

**THE NEW CHARIS MISSION  
& ITS SUBSIDIARY CORPORATION**  
(UEN: T06SS0166B)

**REPORT AND FINANCIAL STATEMENTS  
31 MARCH 2021**

**THE NEW CHARIS MISSION  
& ITS SUBSIDIARY CORPORATION**

**STATEMENT OF THE MEMBERS OF THE MANAGEMENT COMMITTEE**

In the opinion of the members of the Management Committee of **The New Charis Mission** (the "Centre"), the accompanying financial statements of the Centre and its subsidiary corporation (the "Group") are drawn up in accordance with the provisions of the Singapore Societies Act, Cap. 311 and the Singapore Charities Act, Cap. 37 and other relevant regulations, and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the financial position of the Group and the Centre as at 31 March 2021 and of the financial performance, changes in funds and cash flows of the Group and of the Centre for the year then ended.

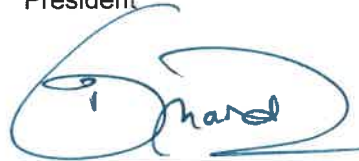
The Management Committee authorised these financial statements for issue on 21 January 2022.

On behalf of the Management Committee



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Tay Swee Eng  
President



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Bernard Yeo Kok Leong  
Treasurer

21 January 2022



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE NEW CHARIS MISSION**

***Report on the Audit of the Financial Statements***

**Opinion**

We have audited the accompanying financial statements of **The New Charis Mission** (the "Centre") and its subsidiary corporation (the "Group"), which comprise the statements of financial position of the Group and the Centre as at 31 March 2021, and the statements of comprehensive income and expenditure, statements of changes in funds and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311 (the "Societies Act"), the Charities Act, Cap. 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRS") so as to present fairly, in all material respects, the financial position of the Group and of the Centre as at 31 March 2021 and the financial performance, changes in funds and cash flows of the Group and of the Centre for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group 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 matters**

The financial statements for the financial year ended 31 March 2020 were audited by another firm of Chartered Accountants whose report dated 1 December 2020 express an unqualified opinion on those statements.

**Other information**

The Management Committee is responsible for the other information. The other information comprises the Statement of the Members of the Management Committee included in page 1, 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.

## **Responsibilities of the Management Committee for the Financial Statements**

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRS, and for such internal control as the Management Committee 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, the Management Committee is responsible for assessing the Group'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 the Management Committee either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Management Committee is responsible for overseeing the Group'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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.
- Conclude on the appropriateness of the Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group'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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

### ***Report on Other Legal and Regulatory Requirements***

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

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

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



**ARK ALLIANCE LLP**  
Public Accountants and  
Chartered Accountants

Singapore

21 January 2022

**THE NEW CHARIS MISSION  
& ITS SUBSIDIARY CORPORATION**

**STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021**

	Notes	GROUP		CENTRE	
		2021 S\$	2020 S\$	2021 S\$	2020 S\$
<b>ASSETS</b>					
<b>Current assets</b>					
Trade and other receivables	4	254,868	216,686	176,191	135,759
Cash and cash equivalents	5	2,080,098	1,399,042	1,824,496	1,338,629
<b>Total current assets</b>		<b>2,334,966</b>	<b>1,615,728</b>	<b>2,000,687</b>	<b>1,474,388</b>
<b>Non-current assets</b>					
Property, plant and equipment	6	1,079,813	622,547	856,171	403,816
Investment in subsidiary	7	-	-	100	100
<b>Total non-current assets</b>		<b>1,079,813</b>	<b>622,547</b>	<b>856,271</b>	<b>403,916</b>
<b>Total assets</b>		<b>3,414,779</b>	<b>2,238,275</b>	<b>2,856,958</b>	<b>1,878,304</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	8	120,710	114,187	89,251	84,723
Lease liabilities	9	243,526	28,960	214,186	28,960
Deferred grants	10	63,000	153,876	20,000	81,713
Current taxation		-	3,777	-	-
<b>Total current liabilities</b>		<b>427,236</b>	<b>300,800</b>	<b>323,437</b>	<b>195,396</b>
<b>Non-current liabilities</b>					
Lease liabilities	9	242,588	4,600	220,856	4,600
Deferred grants	10	126,000	144,000	40,000	60,000
Provision for reinstatement	11	130,000	130,000	130,000	130,000
<b>Total non-current liabilities</b>		<b>498,588</b>	<b>278,600</b>	<b>390,856</b>	<b>194,600</b>
<b>Total liabilities</b>		<b>925,824</b>	<b>579,400</b>	<b>714,293</b>	<b>389,996</b>
<b>NET ASSETS</b>		<b>2,488,955</b>	<b>1,658,875</b>	<b>2,142,665</b>	<b>1,488,308</b>
Represented by:					
<b>FUNDS</b>					
<b>Unrestricted fund</b>					
General fund		2,462,864	1,632,784	2,116,574	1,462,217
<b>Restricted funds</b>					
RASP fund		-	-	-	-
PHOL fund		-	-	-	-
Educational fund		26,091	26,091	26,091	26,091
		26,091	26,091	26,091	26,091
<b>TOTAL FUNDS</b>		<b>2,488,955</b>	<b>1,658,875</b>	<b>2,142,665</b>	<b>1,488,308</b>

