,100
Other assets	10	118,135	6,435
Cash and cash equivalents	11	2,151,605	1,756,555
		<u>2,560,047</u>	<u>2,284,132</u>
LIABILITIES			
Current liabilities			
Other payables	12	250,322	148,847
NET ASSETS			
		<u>2,321,005</u>	<u>2,158,342</u>
FUNDS AND RESERVE			
Unrestricted			
Accumulated fund		3,126,293	2,837,195
Fair value reserve		-	-
Restricted			
Care and share fund	13	158,664	158,664
ELMP programme fund	14	(1,253,135)	(1,070,573)
ISP programme fund	15	289,183	233,056
TOTAL FUNDS AND RESERVE		<u>2,321,005</u>	<u>2,158,342</u>

YOUTH GUIDANCE OUTREACH SERVICES

STATEMENT OF CHANGES IN FUNDS AND RESERVE

For the financial year ended 30 June 2020

	Unrestricted fund		Restricted Funds			Total S\$
	Accumulated fund S\$	Fair value reserve S\$	Care & share fund S\$	ELMP programme fund S\$	ISP Programme fund S\$	
Balance as at 01 July 2019	2,837,195	-	158,664	(1,070,573)	233,056	2,158,342
Surplus / (Deficit) for the year	289,098	-	-	(182,562)	56,127	162,663
Balance as at 30 June 2020	<u>3,126,293</u>	<u>-</u>	<u>158,664</u>	<u>(1,253,135)</u>	<u>289,183</u>	<u>2,321,005</u>

The accompanying notes form an integral part of these financial statements

YOUTH GUIDANCE OUTREACH SERVICES

STATEMENT OF CHANGES IN FUNDS AND RESERVE

For the financial year ended 30 June 2020

	Unrestricted fund		Restricted Funds			Total S\$
	Accumulated fund S\$	Fair value reserve S\$	Care & share fund S\$	ELMP programme fund S\$	ISP Programme fund S\$	
2019						
Balance as at 01 July 2018	2,847,156	5,400	(302,284)	(943,254)	120,777	1,727,795
Surplus / (Deficit) for the year	(11,884)	-	457,471	(127,319)	112,279	430,547
<u>Movement in funds</u>						
*Utilisation reclassified from accumulated funds	293,680	-	(293,680)	-	-	-
Reversal of unapproved claims for utilisation of care and share fund	(297,157)	-	297,157	-	-	-
Net fund movement	(3,477)	-	3,477	-	-	-
Transfer of realised fair value gain on redemption of investment securities to accumulated fund	5,400	(5,400)	-	-	-	-
Balance as at 30 June 2019	<u>2,837,195</u>	-	<u>158,664</u>	<u>(1,070,573)</u>	<u>233,056</u>	<u>2,158,342</u>

*Utilisation of Care and Share fund reclassified from accumulated fund include capital cost and expenses incurred in the prior years but within the approved utilisation period.

YOUTH GUIDANCE OUTREACH SERVICES

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2020

	Note	2020 S\$	2019 S\$
Cash flows from operating activities			
Surplus for the year		162,663	430,547
Adjustments for:			
Depreciation on plant and equipment	8	14,385	23,470
Interest income	5	(15,098)	(10,927)
		<u>161,950</u>	<u>443,090</u>
Change in working capital:			
Trade and other receivables		313,157	77,552
Care and share grant receivable		(106,422)	(457,471)
Contract assets		24,100	(24,100)
Other current assets		(109,200)	500
Other payables		<u>101,475</u>	<u>75,083</u>
Net cash generated from operating activities		<u>385,060</u>	<u>114,654</u>
Cash flows from investing activities			
Acquisition of plant and equipment	8	(5,108)	(8,694)
Fixed deposit pledged		(11,046)	(202,537)
Redemption of financial assets at FVOCI		-	105,400
Interest received	5	<u>15,098</u>	<u>10,927</u>
Net cash used in investing activities		<u>(1,056)</u>	<u>(94,904)</u>
Net increase in cash and cash equivalents		384,004	19,750
Cash and cash equivalents at beginning of the year		<u>611,428</u>	<u>591,678</u>
Cash and cash equivalents at end of the year	11	<u><u>995,432</u></u>	<u><u>611,428</u></u>

