

GLADIOLUS PLACE

(A division of Presbyterian Community Services,
UEN. S75SS0022H)

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

CONTENTS

Statement by the Management Committee	2
Independent Auditor's Report	3
Statement of Financial Activities	7
Statement of Financial Position	9
Statement of Changes in Funds	10
Statement of Cash Flows	11
Notes to the Financial Statements	12

Fiducia LLP

(UEN: T10LL0955L)
Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

STATEMENT BY THE MANAGEMENT COMMITTEE

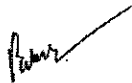
In the opinion of the Management Committee,

- a) the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of **Gladiolus Place** (the "Division"), a division of Presbyterian Community Services (the "Society"), as at 31 March 2020, and the results, changes in funds and cash flows of the Division for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Division will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on **01 DEC 2020**

Patricia Lum Wai Ling	Chairperson
Tan Pong Meng	Vice Chairperson
Lim Ker Sheon	Honorary Secretary
Jimmy Tay Soon Hua	Honorary Treasurer
David Lim Chee Kwang	Committee Member
Hazel Lau Bee Choo	Committee Member
Shaun Ho Kin Loon	Committee Member
Lye Mui Fong	Committee Member
Michelle Tan Swee Ping	Ex-Officio / Head of Home
Abel Lee Sue Yeong	Adviser

On behalf of the Management Committee,



Patricia Lum Wai Ling
Chairperson



Jimmy Tay Soon Hua
Honorary Treasurer

Singapore, **01 DEC 2020**

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

Independent auditor's report to the members of:

GLADIOLUS PLACE

(A division of Presbyterian Community Services,
UEN. S75SS0022H)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **Gladiolus Place** (the "Division"), a division of Presbyterian Community Services, (the "Society"), which comprise the statement of financial position as at 31 March 2020, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

Gladiolus Place is a division of Presbyterian Community Services (the "Society") and is not a separately registered society. The accompanying financial statements have been prepared from the records of the Division and reflect only transactions recorded therein.

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 in Singapore ("CAS") so as to present fairly, in all material respects, the state of affairs of the Division as at 31 March 2020 and the results, changes in funds and cash flows of the Division for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

GLADIOLUS PLACE

(A division of Presbyterian Community Services,
UEN. S75SS0022H)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the Division's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

GLADIOLUS PLACE

(A division of Presbyterian Community Services,
UEN. S75SS0022H)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Division'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 Division to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required to be kept by the Division 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) the fund raising appeals held during the financial year ended 31 March 2020 has 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.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

GLADIOLUS PLACE

(A division of Presbyterian Community Services,
UEN. S75SS0022H)

Report on Other Legal and Regulatory Requirements (Cont'd)

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

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



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 01 DEC 2020

Partner-in-charge: Soo Hon Weng
PAB No.: 01089

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

	Note	Unrestricted fund General fund S\$	Restricted fund MSF fund S\$	Total funds S\$
2020				
INCOME				
Income from generated funds				
- Voluntary income	5	207,697	0	207,697
- Activities for generating income	5	214,373	0	214,373
Income from charitable activities	5	2,030	751,078	753,108
Other income	5	9,060	14,320	23,380
Total income		<u>433,160</u>	<u>765,398</u>	<u>1,198,558</u>
LESS: EXPENDITURE				
Cost of generating funds	6	53,256	0	53,256
Cost of charitable activities	6	0	1,178,568	1,178,568
Governance costs	6	0	13,339	13,339
Other expenditure	6	0	223	223
Total expenditure		<u>53,256</u>	<u>1,192,130</u>	<u>1,245,386</u>
NET INCOME / (EXPENDITURE) FOR FINANCIAL YEAR		379,904	(426,732)	(46,828)
TOTAL FUNDS BROUGHT FORWARD		1,765,765	(1,626,741)	139,024
TOTAL FUNDS CARRIED FORWARD		<u>2,145,669</u>	<u>(2,053,473)</u>	<u>92,196</u>