*The accompanying notes form an integral part of the financial statements.*

**THE NEW CHARIS MISSION  
& ITS SUBSIDIARY CORPORATION**

**STATEMENTS OF COMPREHENSIVE INCOME AND EXPENDITURE  
FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	GROUP		CENTRE	
		2021 S\$	2020 S\$	2021 S\$	2020 S\$
<b>INCOME</b>					
<b>Unrestricted fund</b>					
General fund	12	3,270,396	2,770,920	2,304,685	2,088,309
<b>Restricted funds</b>					
Care and Share fund	13	-	189,984	-	189,984
RASP fund	13	67,500	40,500	67,500	40,500
PHOL fund	13	3,900	8,911	3,900	8,911
Educational fund	13	-	26,091	-	26,091
		<u>71,400</u>	<u>265,486</u>	<u>71,400</u>	<u>265,486</u>
<b>TOTAL INCOME</b>		<u>3,341,796</u>	<u>3,036,406</u>	<u>2,376,085</u>	<u>2,353,795</u>
<b>LESS: EXPENDITURE</b>					
<b>Unrestricted fund</b>					
General fund	12	2,362,219	2,349,785	1,568,372	1,625,556
<b>Restricted funds</b>					
RASP fund	13	117,088	40,500	117,088	40,500
PHOL fund	13	33,512	37,648	36,268	37,648
Other funds	13	-	100,000	-	100,000
		<u>150,600</u>	<u>178,148</u>	<u>153,356</u>	<u>178,148</u>
<b>TOTAL EXPENDITURE</b>		<u>2,512,819</u>	<u>2,527,933</u>	<u>1,721,728</u>	<u>1,803,704</u>
<b>SURPLUS BEFORE INCOME TAX</b>		828,977	508,473	654,357	550,091
<b>INCOME TAX</b>	17	1,103	(6,026)	-	-
<b>SURPLUS AFTER INCOME TAX</b>		<u>830,080</u>	<u>502,447</u>	<u>654,357</u>	<u>550,091</u>
<b>Attributable to:</b>					
<b>Unrestricted fund</b>					
General fund		909,280	415,109	736,313	462,753
<b>Restricted funds</b>					
Care and Share fund	13	-	189,984	-	189,984
RASP fund	13	(49,588)	-	(49,588)	-
PHOL fund	13	(29,612)	(28,737)	(32,368)	(28,737)
Educational fund	13	-	26,091	-	26,091
Other funds	13	-	(100,000)	-	(100,000)
		<u>(79,200)</u>	<u>87,338</u>	<u>(81,956)</u>	<u>87,338</u>
		<u>830,080</u>	<u>502,447</u>	<u>654,357</u>	<u>550,091</u>

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

**THE NEW CHARIS MISSION  
ITS SUBSIDIARY CORPORATION**

**STATEMENTS OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 MARCH 2021**

	UNRESTRICTED FUND						RESTRICTED FUNDS				Total S\$	
	General fund S\$	Care and Share fund S\$	RASP fund S\$	PHOL fund S\$	Educational fund S\$	Other funds S\$						
<b>GROUP</b>												
Balance as at 1 April 2019	1,129,713	-	(115,598)	42,313	-	100,000						1,156,428
Surplus/(Deficit) for the year	415,109	189,984	-	(28,737)	26,091	(100,000)						502,447
Transfers	87,962	(189,984)	115,598	(13,576)	-	-						-
<b>Balance as at 31 March 2020</b>	<b>1,632,784</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,091</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,658,875</b>
Surplus/(Deficit) for the year	909,280	-	(49,588)	(29,612)	-	-						830,080
Transfers	(79,200)	-	49,588	29,612	-	-						-
<b>Balance as at 31 March 2021</b>	<b>2,462,864</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,091</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,488,955</b>
<b>CENTRE</b>												
Balance as at 1 April 2019	925,078	-	(115,598)	28,737	-	100,000						938,217
Surplus/(Deficit) for the year	462,753	189,984	-	(28,737)	26,091	(100,000)						550,091
Transfers	74,386	(189,984)	115,598	-	-	-						-
<b>Balance as at 31 March 2020</b>	<b>1,462,217</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,091</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,488,308</b>
Surplus/(Deficit) for the year	736,313	-	(49,588)	(32,368)	-	-						654,357
Transfers	(81,956)	-	49,588	32,368	-	-						-
<b>Balance as at 31 March 2021</b>	<b>2,116,574</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>26,091</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,142,665</b>

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



**THE NEW CHARIS MISSION  
& ITS SUBSIDIARY CORPORATION**

**STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2021**

	Notes	GROUP		CENTRE	
		2021 S\$	2020 S\$	2021 S\$	2020 S\$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>					
Surplus before income tax		828,977	508,473	654,357	550,091
Adjustments for:					
Depreciation of property, plant and equipment	6	459,149	200,789	392,946	145,601
Interest on lease liabilities	12	29,294	2,815	28,342	2,815
Amortisation of deferred capital grants	10	(63,000)	(48,000)	(20,000)	(20,000)
Rental rebate		(46,870)	-	(45,630)	-
Operating surplus before working capital changes		1,207,550	664,077	1,010,015	678,507
Trade and other receivables		(144,058)	241,098	(102,145)	141,121
Trade and other payables		6,523	3,345	4,528	2,080
Deferred grant receivable - JSS	10	-	105,876	-	61,713
Net cash generated from operations		1,070,015	1,014,396	912,398	883,421
Tax paid		(2,674)	(8,266)	-	-
<b>Net cash inflow from operating activities</b>		<b>1,067,341</b>	<b>1,006,130</b>	<b>912,398</b>	<b>883,421</b>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>					
Purchase of property, plant and equipment		(227,870)	(539,964)	(215,971)	(271,581)
<b>Net cash outflow from investing activity</b>		<b>(227,870)</b>	<b>(539,964)</b>	<b>(215,971)</b>	<b>(271,581)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Payment of principal portion of lease liabilities		(189,121)	(29,538)	(182,218)	(29,538)
Interest expense on lease liabilities		(29,294)	(2,815)	(28,342)	(2,815)
Capital grant received	10	60,000	190,000	-	100,000
<b>Net cash (outflow)/inflow from financing activities</b>		<b>(158,415)</b>	<b>157,647</b>	<b>(210,560)</b>	<b>67,647</b>
<b>Net increase in cash and cash equivalents</b>		<b>681,056</b>	<b>623,813</b>	<b>485,867</b>	<b>679,487</b>
<b>Cash and cash equivalents at beginning of year</b>		<b>1,399,042</b>	<b>775,229</b>	<b>1,338,629</b>	<b>659,142</b>
<b>Cash and cash equivalents at end of year</b>	5	<b>2,080,098</b>	<b>1,399,042</b>	<b>1,824,496</b>	<b>1,338,629</b>

*The accompanying notes form an integral part of the financial statements.*

# THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021

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

### 1 GENERAL

The New Charis Mission (the "Centre") is registered under the Societies Act, Cap. 311, a Charity and an Institute of Public Character domiciled in Singapore (UEN: T06SS0166B). The registered office and principal place of activities of the Centre are located at 11 Jalan Ubi, Kembangan-Chai Chee Community Hub, Block 1 #01-01, Singapore 409074.

The principal activities of the Centre are to assist in recovery and rehabilitation of ex-drug addicts and persons with criminal backgrounds or delinquent behavior and to assist in their re-integration into mainstream society. There has been no significant change in the nature of these activities during the financial year.

The principal activities of the Centre's subsidiary corporation are described in Note 7 to the financial statements.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (2.1) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRS") and on a historical cost convention, except as disclosed in the accounting policies below.