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

1. General

Youth Guidance Outreach Services (the “Society”) is registered with the Registrar of Societies on 11 April 1996 and as a charity under the Charities Act, Chapter 37 since 19 April 1997 and is conferred Institution of Public Character status since 01 October 2013 (UEN No. S96SS0067H). The Society’s registered office at the date of this report is at 10 Lorong 27A Geylang, #03-01 Emmanuel House, Singapore 388107 and principal places of activity are at Woodlands Centre: Blk 804 Woodlands Street 81 #01-37, Singapore 730804, 10 Lorong 27A Geylang Emmanuel House #03-01, Singapore 388107 and Blk 125 Ang Mo Kio Ave 6 #01-4077, Singapore 560125.

The principal activity of the Society is to help youths and youths-at-risk to grow into responsible members of their community, in accordance with the teachings of the Lord Jesus Christ.

The financial statements of the Society for the financial year ended 30 June 2020 were authorised for issue by the Management Board on the date of the Statement by the Management Board.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Society have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S\$), which is the Society’s functional and presentation currency.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Society has adopted all the new and amended standards which are relevant to the Society and are effective for annual financial periods beginning on or after 1 January 2019. The adoption of these standards did not have any material effect on the financial performance or position of the Society.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 116 Leases	1 Jan 2019
Annual Improvements to FRSs (March 2018)	1 Jan 2019

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.3 Standards issued but not yet effective

The Society has not adopted the following standards applicable to the Society that have been issued but not yet effective.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to References to the Conceptual Framework in FRS Standards	1 Jan 2020

The Management Board expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Society and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of 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. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.5 Plant and equipment (Continued)

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Audio visual equipment	3
Computer equipment	1
Furniture and fittings	5
Motor vehicle	6
Office equipment	5
Rockwall	5
Security system	3
Operation and sports equipment	3

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of 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 derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 Impairment on non-financial assets

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the Society becomes party to the contractual provisions of the instruments.

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Society's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Society only has debt instruments at amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.7 Financial instruments (Continued)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.8 Impairment of financial assets

The Society recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.8 Impairment of financial assets (Continued)

The Society considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks are subject to an insignificant risk of changes in value.

2.10 Provisions

General

Provisions are recognised when the Society 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.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.12 Employee benefits

(a) Defined contribution plans

The Society makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Society has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.13 Revenue

Revenue is measured based on the consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Society satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Billable services

Revenue from rendering of services is recognised in the accounting period in which the services are rendered.

(b) Programme funding

Revenue from programme funding contracts is recognised based on the actual number of cases served under the programme.

(c) Donations

Donations are recognised upon receipts.

(d) Dividends

Dividends and other investment income are recognised when the rights to receive these incomes have been established.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2. Summary of significant accounting policies (Continued)

2.13 Revenue (Continued)

(e) Interest income

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

2.14 Taxation

The Society is a registered charity under the Charities Act and its income is exempted from income tax under the provisions of the Singapore Income Tax Act.

2.15 Fund accounting

Unless specifically indicated, fund balances are not represented by any specific assets, but are represented by all assets of the Society.

3. Significant accounting judgments and estimates

The preparation of the Society's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

Determination of functional currency

In determining the functional currency of the Society, judgment is used by the Society to determine the currency of the primary economic environment in which the Society operates. Consideration factors include the currency that mainly influences sales prices of services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its services.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

3. Significant accounting judgments and estimates (Continued)

3.2 Key sources of estimation uncertainty (Continued)

Provision for expected credit losses of trade receivables

When measuring ECL the Society uses reasonable and supportable forward-looking information, which is based on the assumptions for the future movement of the different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cashflows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitute a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amounts of the Society's trade and other receivables, as at 30 June 2020 were S\$290,307 (2019: S\$497,042).