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

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019

	Note	Unrestricted fund General fund S\$	Restricted fund MSF fund S\$	Total funds S\$
2019				
INCOME				
Income from generated funds				
- Voluntary income	5	298,311	0	298,311
- Activities for generating income	5	98,474	0	98,474
Income from charitable activities	5	16,475	511,150	527,625
Other income	5	1,276	19,261	20,537
Total income		<u>414,536</u>	<u>530,411</u>	<u>944,947</u>
LESS: EXPENDITURE				
Cost of generating funds	6	19,103	0	19,103
Cost of charitable activities	6	5	1,056,946	1,056,951
Governance costs	6	0	32,645	32,645
Other expenditure	6	263	0	263
Total expenditure		<u>19,371</u>	<u>1,089,591</u>	<u>1,108,962</u>
NET INCOME / (EXPENDITURE) FOR FINANCIAL YEAR		395,165	(559,180)	(164,015)
TOTAL FUNDS BROUGHT FORWARD		1,370,600	(1,067,561)	303,039
TOTAL FUNDS CARRIED FORWARD		<u>1,765,765</u>	<u>(1,626,741)</u>	<u>139,024</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2020 S\$	2019 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	196,741	65,464
Fees and other receivables	9	<u>111,442</u>	<u>96,271</u>
		308,183	161,735
Non-current asset			
Property, plant and equipment	10	<u>21,611</u>	<u>23,273</u>
Total assets		<u>329,794</u>	<u>185,008</u>
LIABILITIES			
Current liabilities			
Other payables	11	<u>237,598</u>	<u>45,984</u>
Total liabilities		<u>237,598</u>	<u>45,984</u>
NET ASSETS		<u>92,196</u>	<u>139,024</u>
FUNDS			
Unrestricted fund			
General fund		<u>2,145,669</u>	<u>1,765,765</u>
Restricted fund			
MSF fund		<u>(2,053,473)</u>	<u>(1,626,741)</u>
Total funds	12	<u>92,196</u>	<u>139,024</u>

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

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

	Balance at beginning of financial year S\$	Net income / (expenditure) for the financial year S\$	Balance at end of financial year S\$
2020			
Unrestricted fund			
General fund	1,765,765	379,904	2,145,669
Restricted fund			
MSF fund	<u>(1,626,741)</u>	<u>(426,732)</u>	<u>(2,053,473)</u>
TOTAL FUNDS	<u>139,024</u>	<u>(46,828)</u>	<u>92,196</u>
	Balance at beginning of financial year S\$	Net income / (expenditure) for the financial year S\$	Balance at end of financial year S\$
2019			
Unrestricted fund			
General fund	1,370,600	395,165	1,765,765
Restricted fund			
MSF fund	<u>(1,067,561)</u>	<u>(559,180)</u>	<u>(1,626,741)</u>
TOTAL FUNDS	<u>303,039</u>	<u>(164,015)</u>	<u>139,024</u>

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

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

	Note	2020 S\$	2019 S\$
Cash flows from operating activities			
Net expenditure		(46,828)	(164,015)
Adjustment for:			
- Allowance for impairment of fees receivables	9	800	0
- Depreciation of property, plant and equipment	10	12,582	16,610
- Gain on disposal of property, plant and equipment		0	(5,300)
- Impairment loss on fees receivables	6	0	652
- Interest income		(113)	(59)
- Reversal of allowance for impairment of fees receivables	9	0	(43,465)
Operating cash flow before changes in working capital		(33,559)	(195,577)
Changes in working capital			
- Fees and other receivables		(15,971)	26,446
- Other payables		191,614	(178,357)
Net cash generated from / (used in) operations		142,084	(347,488)
- Interest received		113	59
Net cash generated from / (used in) operating activities		<u>142,197</u>	<u>(347,429)</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		0	5,300
Purchases of property, plant and equipment	10	(10,920)	(2,800)
Net cash used in / (generated from) investing activities		<u>(10,920)</u>	<u>2,500</u>
Cash flows from financing activities			
Withdrawal of fixed deposit, representing net cash generated from financing activities		0	303,279
Net increase / (decrease) in cash and cash equivalents		131,277	(41,650)
Cash and cash equivalents at beginning of financial year		65,464	107,114
Cash and cash equivalents at end of financial year	8	<u>196,741</u>	<u>65,464</u>

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

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

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

1. General information

Gladiolus Place (the "Division") is a division of Presbyterian Community Services (the "Society"), which is registered under the Societies Act, Chapter 311 on 23 July 1975 and registered as a charity under the Charities Act, Chapter 37 since 28 February 1985.