#### (2.2) Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous year and that in current financial year, the Group adopted all relevant and new FRS and amendments to FRS that are effective in the current financial statements. The adoption of these new FRS and amendments to FRS did not have any material effect on the financial performance or position of the Group.

#### (2.3) Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations to FRS are issued but not yet effective at beginning of the current financial year, and have not been applied in preparing these financial statements and are as follow. The adoption of these standards will have no material impact on the financial statements in the period of initial application.

	<i>Effective date (Annual periods beginning on or after)</i>
Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 116: Covid-19-Related Rent Concessions beyond 30 June 2021	1 April 2021

**THE NEW CHARIS MISSION  
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**NOTES TO THE FINANCIAL STATEMENTS  
31 MARCH 2021**

**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(2.3) Standards issued but not yet effective (continued)**

	<i>Effective date (Annual periods beginning on or after)</i>
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 103: Reference to the Conceptual Framework	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 117 (various)	1 January 2023
Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

**(2.4) Functional and presentation currency**

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The financial statements of the Group and the Centre are presented in Singapore Dollar, which is the functional currency of the Centre.

**(2.5) Revenue**

Revenue is measured based on the consideration to which the Group 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 Group 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.

Revenue is principally derived from donations, programme fee, rental of facilities and logistic support services.

Donations are accounted for when monies are received.

Programme fee and logistic support service fees are recognised upon the services being rendered.

Income from rental of facilities is recognised on an agreed fixed rental with its customers.

# THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (2.6) Employee benefits

##### *Defined contribution plan*

The Centre makes contributions to the state provident fund known as Central Provident Fund ("CPF"). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

#### (2.7) Grants

Grants for the purchase of depreciable assets are taken to the deferred grant account at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The deferred grant is recognised in the statement of comprehensive income over the period necessary to match the depreciation of the assets purchased with the related grant. Grants for operating expenses is recognised in the statement of comprehensive income over the period necessary to match them on a systematic basis to the costs that it was intended to compensate.

#### (2.8) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management Committee. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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>
Air-conditioners	- 5 years
Computers	- 5 years
Electrical installation	- 5 years
Furniture and fittings	- 10 years
Futsal court	- 5 years
Musical and electronic equipment	- 5 years
Motor vehicles	- 2 to 5 years
Office equipment	- 5 years
Renovation	- 5 years
Right-of-use assets (storage, office premise, open field)	- 2 to 3 years (lease term)

# **THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION**

## **NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021**

### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(2.8) Property, plant and equipment (Continued)**

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

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 included in income and expenditure in the year the asset is derecognised.

#### **(2.9) Fund accounting**

Unrestricted funds are available for use at the discretion of the Management Committee in furtherance of the general objectives of the Centre.

Restricted funds are subject to restriction on their expenditure imposed by the donor or through the terms of the fund raised.

Funds received for restricted purpose of providing property, plant and equipment is accounted for immediately as restricted funds and subsequently discharge of its restriction upon the acquisition of property, plant and equipment and the asset will be held in the unrestricted fund.

#### **(2.10) Impairment of non-financial assets**

The Group 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 Group 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 income and expenditure.

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 income and expenditure.

# THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (2.11) Government incentives

Government incentives are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government incentives relating to expenses are shown separately as government incentives.

#### (2.12) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. 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.

#### (2.13) Financial instruments

##### (a) *Financial assets*

##### **Initial recognition and measurement**

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

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial assets not at fair value through income or expenditure (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 income or expenditure.

##### **Subsequent measurement**

##### *Investments in debt instruments*

Subsequent measurement of debt instruments depends on the Group'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 Group has only 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 effective interest method, less impairment. Gains or losses are recognised in income or expenditure when the assets are derecognised or impaired, and through the amortisation process.

# THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (2.13) Financial instruments (Continued)

##### (a) *Financial assets (continued)*

###### *Investments in equity instruments*

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be classified subsequently to income or expenditure. Dividends from such investments are to be recognised in income or expenditure when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in income or expenditure.

###### **Derecognition**

A financial asset is derecognised where the contractual rights 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 consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in income or expenditure.

##### (b) *Financial liabilities*

###### **Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group 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 income or expenditure when the liabilities are derecognised, and through the amortisation process.

###### **Derecognition**

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

# THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (2.14) Subsidiaries

##### (i) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest are that part of the net results of operations and of net assets of a subsidiary attributable to the interests that are not owned directly or indirectly by the Centre. They are shown separately in the consolidated statement of comprehensive income and expenditure, statement of changes in funds and statement of financial position. Total comprehensive income is attributed to the non-controlling interest based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

##### (ii) Business combinations

The acquisition method of accounting is used to account for business combinations entered into by the Group. The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.



# THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (2.14) Subsidiaries (continued)

##### (iii) Disposal of subsidiaries

When a change in the Centre's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary, including any goodwill are derecognised. Amounts previously recognised in other comprehensive income and expenditure in respect of that entity are also reclassified to income and expenditure or transferred directly to general funds if required by a specific FRS.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in income and expenditure.

#### (2.15) Investment in subsidiary corporation

Investment in subsidiary corporation is stated in the financial statements of the Centre at cost less any impairment loss in value.

#### (2.16) Cash and cash equivalents

Cash and cash equivalents comprise bank and cash balances, and fixed deposits.

#### (2.17) Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECL") 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 Group 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 - months 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 the timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtor's ability to pay.

# **THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION**

## **NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021**

### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

#### **(2.17) Impairment of financial assets (Continued)**

The Group considers a financial asset in default when contractual payments exceed a prescribed number of days past due, as established within the Group's credit risk management practices. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **(2.18) Income tax**

##### **(a) Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in income or expenditure except to the extent that the tax relates to items recognised outside income or expenditure, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

##### **(b) Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

# THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (2.19) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

##### **As lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

##### **Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10.

The Group's right-of-use assets are presented within property, plant and equipment (Note 6).

##### **Lease liabilities**

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

# THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION

## NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (2.19) Leases (Continued)

##### **Lease liabilities (Continued)**

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

##### **Short-term leases and leases of low-value assets**

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

#### (2.20) Gifts in kind

A gift-in-kind is included in the statement of comprehensive income based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received.

### 3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the financial statements in conformity with FRSs requires the Management Committee to exercise judgements and, the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Management Committee's best knowledge of current events and actions, actual results may differ from those estimates.

The estimates, judgements and assumptions which may 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:

#### ***Impairment of trade receivables***

The Group and the Centre make allowance for impairment of trade receivables based on credit risk characteristics and days past due, with expected loss rates assessed based on the Group's and the Centre's historical credit loss experience.