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

4. Revenue

(a) Disaggregation of revenue and timing of recognition

	Note	2020 S\$	2019 S\$
<u>Programme funding - over time</u>			
Experiential learning and mentoring programme			
- Ang Mo Kio	14	148,987	88,831
- Woodlands	14	148,248	144,998
Streetwise programme		-	10,667
Youth-at-risk engagement		40,320	74,240
ISP programme fund	15	499,075	486,266
Youth Enhanced Supervision		-	24,961
Enhanced step-up		64,303	50,435
		<u>900,933</u>	<u>880,398</u>
<u>Billable services - over time</u>			
Neighbourhood youth outreach		17,175	26,120
School social work		86,959	60,642
Other programmes		168,915	7,265
		<u>273,049</u>	<u>94,027</u>
<u>Donations - at a point of time</u>			
Donations for YGOS		407,302	373,482
Fund raising		-	11,434
		<u>407,302</u>	<u>384,916</u>
<u>*Grants from Government (FRS 20)</u>			
Professional conversion programme for social workers		68,351	68,087
Other grants		381,942	32,875
		<u>450,293</u>	<u>100,962</u>
		<u>2,031,577</u>	<u>1,460,303</u>

*Care and share grant is not included, it is presented separately in the statement of income and expenditure and other comprehensive income.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

4. Revenue (Continued)

(b) Contract balances

	2020	2019
	S\$	S\$
Trade receivables	172,392	3,565
Contract assets	-	24,100
	<u>172,392</u>	<u>27,665</u>

A contract asset is recognised for the cumulative revenue recognised but not yet invoiced.

5. Other income

	2020	2019
	S\$	S\$
Dividend income	-	2,571
Interest income	15,098	10,927
Miscellaneous	2,866	1,468
	<u>17,964</u>	<u>14,966</u>

6. Programme expenses

	2020	2019
	S\$	S\$
Enhanced step-up expenses	1,461	1,772
ELMP employee benefits	471,535	348,355
ELMP other operating expenses	8,259	12,793
Other programme	-	3,374
ISP manpower costs	441,157	370,669
Neighbourhood youth outreach expenses	319	7,332
Project servant expenses	86,485	84,006
Balance c/f	<u>1,009,216</u>	<u>828,301</u>

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

6. Programme expenses (Continued)

	2020	2019
	S\$	S\$
Balance b/f	1,009,216	828,301
School social work expenses	35,284	18,721
Streetwise programme expenses	418	1,541
Guidance programme expenses	751	1,546
Youth Enhanced Supervision	622	231
Youth at risk engagement	4,598	7,565
Other programmes	6,167	2,971
	<u>1,057,056</u>	<u>860,876</u>

7. Other operating expenses

The following items are included in other operating expenses:

	2020	2019
	S\$	S\$
Depreciation on plant and equipment	14,384	23,470
General expenses	28,076	9,123
Insurance	13,999	12,331
Rental of office premises	13,256	14,738
Repair and maintenance	14,645	13,813
Staff CPF contributions	91,329	62,652
Staff welfare and development	4,706	16,714
Staff salaries and bonuses	468,665	363,466
Staff training	101,357	46,591
Transportation	30,211	32,354
Utilities	17,650	12,175

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

8. Plant and equipment

	Audio Visual equipment S\$	Computer equipment S\$	Furniture & fittings S\$	Motor vehicle S\$	Office equipment S\$	*Rock wall S\$	Security system S\$	Operation & sports equipment S\$	Total S\$
Cost									
Balance as at 01 July 2018	1,594	12,081	18,020	47,776	1,550	53,528	13,352	8,571	156,472
Additions	-	5,938	1,900	-	428	-	428	-	8,694
Balance as at 30 June 2019	1,594	18,019	19,920	47,776	1,978	53,528	13,780	8,571	165,166
Additions	-	1,228	-	-	3,880	-	-	-	5,108
Balance as at 30 June 2020	1,594	19,247	19,920	47,776	5,858	53,528	13,780	8,571	170,274
Accumulated depreciation									
Balance as at 01 July 2018	531	12,081	11,580	47,776	922	32,117	12,918	5,714	123,639
Depreciation	531	5,938	2,570	-	292	10,706	576	2,857	23,470
Balance as at 30 June 2019	1,062	18,019	14,150	47,776	1,214	42,823	13,494	8,571	147,109
Depreciation	532	-	2,570	-	292	10,705	286	-	14,385
Balance as at 30 June 2020	1,594	18,019	16,720	47,776	1,506	53,528	13,780	8,571	161,494