The Division's principal place of activities is located at 6A Mattar Road, Singapore 387715.

The Society has been accorded an Institution of a Public Character ('IPC') status for the period from 1 July 2017 to 30 June 2019 and subsequently renewed from 01 July 2019 to 31 December 2020.

The principal activities of the Division are to provide temporary refuge and education for teenage girls aged between 11 to 19 years who are struggling with issues such as teenage pregnancy, psychological, physical, sexual abuse, juvenile delinquency and lack of adequate family support.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Charities Accounting Standard ("CAS") issued by the Singapore Accounting Standard Council and the disclosure requirements of Societies Act, Chapter 311 and Charities Act and Regulations. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of the financial statements in conformity with CAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

These financial statements are presented in Singapore Dollar, which is the Division's functional and presentation currency.

2.2 Income recognition

Income is included in the statement of financial activities when the following three factors are met:

- The Division becomes entitled to the income;
- Management is virtually certain that they will receive the income; and
- The monetary value can be measured with sufficient reliability.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.1 Donations

The recognition of a promised donation is evidence of entitlement which normally exists when the donation is formally expressed in writing. Where the entitlement is demonstrable, and no conditions are attached, such promises are recognised as income once the criteria of certainty and measurability are met.

2.2.3 Home fees

Home fees are recognised over the period of stay.

2.2.4 Interest income

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

2.2.5 Other income

Other income is recognised when earned.

2.3 Grants

Grants including those for the acquisition of property, plant and equipment are recognised as income when there is evidence of entitlement, which will normally exist when the grant is formally expressed in writing. Where entitlement is demonstrable and no conditions are attached, such promises are recognised as income once the criteria of certainty and measurement are met.

Grants from Ministry of Social and Family Development ("MSF") relating to home fees and other fees are calculated based on formula set by the government body. Based on the funding principles, any over or under funding will be adjusted against the current year's income.

2.4 Expenditure recognition

All expenditure is recognised when and to the extent that a liability is incurred or increased without a commensurate increase in recognised assets or a reduction liabilities, or an asset is reduced without a commensurate decrease in recognised liabilities or increase in another asset.

2.4.1 Cost of generating funds

The cost of generating funds are those costs attributable to generating income for the Division, other than those costs incurred in undertaking charitable activities in furtherance of the Division's objects.

2.4.2 Cost of charitable activities

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Division. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure.

The total costs of each category of charitable expenditure therefore include an apportionment of support cost, where possible.

2. Significant accounting policies (Cont'd)

2.3 Expenditure recognition (Cont'd)

2.3.3 Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Division as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the Division 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, legal advice for governing board members and cost associated with constitutional and statutory requirements.

2.3.4 Other expenditure

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

2.5 Property, plant and equipment

2.5.1 Measurement

All property, plant and equipment are stated at cost less accumulated depreciation. All items of property, plant and equipment are initially recorded at cost. Fully depreciated assets still in use are retained in the financial statements.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- It is probable that future economic benefits associated with the item will flow to the Division; and
- The cost of the item can be measured reliably.

The cost of an item of property, plant and equipment comprises all of the following:

- (a) Its purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- (b) 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. These can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality; and
- (c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Division incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period.

Property, plant and equipment shall not be revalued and are not required to be assessed for impairment under CAS.

2. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

2.5.2 Depreciation

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

	Useful lives
Furniture and fittings	5 years
Musical instruments	5 years
Office equipment	5 years
Renovations	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed and adjusted as appropriate, at each reporting date and, where necessary, revised to reflect changes in expectation.