## **THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION**

### **NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021**

#### **3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)**

##### ***Impairment of trade receivables (continued)***

The Group and the Centre further evaluate the expected credit loss on customers on a case-by-case basis, which will be assessed based on indicators such as changes in financial capability of the debtor and default or significant delay in payments.

The Group's and the Centre's credit risk exposure for trade receivables are disclosed in Note 20.

The carrying amounts of trade receivables at the end of the reporting period are disclosed in Note 4 to the financial statements.

##### ***Depreciation of property, plant and equipment***

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Management Committee estimates the useful lives of these assets to be 2 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of the Group's and the Centre's property, plant and equipment at the end of the reporting period is disclosed in Note 6 to the financial statements.

##### ***Provision for reinstatement***

The provision for reinstatement represents the necessary costs to be incurred by the Centre for restoring the leased premises to its original conditions in the event of non-renewal of the tenancy agreement with the landlord. The Management Committee determines the provision for reinstatement based on the contractor's quotation and other currently available evidence. If actual reinstatement costs differ from the Management Committee's estimate, revision to the estimate would be required. The carrying amounts of the Group's and the Centre's provision for reinstatement is disclosed in Note 11 to the financial statements.

##### ***Determination of lease term of contracts with extension options***

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contract that include extension options and applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend.

The Group's lease agreement includes extension option. As at 31 March 2021, no lease liabilities has been taken up with regards to this option because it is not reasonably certain that the lease will be extended.

**THE NEW CHARIS MISSION  
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**NOTES TO THE FINANCIAL STATEMENTS  
31 MARCH 2021**

**4 TRADE AND OTHER RECEIVABLES**

	<b>GROUP</b>		<b>CENTRE</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Trade receivables	82,655	42,630	37,573	5,333
Amount owing by subsidiary	-	-	3,600	8,600
Other receivables	2,469	3,337	2,409	3,337
Grant receivable – Jobs Support Scheme (“JSS”)	-	105,876	-	61,713
Grant receivable	58,972	-	43,012	-
Advanced payments for special Activities	7,985	7,100	7,985	7,100
Cash advances	3,500	3,500	3,500	3,500
Deposits	34,410	31,330	22,890	23,263
Deposit for intervention programme	41,103	-	41,103	-
Prepayments	23,774	22,913	14,119	22,913
	<b>254,868</b>	<b>216,686</b>	<b>176,191</b>	<b>135,759</b>

No credit term is granted to trade receivables.

The amount owing by a subsidiary is trade in nature, unsecured, non-interest bearing and repayable on demand.

The Group's and the Centre's trade and other receivables were denominated in Singapore Dollar.

**5 CASH AND CASH EQUIVALENTS**

Cash and cash equivalents included in the statement of cash flows comprise the following:

	<b>GROUP</b>		<b>CENTRE</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Bank balance	1,317,727	834,064	1,067,119	776,473
Cash balance	8,284	14,978	3,290	12,156
Fixed deposits	754,087	550,000	754,087	550,000
	<b>2,080,098</b>	<b>1,399,042</b>	<b>1,824,496</b>	<b>1,338,629</b>

The Group's and the Centre's cash and cash equivalents were denominated in Singapore Dollar.

**THE NEW CHARIS MISSION  
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**NOTES TO THE FINANCIAL STATEMENTS  
31 MARCH 2021**

**6 PROPERTY, PLANT AND EQUIPMENT**

**GROUP**

2021	AT 01.04.2020	ADDITIONS	DISPOSALS	AT 31.03.2021
	S\$	S\$	S\$	S\$
<u>COST</u>				
Air-conditioner	96,859	22,615	-	119,474
Computer	56,287	3,148	-	59,435
Electrical installation	51,297	10,549	-	61,846
Furniture and fittings	196,045	10,947	-	206,992
Futsal court	421,113	4,494	-	425,607
Musical and electronic equipment	148,516	11,073	-	159,589
Motor vehicles	649,797	109,423	-	759,220
Office equipment	32,745	14,833	-	47,578
Renovation	302,425	40,788	-	343,213
Right-of-use assets: Storage, office premise and open field	-	688,545	-	688,545
	<u>1,955,084</u>	<u>916,415</u>	<u>-</u>	<u>2,871,499</u>

ACCUMULATED DEPRECIATION

Air-conditioner	94,440	5,329	-	99,769
Computer	39,776	7,201	-	46,977
Electrical installation	44,918	4,580	-	49,498
Furniture and fittings	101,565	20,700	-	122,265
Futsal court	84,223	85,121	-	169,344
Musical and electronic equipment	127,579	19,320	-	146,899
Motor vehicles	510,986	85,048	-	596,034
Office equipment	26,625	5,279	-	31,904
Renovation	302,425	8,158	-	310,583
Right-of-use assets: Storage, office premise and open field	-	218,413	-	218,413
	<u>1,332,537</u>	<u>459,149</u>	<u>-</u>	<u>1,791,686</u>

NET CARRYING AMOUNT

	2021 S\$
Air-conditioner	19,705
Computer	12,458
Electrical installation	12,348
Furniture and fittings	84,727
Futsal court	256,263
Musical and electronic equipment	12,690
Motor vehicles	163,186
Office equipment	15,674
Renovation	32,630
Right-of-use assets: Storage, office premise and open field	470,132
	<u>1,079,813</u>

**THE NEW CHARIS MISSION  
& ITS SUBSIDIARY CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
31 MARCH 2021**

**6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**GROUP**

<b>2020</b>	<b>AT 01.04.2019</b>	<b>ADDITIONS</b>	<b>DISPOSALS</b>	<b>AT 31.03.2020</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b><u>COST</u></b>				
Air-conditioner	96,859	-	-	96,859
Computer	45,263	11,024	-	56,287
Electrical installation	45,553	5,744	-	51,297
Furniture and fittings	174,810	21,235	-	196,045
Futsal court	-	421,113	-	421,113
Musical and electronic equipment	145,210	3,306	-	148,516
Motor vehicles	573,996	75,801	-	649,797
Office equipment	31,004	1,741	-	32,745
Renovation	302,425	-	-	302,425
	<b>1,415,120</b>	<b>539,964</b>	<b>-</b>	<b>1,955,084</b>