Carrying amount

Balance as at 30 June 2020	-	1,228	3,200	-	4,352	-	-	-	8,780
Balance as at 30 June 2019	532	-	5,770	-	764	10,705	286	-	18,057

*This represents 50% of the total cost of the Rockwall as the Rockwall is shared with Singapore Youth For Christ

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9. Trade and other receivables

	2020	2019
	S\$	S\$
Trade receivables		
Third parties	172,392	3,565
Other receivables		
Interest receivable	11,493	8,379
Grant receivables	106,422	457,471
Other funding and grant receivables	-	27,627
	<u>117,915</u>	<u>493,477</u>
	<u>290,307</u>	<u>497,042</u>

Trade receivables are non-interest bearing and are collectible on demand. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

Other receivables are non-trade, non-interest bearing and collectible on demand.

Trade and other receivables are denominated in Singapore dollar.

10. Other assets

	2020	2019
	S\$	S\$
Non-current		
Prepayments	<u>2,500</u>	<u>5,000</u>
Current		
Deposits	113,635	1,935
Prepayments	4,500	4,500
	<u>118,135</u>	<u>6,435</u>
	<u>120,635</u>	<u>11,435</u>

Other assets are denominated in Singapore dollar.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

11. Cash and cash equivalents

	2020	2019
	S\$	S\$
Cash at bank	995,432	611,428
Fixed deposits	1,156,173	1,145,127
	<u>2,151,605</u>	<u>1,756,555</u>

The fixed deposits mature within 3 to 24 months (2019: 3 to 24 months) and earn interest at the rate of 0.35% to 2.18% (2019: 0.35% to 2.8%) per annum. Fixed deposits are available for use anytime by the Society.

The cash and cash equivalents are denominated in Singapore dollar.

12. Other payables

	2020	2019
	S\$	S\$
Accrued expenses	236,403	137,522
Trust fund - School pocket money fund	13,920	11,325
	<u>250,323</u>	<u>148,847</u>

Other payables are unsecured, non-interest bearing and repayable on demand.

Other payables are denominated in Singapore dollar.

13. Care and share fund

Care and share fund pertains to a dollar for dollar matching grant received from the government for the purpose of building capabilities and capacities of the social service sector.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

14. ELMP programme fund

Experiential learning and mentoring programme (ELMP) seeks to prevent youth from falling into negative influences which may arise from aimless loitering and idleness after school hours. They are providing an open door for youth who need support and a supportive community that can help them to succeed and achieve positive life outcomes at home, at school and with their peers. ELMP is funded by NCSS.

	ELMP Ang Mo Kio S\$	ELMP Woodlands S\$	2020 Total S\$	2019 Total S\$
Balance as at beginning of the year	<u>(596,226)</u>	<u>(474,347)</u>	<u>(1,070,573)</u>	<u>(943,254)</u>
<i>Income</i>				
ELMP funding (Note 4)	148,987	148,248	297,235	233,829
<i>Expenditure</i>				
<i>Manpower costs</i> (Note 6)				
Staff CPF and SDL	(33,640)	(43,232)	(76,872)	(50,351)
Staff salaries and bonuses	<u>(172,667)</u>	<u>(221,999)</u>	<u>(394,666)</u>	<u>(298,004)</u>
	(206,307)	(265,231)	(471,538)	(348,355)
<i>Other operating expenses</i> (Note 6)	(2,335)	(5,924)	(8,259)	(12,793)
Deficit for the year	<u>(59,655)</u>	<u>(122,907)</u>	<u>(182,562)</u>	<u>(127,319)</u>
Balance as at end of the year	<u>(655,881)</u>	<u>(597,254)</u>	<u>(1,253,135)</u>	<u>(1,070,573)</u>

The ELMP programme fund is restricted to the operation costs of programmes that will benefit its intended clients. In keeping with the funder/donor's intent for use of the monies, the fund will not be transferred out of the programme for other purposes.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