2.5.3 Disposal

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 derecognition of the asset is recognised in the statement of financial activities in the year the asset is derecognised.

2.6 Receivables

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

Subsequent to initial recognition, receivables excluding prepayments are measured at cost less any accumulated impairment losses. Prepayments are measured at the amount paid less the economic resources received or consumed during the financial year.

An allowance is made for uncollectable amounts when there is objective evidence that the Division will not be able to collect the debt. Impairment loss is recognised in the statement of financial activities when identified.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits with financial institutions and are stated at cost.

2.8 Other payables

Other payables excluding accruals are normally settled on 30 to 60 days term. These are recognised at their transaction price, excluding transactions costs, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2. Significant accounting policies (Cont'd)

2.9 Employee compensation

Defined contribution plans

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

Employee leave entitlement

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

2.10 Operating leases

The lease payments under an operating lease shall be recognised on a straight-line basis over the lease term even if the payments are not on such a basis, unless another systematic and rational basis is more representative of the time pattern of the lessee's benefit.

Incentives to sign an operating lease, in whatever form they may take, shall be spread by the lessee on a straight-line basis over the lease term.

2.11 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. Restricted funds are funds held by the Division that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors with their authority or created through legal process but are still within the wider objects of the Division. Unrestricted funds are expendable at the discretion of the Management Committee and management in furtherance of the Division's objects. Designated fund is part of the unrestricted funds earmarked for a particular project. The designation is for administrative purpose only and does not restrict Management Committee and Management'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 the method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

Funds received for specific purposes such as purchase of depreciable assets are taken to the relevant restricted fund account. This relevant fund will be reduced over the useful life of the asset in line with its depreciation. Depreciation is charged to the relevant designated funds where the asset is held.

2. Significant accounting policies (Cont'd)

2.12 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Where the possibility of an outflow of resources is not remote, the Division shall disclose for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and, where practicable:

- a) an estimate of its financial effect;
- b) an indication of the uncertainties relating to the amount or timing of any outflow; and
- c) the possibility of any reimbursement.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.13 Events occurring after the reporting period

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

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.

3.1 Critical accounting estimates and assumptions

The Division 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.

3.2 Critical judgements in applying the entity's accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3.2.1 Government grants

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

4. Tax deductible receipts

Tax deductible receipts issued by the Division for donations received during the financial year, pursuant to its Institutions of a Public Character ("IPC") status, are recorded as follows:

	Note	2020 S\$	2019 S\$
Statement of financial activities:			
General fund			
- Voluntary income – tax exempt donations	5	158,722	181,765
- Donations - Carnival	7	6,978	0
- Donations – Our Place in the World	7	174,786	0
- Donations - Charity dinner	7	0	57,684
Total tax exempt donations		340,486	239,449

5. Income

		Unrestricted fund	Restricted fund	
	Note	General fund S\$	MSF fund S\$	Total funds S\$
2020				
Income from generating fund				
<i>Voluntary income:</i>				
Donations – tax exempt	4	158,722	0	158,722
Donations – non-tax exempt		48,975	0	48,975
		207,697	0	207,697
<i>Activities for generating income:</i>				
Fund-raising income	7	214,373	0	214,373
Income from charitable activities				
Home fees		2,030	0	2,030
Government grant		0	4,311	4,311
MSF rental grant		0	500	500
MSF grant		0	746,267	746,267
		2,030	751,078	753,108
Other income				
Bank interest received		113	0	113
Miscellaneous income		8,947	0	8,947
Special employment credit		0	5,588	5,588
Temporary employment credit		0	8,732	8,732
		9,060	14,320	23,380