**ACCUMULATED DEPRECIATION**

Air-conditioner	93,634	806	-	94,440
Computer	32,747	7,029	-	39,776
Electrical installation	42,446	2,472	-	44,918
Furniture and fittings	81,960	19,605	-	101,565
Futsal court	-	84,223	-	84,223
Musical and electronic equipment	110,473	17,106	-	127,579
Motor vehicles	447,823	63,163	-	510,986
Office equipment	24,210	2,415	-	26,625
Renovation	298,455	3,970	-	302,425
	<b>1,131,748</b>	<b>200,789</b>	<b>-</b>	<b>1,332,537</b>

**NET CARRYING AMOUNT**

	<b>2020</b>
	<b>S\$</b>
Air-conditioner	2,419
Computer	16,511
Electrical installation	6,379
Furniture and fittings	94,480
Futsal court	336,890
Musical and electronic equipment	20,937
Motor vehicles	138,811
Office equipment	6,120
Renovation	-
	<b>622,547</b>



**THE NEW CHARIS MISSION  
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**NOTES TO THE FINANCIAL STATEMENTS  
31 MARCH 2021**

**6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**CENTRE**

2021	AT 01.04.2020	ADDITIONS	DISPOSALS	AT 31.03.2021
	S\$	S\$	S\$	S\$
<b><u>COST</u></b>				
Air-conditioner	96,859	22,615	-	119,474
Computer	49,426	1,798	-	51,224
Electrical installation	44,398	-	-	44,398
Furniture and fittings	195,339	10,947	-	206,286
Futsal court	163,828	4,494	-	168,322
Musical and electronic equipment	148,516	11,073	-	159,589
Motor vehicles	649,797	109,423	-	759,220
Office equipment	28,204	14,833	-	43,037
Renovation	302,425	40,788	-	343,213
Right-of-use assets:	-	629,330	-	629,330
Office premise and open field				
	<b>1,678,792</b>	<b>845,301</b>	<b>-</b>	<b>2,524,093</b>

**ACCUMULATED DEPRECIATION**

Air-conditioner	94,440	5,329	-	99,769
Computer	36,822	5,559	-	42,381
Electrical installation	43,307	1,091	-	44,398
Furniture and fittings	101,494	20,629	-	122,123
Futsal court	32,766	33,664	-	66,430
Musical and electronic equipment	127,579	19,320	-	146,899
Motor vehicles	510,986	85,048	-	596,034
Office equipment	25,157	4,371	-	29,528
Renovation	302,425	8,158	-	310,583
Right-of-use assets:	-	209,777	-	209,777
Office premise and open field				
	<b>1,274,976</b>	<b>392,946</b>	<b>-</b>	<b>1,667,922</b>

**NET CARRYING AMOUNT**

	2021 S\$
Air-conditioner	19,705
Computer	8,843
Electrical installation	-
Furniture and fittings	84,163
Futsal court	101,892
Musical and electronic equipment	12,690
Motor vehicles	163,186
Office equipment	13,509
Renovation	32,630
Right-of-use assets: Office premise and open field	419,553
	<b>856,171</b>

**THE NEW CHARIS MISSION  
& ITS SUBSIDIARY CORPORATION**

**NOTES TO THE FINANCIAL STATEMENTS  
31 MARCH 2021**

**6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

**CENTRE**

<b>2020</b>	<b>AT 01.04.2019</b>	<b>ADDITIONS</b>	<b>DISPOSALS</b>	<b>AT 31.03.2020</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b><u>COST</u></b>				
Air-conditioners	96,859	-	-	96,859
Computers	41,309	8,117	-	49,426
Electrical installation	44,398	-	-	44,398
Furniture and fittings	174,810	20,529	-	195,339
Futsal court	-	163,828	-	163,828
Musical and electronic equipment	145,210	3,306	-	148,516
Motor vehicles	573,996	75,801	-	649,797
Office equipment	28,204	-	-	28,204
Renovation	302,425	-	-	302,425
	<b>1,407,211</b>	<b>271,581</b>	<b>-</b>	<b>1,678,792</b>

**ACCUMULATED  
DEPRECIATION**

Air-conditioners	93,634	806	-	94,440
Computers	31,165	5,657	-	36,822
Electrical installation	42,215	1,092	-	43,307
Furniture and fittings	81,960	19,534	-	101,494
Futsal court	-	32,766	-	32,766
Musical and electronic equipment	110,473	17,106	-	127,579
Motor vehicles	447,823	63,163	-	510,986
Office equipment	23,650	1,507	-	25,157
Renovation	298,455	3,970	-	302,425
	<b>1,129,375</b>	<b>145,601</b>	<b>-</b>	<b>1,274,976</b>

**NET CARRYING AMOUNT**

	<b>2020 S\$</b>
Air-conditioners	2,419
Computers	12,604
Electrical installation	1,091
Furniture and fittings	93,845
Futsal court	131,062
Musical and electronic equipment	20,937
Motor vehicles	138,811
Office equipment	3,047
Renovation	-
	<b>403,816</b>

**THE NEW CHARIS MISSION  
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**7 INVESTMENT IN SUBSIDIARY**

	<b>CENTRE</b>	
	<u>2021</u>	<u>2020</u>
	S\$	S\$
Unquoted equity shares, at cost	<u>100</u>	<u>100</u>

The holding entity incorporated the subsidiary on 10 March 2017.

Information relating to the subsidiary is as follow:

<u>Name of entity</u>	<u>Principal activities</u>	<u>Country of incorporation/ place of business</u>	<u>Group interest</u>	
			<u>2021</u>	<u>2020</u>
			%	%
New Charis Enterprise Pte. Ltd.	Moving services, premises relocation, warehousing services and general building contract works.	Republic of Singapore	100	100

**8 TRADE AND OTHER PAYABLES**

	<u>GROUP</u>		<u>CENTRE</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
	S\$	S\$	S\$	S\$
Trade payables	18,288	16,723	-	-
Advanced receipts	50,950	50,950	50,950	50,950
Other payables	3,710	860	3,710	860
Staff costs and benefits	24,767	23,217	14,596	13,476
Other operating costs	22,995	22,437	19,995	19,437
	<u>120,710</u>	<u>114,187</u>	<u>89,251</u>	<u>84,723</u>

Advanced receipts refer to amounts received in advance for events taking place after the end of the financial year. The amounts will be recognised as income as and when the events are completed.

The Group's and the Centre's trade and other payables were denominated in Singapore Dollar.

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**9 LEASE LIABILITIES**

	GROUP		CENTRE	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Payable within 1 year	243,526	28,960	214,186	28,960
Payable between 2 to 5 years	242,588	4,600	220,856	4,600
	<u>486,114</u>	<u>33,560</u>	<u>435,042</u>	<u>33,560</u>

The Group has lease contracts for the use of motor vehicles, storage, office premise and open field. The Group's obligation under these leases are secured by the lessor's title to the leased assets. The Group is restricted from assigning and subleasing the leased assets. The Group's and Centre's lease liabilities were denomination in Singapore Dollar.