15. ISP programme fund

	2020	2019
	S\$	S\$
Balance as at beginning of the year	233,056	120,777
<i>Income</i>		
ISP Funding (Note 4)	499,075	486,266
<i>Expenditure</i>		
<i>Manpower cost</i> (Note 6)		
Staff CPF and SDL	(70,847)	(53,858)
Staff salaries and bonuses	(370,310)	(316,811)
	<u>(441,157)</u>	<u>(370,669)</u>
<i>Other operating expenses</i> (Note 6)		
Streetwise programme expenses	(418)	(1,541.00)
Guidance programme expenses	(751)	(1,546.00)
Youth Enhanced Supervision	(622)	(231.00)
	<u>(1,791)</u>	<u>(3,318)</u>
Surplus for the year	<u>56,127</u>	<u>112,279</u>
Balance as at end of the year	<u><u>289,183</u></u>	<u><u>233,056</u></u>

Integrated Service Provider (ISP) programme funding is funded by Ministry of Social and Family Development (MSF) from 1 April 2018 and is restricted for provision of the three core programmes, namely Enhanced Set-Up (ESU), Guidance Programme (GP), and Triage, and any of the specialised Programme, such as Streetwise Programme (SWP), Enhances Streetwise Programme (ESWP), Youth Enhanced Supervision (YES) Scheme, and Theft Intervention Programme (TIP).

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

16. Significant related party transactions

Compensation of key management personnel

Key management personnel of the Society are those having the authority and responsibility for planning, directing and controlling the activities of the Society. The compensation of key management personnel is as follows:

	2020	2019
	S\$	S\$
Salaries and bonuses	117,035	109,062
CPF contributions	20,046	17,140
	<u>137,081</u>	<u>126,202</u>

17. Fair values

Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables

The carrying amounts of these receivables approximate their fair values as they are subject to normal trade credit terms.

18. Financial risk management

The Society activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The Management Board reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Society policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Society exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

18. Financial risk management (Continued)

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society. The Society's exposure to credit risk arises primarily from trade and other receivables. For other financial assets including cash, the Society minimises credit risk by dealing exclusively with high credit rating counterparties.

The Society has adopted a policy of only dealing with creditworthy counterparties. The Society performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Society considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Society has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, or there is significant difficulty of the counterparty.

The Society categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 60 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

Trade receivables

For trade receivables, the Society has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Society determines the ECL based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status. There were no expected credit losses as at year end.

Exposure to credit risk

The Society has no significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The Society defines counterparties as having similar characteristics if they are related entities. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

18. Financial risk management (Continued)

Credit risk (Continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Society's performance to developments affecting a particular industry.

Other receivables

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

Liquidity risk

Liquidity risk refers to the risk that the Society will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Society exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Society operations are financed mainly through its revenue including grants from government. The Management Board is satisfied that funds are available to finance the operations of the Society.

All the Society's liabilities at the end of the reporting period will mature within one year or less.

Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Society income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Society financial instruments will fluctuate because of changes in market interest rates. The Society exposure to interest rate risk arises primarily from their cash and cash equivalents.

The Society does not expect any significant effect on the Society profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

YOUTH GUIDANCE OUTREACH SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

18. Financial risk management (Continued)

Market risk (Continued)

(b) Foreign currency risk

The Society operates mainly in Singapore and is not exposed to foreign currency risk.

19. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised costs and financial liabilities at amortised costs were as follows:

	2020 S\$	2019 S\$
Financial assets measured at amortised cost		
Trade and other receivables	290,307	497,042
Other current assets	113,635	1,935
Cash and cash equivalents	2,151,605	1,756,555
Total financial assets measured at amortised cost	<u>2,555,547</u>	<u>2,255,532</u>
Financial liabilities measured at amortised cost		
Other payables	250,323	148,847
Total financial liabilities measured at amortised cost	<u>250,323</u>	<u>148,847</u>

20. Reserve policy

	2020 S\$	2019 S\$	Increase/ (Decrease)
Unrestricted fund	3,126,294	2,837,195	10%
Restricted/Designated Fund:			
Care and share fund	158,664	158,664	-
ELMP programme fund	(1,253,135)	(1,070,573)	17%
ISP programme fund	289,182	233,056	24%
	<u>2,321,005</u>	<u>2,158,342</u>	
Ratio of unrestricted funds to annual operating expenditure	<u>1.66</u>	<u>1.89</u>	

The reserves that the Society has set aside provide financial stability and the means for the development of its principal activities. The Society reviews annually the amount of reserves that are required to ensure that they are adequate to fulfil their continuing obligations.