5. Income (Cont'd)

2019	Note	Unrestricted fund General fund S\$	Restricted fund MSF fund S\$	Total funds S\$
Income from generating fund				
<i>Voluntary income:</i>				
Donations – tax exempt	4	181,765	0	181,765
Donations – non-tax exempt		<u>116,546</u>	<u>0</u>	<u>116,546</u>
		<u>298,311</u>	<u>0</u>	<u>298,311</u>
<i>Activities for generating income:</i>				
Fund-raising income	7	<u>98,474</u>	<u>0</u>	<u>98,474</u>
Income from charitable activities				
Home fees		16,475	0	16,475
Government grant		0	3,049	3,049
MSF rental grant		0	252,888	252,888
MSF grant		<u>0</u>	<u>255,213</u>	<u>255,213</u>
		<u>16,475</u>	<u>511,150</u>	<u>527,625</u>
Other income				
Bank interest received		59	0	59
Gain on disposal of property, plant and equipment		0	5,300	5,300
Miscellaneous income		1,217	0	1,217
Special employment credit		0	1,769	1,769
Temporary employment credit		0	1,179	1,179
Wage credit scheme		<u>0</u>	<u>11,013</u>	<u>11,013</u>
		<u>1,276</u>	<u>19,261</u>	<u>20,537</u>

6. Expenditure

	Note	Unrestricted fund	Restricted fund	Total funds
		General fund S\$	MSF fund S\$	
2020				S\$
Cost of generating funds				
Fund-raising expenses		53,256	0	53,256
Cost of charitable activities				
Advertising & Publicity		0	2,019	2,019
Allowance for impairment of fees receivables	9	0	800	800
Client welfare		0	22,172	22,172
CPF and SDF		0	84,330	84,330
Depreciation	10	0	12,582	12,582
Extra-curricular activities expenses on ECDA and enrichment courses		0	270	270
Food and provisions		0	23,398	23,398
General expenses		0	21	21
General insurance		0	878	878
Home event expenses		0	6,122	6,122
Licence & subscriptions		0	147	147
Medical expenses		0	1,356	1,356
Postages		0	69	69
Printing and stationery		0	4,933	4,933
Provision for unutilised leave		0	4,796	4,796
Recreational activity		0	1,409	1,409
Rental of copier		0	4,700	4,700
Rental of premises		0	252,888	252,888
Repairs and maintenance		0	47,687	47,687
Salaries and bonuses		0	622,569	622,569
Staff insurance		0	2,549	2,549
Staff recruitment		0	438	438
Staff training		0	19,022	19,022
Staff welfare		0	13,076	13,076
Small value assets		0	7,282	7,282
Telecommunication		0	8,573	8,573
Travelling and transport		0	1,259	1,259
Uniform and school bags		0	534	534
Volunteer development and appreciation		0	327	327
Water and electricity		0	32,362	32,362
		<u>0</u>	<u>1,178,568</u>	<u>1,178,568</u>
Governance costs				
Audit fee		0	8,026	8,026
Professional fees		0	5,313	5,313
		<u>0</u>	<u>13,339</u>	<u>13,339</u>
Other expenditure				
Bank charges		0	223	223

6. Expenditure (Cont'd)

2019	Note	Unrestricted fund	Restricted fund	Total funds
		General fund S\$	MSF fund S\$	
Cost of generating funds				
Fund-raising expenses		19,103	0	19,103
Cost of charitable activities				
Bad and doubtful debts		0	652	652
Client welfare		0	17,665	17,665
CPF and SDF		0	86,745	86,745
Depreciation	10	0	16,610	16,610
Donation expenses		5	0	5
Extra-curricular activities expenses on ECDA and enrichment courses		0	270	270
Fine & penalty		0	108	108
Food and provisions		0	37,925	37,925
General expenses		0	3,672	3,672
General insurance		0	2,176	2,176
Gifts & offering		0	900	900
Licence & subscriptions		0	528	528
Medical expenses		0	2,231	2,231
Postages		0	296	296
Printing and stationery		0	5,265	5,265
Provision for unutilised leave		0	7,748	7,748
Rental of copier		0	4,699	4,699
Rental of premises		0	252,888	252,888
Repairs and maintenance		0	40,409	40,409
Salaries and bonuses		0	510,439	510,439
Staff insurance		0	4,287	4,287
Staff recruitment		0	801	801
Staff training		0	6,534	6,534
Staff welfare		0	3,072	3,072
Telecommunication		0	8,117	8,117
Travelling and transport		0	3,985	3,985
Upkeep of motor vehicle		0	140	140
Water and electricity		0	38,784	38,784
		<u>5</u>	<u>1,056,946</u>	<u>1,056,951</u>
Governance costs				
Audit fee		0	7,313	7,313
Professional fees		0	25,332	25,332
		<u>0</u>	<u>32,645</u>	<u>32,645</u>
Other expenditure				
Bank charges		263	0	263