(a) Carrying amounts of right-of-use asset classified within property, plant and equipment

	GROUP			CENTRE		
	Motor vehicles S\$	Right of use asset: Storage, office premise and open field S\$	Total S\$	Motor vehicles S\$	Right of use asset: Storage, office premise and open field S\$	Total S\$
At 01.04.2019	35,671	-	35,671	35,671	-	35,671
Depreciation	(17,836)	-	(17,836)	(17,836)	-	(17,836)
At 31.03.2020	17,835	-	17,835	17,835	-	17,835
Additions	-	688,545	688,545	-	629,330	629,330
Depreciation	(17,835)	(218,413)	(236,248)	(17,835)	(209,777)	(227,612)
At 31.03.2021	<u>-</u>	<u>470,132</u>	<u>470,132</u>	<u>-</u>	<u>419,553</u>	<u>419,553</u>

(b) Lease liabilities

The carrying amounts of lease liabilities and them movements during the year were as follows and the maturity analysis of lease liabilities is disclosed in note 20.

2021	GROUP		CENTRE	
	Current S\$	Non-current S\$	Current S\$	Non-current S\$
<u>Lease liabilities</u>				
As at 01.04.2020	28,960	4,600	28,960	4,600
Cash flows	(218,415)	-	(210,560)	-
<u>Non-cash:</u>				
Addition	207,031	481,514	198,888	430,442
Rental rebate	(46,870)	-	(45,630)	-
Accretion of interest	29,294	-	28,342	-
Others	243,526	(243,526)	214,186	(214,186)
As at 31.03.2021	<u>243,526</u>	<u>242,588</u>	<u>214,186</u>	<u>220,856</u>

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**9 LEASE LIABILITIES (CONTINUED)**

2020	GROUP		CENTRE	
	Current S\$	Non-current S\$	Current S\$	Non-current S\$
<b>Lease liabilities</b>				
As at 01.04.2019	29,538	33,560	29,538	33,560
Cash flows	(32,353)	-	(32,353)	-
<b>Non-cash:</b>				
Accretion of interest	2,815	-	2,815	-
Others	28,960	(28,960)	28,960	(28,960)
As at 31.03.2020	28,960	4,600	28,960	4,600

(c) Amount recognised in profit and loss

	GROUP	
	2021 S\$	2020 S\$
Depreciation of right-of-use asset	236,248	17,836
Interest on lease liabilities	29,294	2,815
Total amount recognised in profit and loss	265,542	20,651

	CENTRE	
	2021 S\$	2020 S\$
Depreciation of right-of-use asset	227,612	17,836
Interest on lease liabilities	28,342	2,815
Total amount recognised in profit and loss	255,954	20,651

(d) Total cash flow

The Group had total cash outflow for leases of S\$218,415 (2020: S\$32,353) in 2021.

(e) Extension option

The Group has lease contracts that include extension option. This option is negotiated by the management to provide flexibility in managing the leased-assets and align with the Group's operational needs. The management exercises significant judgement in determining whether this extension option is reasonably certain to be exercised.

**THE NEW CHARIS MISSION  
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**10 DEFERRED GRANTS**

**Group**

	<u>Futsal court</u>	<u>JSS</u>	<u>Total</u>
	S\$	S\$	S\$
<b>2021</b>			
Balance at beginning of year	192,000	105,876	297,876
Receipts for the year	60,000	-	60,000
Amortisation for the year	(63,000)	-	(63,000)
Reversed to profit and loss	-	(105,876)	(105,876)
Balance at end of year	<u>189,000</u>	<u>-</u>	<u>189,000</u>
<i>Current:</i>			
- within 1 year	<u>63,000</u>	<u>-</u>	<u>63,000</u>
<i>Non-current:</i>			
- after 1 year but within 5 years	<u>126,000</u>	<u>-</u>	<u>126,000</u>

	<u>Futsal court</u>	<u>JSS</u>	<u>Total</u>
	S\$	S\$	S\$
<b>2020</b>			
Balance at beginning of year	50,000	-	50,000
Receipts for the year	190,000	-	190,000
Grant receivables	-	105,876	105,876
Amortisation for the year	(48,000)	-	(48,000)
Balance at end of year	<u>192,000</u>	<u>105,876</u>	<u>297,876</u>
<i>Current:</i>			
- within 1 year	<u>48,000</u>	<u>105,876</u>	<u>153,876</u>
<i>Non-current:</i>			
- after 1 year but within 5 years	<u>144,000</u>	<u>-</u>	<u>144,000</u>

**Centre**

	<u>Futsal court</u>	<u>JSS</u>	<u>Total</u>
	S\$	S\$	S\$
<b>2021</b>			
Balance at beginning of year	80,000	61,713	141,713
Amortisation for the year	(20,000)	-	(20,000)
Reversal to profit and loss	-	(61,713)	(61,713)
Balance at end of year	<u>60,000</u>	<u>-</u>	<u>60,000</u>
<i>Current:</i>			
- within 1 year			<u>20,000</u>
<i>Non-current:</i>			
- after 1 year but within 5 years			<u>40,000</u>

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**10 DEFERRED GRANTS (CONTINUED)**

**CENTRE**

	<u>Futsal court</u>	<u>JSS</u>	<u>Total</u>
<b>2020</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Balance at beginning of year	-	-	-
Receipts for the year	100,000	-	100,000
Grant receivables	-	61,713	61,713
Amortisation for the year	<u>(20,000)</u>	<u>-</u>	<u>(20,000)</u>
Balance at end of year	<u>80,000</u>	<u>61,713</u>	<u>141,713</u>
<i>Current:</i>			
- within 1 year			<u>81,713</u>
<i>Non-current:</i>			
- after 1 year but within 5 years			<u>60,000</u>

Grant for the futsal court is provided by both Singapore Centre for Social Enterprise, *raiSE* Ltd and Lee Foundation for the construction of futsal facility primarily for the reaching out to ex-offenders by providing training, football coaching and employment opportunities.

The Jobs Support Scheme ("JSS") is a government grant to provide wage support to employers to help retain local employees during COVID-19 economic uncertainty.

Deferred grants are recognised as income in the manner as per Note 2.7.