YOUTH GUIDANCE OUTREACH SERVICES

DETAILED STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2020

(This schedule is for management purposes only and does not form part of the audited statutory financial statements)

	2020	2019
	S\$	S\$
<u>Programme funding</u>		
Experiential learning and mentoring programme		
- Ang Mo Kio	148,987	88,831
- Woodlands	148,248	144,998
Streetwise programme	-	10,667
Youth-at-risk engagement	40,320	74,240
Youth Enhanced Supervision	-	24,961
ISP programme fund	499,075	486,266
Enhanced step-up	64,303	50,435
	<u>900,933</u>	<u>880,398</u>
<u>Billable services</u>		
Neighbourhood youth outreach	17,175	26,120
School social work	86,959	60,642
Other programmes	168,915	7,265
	<u>273,049</u>	<u>94,027</u>
<u>Donations</u>		
Donations for YGOS	407,302	373,482
Fund raising	-	11,434
	<u>407,302</u>	<u>384,916</u>
<u>Grants from Government</u>		
Professional conversion programme for social workers	68,351	68,087
Other grants	381,942	32,875
	<u>450,293</u>	<u>100,962</u>
Total revenue	<u>2,031,577</u>	<u>1,460,303</u>

YOUTH GUIDANCE OUTREACH SERVICES

DETAILED STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2020

(This schedule is for management purposes only and does not form part of the audited statutory financial statements)

	2020	2019
	S\$	S\$
<u>Other income</u>		
Miscellaneous	2,866	1,468
Dividend received	-	2,571
Interest income	15,098	10,927
	<u>17,964</u>	<u>14,966</u>
<u>Less: programme expenses</u>		
Enhanced step-up expenses	1,461	1,772
ELMP manpower - Staff CPF	75,570	49,341
ELMP manpower - Skill development levy	1,301	1,010
ELMP manpower - Staff salary	359,349	245,382
ELMP manpower - Staff bonus	35,315	52,622
ELMP expenditure	8,259	12,793
Fund raising expenses	-	3,374
ISP manpower costs	441,157	370,669
Neighbourhood youth outreach expenses	319	7,332
Other programme	6,167	2,971
Project servant expenses	86,485	84,006
School social work expenses	35,284	18,721
Streetwise programme expenses	418	1,541
Guidance programme expenses	751	1,546
Youth Enhanced Supervision	622	231
Youth at risk engagement	4,598	7,565
	<u>1,057,056</u>	<u>860,876</u>
<u>Less: operating expenses</u>		
Audit fee	6,600	4,225
Bank charges	2,174	568
Depreciation on plant and equipment	14,384	23,470
General expense	28,076	9,123
Balance c/f	<u>51,234</u>	<u>37,386</u>

YOUTH GUIDANCE OUTREACH SERVICES

DETAILED STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2020

(This schedule is for management purposes only and does not form part of the audited statutory financial statements)

	2020	2019
	S\$	S\$
Balance b/f	51,234	37,386
Loss upon redemption of investment securities	-	5,400
Insurance	13,999	12,331
Medical	3,068	3,518
Postage and courier	170	205
Printing and stationery	4,569	3,353
Rental of office premise	13,256	14,738
Repair and maintenance	14,645	13,813
Staff CPF contributions	91,329	62,652
Staff Welfare & Development	4,706	16,714
Staff salaries and bonuses	468,665	363,466
Staff training	101,357	46,591
Subscriptions	407	456
Telecommunication	5,865	5,653
Transportation	30,211	32,354
Upkeep of motor vehicle	8,691	10,512
Utilities	17,650	12,175
	<u>829,822</u>	<u>641,317</u>
Surplus / (Deficit) for the year	<u>162,663</u>	<u>(26,924)</u>