7. Fund raising

During the financial year, the Division held a carnival, a fund raising project with a third party organisation and a Flag Day event.

	Note	2020 S\$	2019 S\$
<i>Income from fund-raising event:</i>			
Donation – Tax exempt	4	181,764	57,684
Donation – Non tax exempt		24,777	40,790
Sale of carnival coupons		7,832	0
		214,373	98,474
 <i>Cost of fund raising expenses:</i>			
Audit fee			0
Cost of Our Place in the World project		39,678	0
Dinner tables		0	17,205
Flag day expenses		3,603	0
Movie screening		2,650	0
Carnival expenses		4,875	0
Others to		0	87
Photography		0	1,350
Printing expenses		0	461
Rental of barcode management system /coin processing		0	0
		50,806	19,103
Net Proceed		163,567	79,371
Percentage of fund raising expenses over income from fund raising event		24%	19%

8. Cash and cash equivalents

	2020 S\$	2019 S\$
Cash on hand	1,531	1,815
Cash at bank	195,210	63,649
	196,741	65,464

9. Fees and other receivables

	2020 S\$	2019 S\$
Fees receivables	822	800
Less: Allowance for impairment	(800)	0
	22	800
Deposits	65,482	69,322
Grant receivables	35,889	21,074
GST receivables	4,378	5,075
Prepayment	5,671	0
	111,442	96,271

9. Fees and other receivables (Cont'd)

The movement in allowance for doubtful debts is as follows:

	Note	2020 S\$	2019 S\$
At beginning of the financial year		0	43,465
Reversal		0	(43,465)
Allowance made	6	800	0
At end of the financial year		800	0

10. Property, plant and equipment

	Beginning of financial year S\$	Additions S\$	End of financial year S\$
2020			
Cost			
Furniture and fittings	23,905	1,216	25,121
Musical instruments	4,114	0	4,114
Office equipment	140,807	5,590	146,397
Renovations	630,980	4,114	635,094
	799,806	10,920	810,726
Accumulated depreciation			
Furniture and fittings	18,898	2,345	21,243
Musical instruments	4,114	0	4,114
Office equipment	127,579	6,887	134,466
Renovations	625,942	3,350	629,292
	776,533	12,582	789,115
Beginning of financial year S\$			
End of financial year S\$			
Carrying amount			
Furniture and fittings	5,007		3,878
Musical instruments	0		0
Office equipment	13,228		11,931
Renovations	5,038		5,802
	23,273		21,611

10. Property, plant and equipment (Cont'd)

	Beginning of financial year S\$	Additions S\$	Disposal S\$	End of financial year S\$
2019				
Cost				
Furniture and fittings	23,905	0	0	23,905
Motor vehicle	50,752	0	(50,752)	0
Musical instruments	4,114	0	0	4,114
Office equipment	140,807	0	0	140,807
Renovations	628,180	2,800	0	630,980
	<u>847,758</u>	<u>2,800</u>	<u>(50,752)</u>	<u>799,806</u>
	Beginning of financial year S\$	Depreciation S\$	Disposal S\$	End of financial year S\$
Accumulated depreciation				
Furniture and fittings	16,899	1,999	0	18,898
Motor vehicle	50,752	0	(50,752)	0
Musical instruments	4,114	0	0	4,114
Office equipment	119,416	8,163	0	127,579
Renovations	619,494	6,448	0	625,942
	<u>810,675</u>	<u>16,610</u>	<u>(50,752)</u>	<u>776,533</u>
	Beginning of financial year S\$			End of financial year S\$
Carrying amount				
Furniture and fittings	7,006			5,007
Motor vehicle	0			0
Musical instruments	0			0
Office equipment	21,391			13,228
Renovations	8,686			5,038
	<u>37,083</u>			<u>23,273</u>

The Division is situated on state land held by Singapore Land Authority and the current tenancy agreement is for 3 years from 1 December 2018 to 30 November 2021.