**11 PROVISION FOR REINSTATEMENT**

An amount of \$130,000 was estimated by the Management Committee for the reinstatement cost on the Group and Centre's rented premises to be incurred in the event of non-renewal of the tenancy agreement either by the Centre or the Ministry of Social and Family Development.

**THE NEW CHARIS MISSION  
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**12 GENERAL FUND**

	GROUP		CENTRE	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$
<b>Income</b>				
Donations	1,699,098	1,169,945	1,699,098	1,169,945
Fundraising events (Note 15)	-	552,153	-	552,153
Income from rental of facilities	35,400	136,645	35,400	136,645
Income from futsal court	34,970	48,020	34,970	48,020
Service income	790,791	737,119	-	-
Deficit from Unlabelled Run (Note 14)	-	(75,600)	-	(75,600)
Programme income	120,426	37,576	120,426	37,576
Other income (Note 16)	589,711	165,062	414,791	219,570
	<b>3,270,396</b>	<b>2,770,920</b>	<b>2,304,685</b>	<b>2,088,309</b>
<b>Less: Expenditure</b>				
Administrative charges for charity portal	4,884	3,419	4,884	3,419
Advertising and promotion	2,460	-	-	-
Bad debts written off	-	6,405	-	-
Bank charges	2,993	1,392	2,393	808
Benevolent fund	3,300	8,600	3,300	8,600
Children's educational fund	8,700	-	8,700	-
Compensation	-	1,749	-	-
Depreciation of property, plant and equipment (Note 6)	459,149	200,789	392,946	145,601
Donations	1,000	6,000	1,000	5,000
Finance least interest	-	-	-	-
Fines and penalties	-	413	-	-
Fundraising expenses (Note 15)	-	100,801	-	100,801
General expenses	3,815	1,645	3,657	999
Gifts and hospitality	13,856	13,659	13,389	13,659
Insurance	7,927	11,292	4,342	6,315
Interest on lease liabilities	29,294	2,815	28,342	2,815
Internet expenses	5,455	255	-	-
Logistic expenses	32,685	36,534	32,685	36,534
Magazine, books and periodicals	480	527	480	527
Marketing expenses	1,118	-	-	-
Motor vehicle expenses	64,432	54,632	35,114	29,484
Postage and courier	449	512	389	345
Printing and stationery	21,269	17,476	15,789	11,864
Professional fees	22,959	19,605	15,900	14,605
Programme expenses:				
- Residential Aftercare Support Programme	-	136,692	-	136,692
- Project Hearts of Love	-	44,540	-	53,212
- Others	57,180	26,515	61,480	26,515
Purchases	62,486	50,067	-	-
Rental of premises - operating lease	-	202,286	-	202,286
Rental of futsal court	-	24,899	-	24,899
Repair and maintenance	35,133	28,116	37,893	28,116
Special activities	8,229	10,703	8,229	10,703
Staff salaries and related costs	1,108,582	963,612	661,622	548,219
Employer's CPF for staff	158,511	142,622	94,581	81,039
Staff welfare	104,265	82,907	65,647	50,552
Storage expenses	9,224	12,042	-	-
Sub-contractor expenses	45,490	41,850	-	-
Subscription fee	7,137	2,729	2,605	1,961
Telecommunication expenses	12,475	12,380	6,035	5,006
Transportation and fringe	1,532	9,311	1,220	4,986
Upkeep of facilities	93	401	93	401
Upkeep of futsal court	1,155	2,949	1,155	2,949
Utilities	64,502	66,644	64,502	66,644
	<b>2,362,219</b>	<b>2,349,785</b>	<b>1,568,372</b>	<b>1,625,556</b>
Surplus	<b>908,177</b>	<b>421,135</b>	<b>736,313</b>	<b>462,753</b>



**THE NEW CHARIS MISSION  
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**13 RESTRICTED FUNDS**

<b>GROUP</b>	<b>Care and Share fund S\$</b>	<b>RASP fund S\$</b>	<b>PHOL fund S\$</b>	<b>Educational fund S\$</b>	<b>Total S\$</b>
<b>2021</b>					
<b>Income</b>					
Donations	-	-	3,900	-	3,900
Grant received	-	67,500	-	-	67,500
	-	67,500	3,900	-	71,400
<b>Less: Expenditure</b>					
RASP expenses	-	117,088	-	-	117,088
PHOL expenses	-	-	33,512	-	33,512
	-	117,088	33,512	-	150,600
<b>Deficit</b>	-	(49,588)	(29,612)	-	(79,200)

**THE NEW CHARIS MISSION  
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**13 RESTRICTED FUNDS (CONTINUED)**

<b>GROUP</b>	<b>Care and Share fund S\$</b>	<b>RASP fund S\$</b>	<b>PHOL fund S\$</b>	<b>Educational fund S\$</b>	<b>Other funds S\$</b>	<b>Total S\$</b>
<b>2020</b>						
<b>Income</b>						
Donations	189,984	-	8,911	26,091	-	224,986
Grant received	-	40,500	-	-	-	40,500
	<u>189,984</u>	<u>40,500</u>	<u>8,911</u>	<u>26,091</u>	<u>-</u>	<u>265,486</u>
<b>Less: Expenditure</b>						
RASP expenses	-	27,660	-	-	-	27,660
Unutilised fund return to donor	-	12,840	-	-	-	12,840
PHOL expenses	-	-	37,648	-	-	37,648
Transfer to deferred grants (Note 10)	-	-	-	-	100,000	100,000
	<u>-</u>	<u>40,500</u>	<u>37,648</u>	<u>-</u>	<u>100,000</u>	<u>178,148</u>
<b>Surplus/(Deficit)</b>	<u>189,984</u>	<u>-</u>	<u>(28,737)</u>	<u>26,091</u>	<u>(100,000)</u>	<u>87,338</u>

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**13 RESTRICTED FUNDS (CONTINUED)**

<b>CENTRE</b>	<b>Care and Share fund S\$</b>	<b>RASP fund S\$</b>	<b>PHOL fund S\$</b>	<b>Educational fund S\$</b>	<b>Other funds S\$</b>	<b>Total S\$</b>
<b>2021</b>						
<b><u>Income</u></b>						
Donations	-	-	3,900	-	-	3,900
Grant received	-	67,500	-	-	-	67,500
	-	67,500	3,900	-	-	71,400
<b><u>Less: Expenditure</u></b>						
RASP expenses	-	117,088	-	-	-	117,088
PHOL expenses	-	-	36,268	-	-	36,268
	-	117,088	36,268	-	-	153,356
<b>Deficit</b>	-	(49,588)	(32,368)	-	-	(81,956)