11. Other payables

	2020 S\$	2019 S\$
Accounts payable	8,933	0
Accruals	17,002	21,910
Amount due to Presbyterian Community Services	195,280	12,387
Client deposit received	50	0
Other creditors	586	736
Provision for unutilised leave	15,747	10,951
	<u>237,598</u>	<u>45,984</u>

Amount due to Presbyterian Community Services (the "Society") are related to expenses paid on behalf by Society. It is unsecured, interest-free and repayable on demand.

12. Funds

12.1 Unrestricted fund

General fund

The accumulated general fund represents the accumulated income of the Division. It is unrestricted and is for the purpose of meeting the expenditure in accordance with the objectives of the Division.

12.2 Restricted fund

MSF fund

The MSF fund represents the funding for the residents on a per capita basis and reimbursement of the rental expenses.

13. Income tax

Gladiolus Place is a division of Presbyterian Community Services (the "Society"). The Society is registered as a charity under the Charities Act since 28 February 1985. Consequently, the income of the Society is exempted from tax under the provisions of Section 13 of the Income Tax Act, Chapter 134.

14. Key management personnel remuneration and benefits

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Division. The key management personnel for the reporting period is the Head of the Division.

The annual remuneration of key management personnel is as follows:

	2020	2019
	S\$	S\$
Salaries and other short-term employee benefits	78,000	72,992
Post-employment benefits – Contributions to CPF	13,680	10,755
	<u>91,680</u>	<u>83,747</u>

In 2020 and 2019, there are no key management personnel or Management Committee who received an annual remuneration of more than \$100,000.

15. Operating lease commitments

As at the reporting date, the Division has commitments for future minimum lease payments under non-cancellable operating leases in respect of leasing of premises and equipment as follows:

	2020 S\$	2019 S\$
Not later than one year	256,984	257,280
Later than one year but not later than five years	170,878	432,767
	427,861	690,047

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

16. Reserve policy and position

The Division's reserve position for financial years ended 31 March 2020 and 31 March 2019 are as follows:

	2020 S\$'000	2019 S\$'000
(a) Unrestricted funds	2,145	1,766
(b) Restricted funds	(2,053)	(1,627)
Total funds	92	139
(a2) Annual expenditure under unrestricted funds	53	19
(b2) Annual expenditure under restricted funds	1,192	1,090
Ratio of unrestricted funds to annual expenditure (a/a2)	4,047%	9,294%
Ratio of restricted funds to annual expenditure (b/b2)	(172%)	(149%)

The Division's reserve policy is as follows:

The Division aims to maintain its reserves equivalent to 6 months of operating expenses based on preceding year's actual operating expenditures.

17. Management of conflict of interest

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

18. Events occurring after the reporting period

An outbreak of COVID-19 (Coronavirus Disease 2019) had been reported in China on 31 December 2019. At the date of these financial statements, the outbreak has spread to the rest of the world. The Division operates in Singapore affected by the outbreak, and as such, is affected by the Government's response and actions taken to contain this outbreak. The Division is encouraged by the support measures introduced by the Singapore Government to help cushion the cash flows impact on Division.

However, given the unpredictability associated with the COVID-19 outbreak and any further contingency measures that may be put in place by the Government, the potential financial impact of the COVID-19 outbreak on the Division's 2021 financial statements could not be reasonably quantified at this juncture.

19. Authorisation of financial statements

The financial statements were authorised for issue in accordance with a resolution of the Management Committee on **01 DEC 2020**