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**13 RESTRICTED FUNDS (CONTINUED)**

<b>CENTRE</b>	<b>Care and share fund S\$</b>	<b>RASP fund S\$</b>	<b>PHOL fund S\$</b>	<b>Educational fund S\$</b>	<b>Other funds S\$</b>	<b>Total S\$</b>
<b>2020</b>						
<b>Income</b>						
Donations	189,984	-	8,911	26,091	-	224,986
Grant received	-	40,500	-	-	-	40,500
	<u>189,984</u>	<u>40,500</u>	<u>8,911</u>	<u>26,091</u>	<u>-</u>	<u>265,486</u>
<b>Less: Expenditure</b>						
RASP expenses	-	27,660	-	-	-	27,660
Unutilised fund return to donor	-	12,840	-	-	-	12,840
PHOL expenses	-	-	37,648	-	-	37,648
Transfer to deferred grants (Note 10)	-	-	-	-	100,000	100,000
	<u>-</u>	<u>40,500</u>	<u>37,648</u>	<u>-</u>	<u>100,000</u>	<u>178,148</u>
<b>Surplus/(Deficit)</b>	<u>189,984</u>	<u>-</u>	<u>(28,737)</u>	<u>26,091</u>	<u>(100,000)</u>	<u>87,338</u>

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**13 RESTRICTED FUNDS (CONTINUED)**

(i) Care and Share fund

In the previous year, the Care and Share Fund was a matching grant provided by the government of one dollar and twenty-five cents on every dollar raised by the Centre for the first one million dollars and one dollar for every dollar raised by the Centre for the subsequent one million dollars. This was to provide additional resources for the Centre to enhance its organisational infrastructure, technological and manpower development as well as to fund new programmes and expansion of existing services so as to better serve the community. The amount of \$189,984 was transferred from the fund to General Fund as the amount was fully disbursed for the intended objectives.

(ii) RASP fund

The RASP fund refers to the 'Residential Aftercare Support Programme' ("RASP") funded by the Yellow Ribbon Fund to support the daily running of the halfway house for ex-offenders.

(iii) PHOL fund

The PHOL fund refers to the 'Project Heart of Love' (PHOL) programme is to finance the refurbishments of homes for the elderly.

(iv) Educational fund

The educational fund is to finance the staff training cost to enhance their skills and knowledges, so as to better serve the community.

(v) Other funds

In the previous year, the amount of \$100,000 was donation by Lee Foundation to finance the Centre's construction of a futsal court, which has not been completed as at financial year end. The donation received was transferred from the funds to deferred grants.

**14 DEFICIT FROM UNLABELLED RUN**

	<b>GROUP AND CENTRE</b>	
	<u>2021</u>	<u>2020</u>
<b><u>INCOME</u></b>	<u>S\$</u>	<u>S\$</u>
Donations	-	94,073
Grants received	-	-
Registration fees	-	105,407
Sales of merchandise	-	7,670
	-	207,150
<b>LESS: EXPENDITURE</b>	-	(282,750)
	-	(75,600)

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**15 FUND RAISING EVENTS**

2020	<b>GROUP AND CENTRE</b>	
	<b>Income</b>	<b>Expenditure</b>
	<b>(Note 12)</b>	<b>(Note 12)</b>
	<b>S\$</b>	<b>S\$</b>
Anniversary Dinner	258,439	45,834
Charity Golf	293,714	54,967
	<b>552,153</b>	<b>100,801</b>

In the previous year, the total fundraising expenses is 18.25% of the total receipts. There is no fundraising events in the current financial year.

**16 OTHER INCOME**

	<b>GROUP</b>		<b>CENTRE</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Amortisation of capital grants	63,000	48,000	20,000	20,000
Government grants	60,624	37,441	18,677	19,410
Fixed deposit interest	6,762	9,048	6,762	9,048
Job Support Scheme	313,233	-	188,741	-
Logistics and administrative support	-	-	43,200	103,200
Others	100,462	70,573	91,781	67,912
Rental rebate	45,630	-	45,630	-
	<b>589,711</b>	<b>165,062</b>	<b>414,791</b>	<b>219,570</b>

**17 INCOME TAX**

	<b>GROUP</b>	
	<b>2021</b>	<b>2020</b>
	<b>S\$</b>	<b>S\$</b>
<b>Current taxation</b>		
- Previous year tax (over)/underprovided	(1,103)	6,026
	<b>(1,103)</b>	<b>6,026</b>

The income tax on the results for the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to surplus before income tax was due to the following factors:

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**17 INCOME TAX (CONTINUED)**

	<b>GROUP</b>	
	<u>2021</u>	<u>2020</u>
	S\$	S\$
Surplus before income tax	<u>828,977</u>	<u>508,473</u>
Tax calculated at tax rate of 17%	140,926	86,440
Donations	-	(425)
Expenses not deductible for tax purposes	7,567	7,452
Income not taxable	(139,925)	(98,275)
Previous year tax (over)/underprovided	(1,103)	6,026
Utilisation of unabsorbed losses brought forward	(7,931)	-
Statutory stepped income exemption	(283)	-
Current year deferred tax(liability)/assets not recognised	-	4,808
Others	(354)	-
	<u>(1,103)</u>	<u>6,026</u>

The Centre is a registered Charity under the Charities Act and is exempted from income tax subject to compliance with the Income Tax Act Cap. 134.

**18 COMMITMENTS**

In the previous year, future minimum lease rental payable under the non-cancellable operating leases as at financial year end but not recognised as payable, was as follows:

	<b>GROUP AND CENTRE</b>	
	<u>2021</u>	<u>2020</u>
	S\$	S\$
<b><u>Rental of premises</u></b>		
- Payable within one year	-	234,719
- Payable after one year but within five years	-	469,437
	<u>-</u>	<u>704,156</u>
<b><u>Rental of office equipment</u></b>		
- Payable within one year	<u>-</u>	<u>-</u>

In the previous year, the lease agreement for the rental of premises was cancellable by giving 6 months' notice by either the Centre or the landlord.

## THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021

#### 19 RELATED PARTY TRANSACTIONS

Significant related party transactions carried out at mutually agreed amounts during the financial year are as follow:

	GROUP		CENTRE	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$
<u>With key management personnel</u>				
Salaries and related costs	128,848	117,452	128,848	117,452
Employer's CPF contribution	10,825	12,640	10,825	12,640
<u>With spouse of a key management personnel</u>				
Salaries and related costs	37,763	33,363	37,763	33,363
Employer's CPF contribution	6,424	5,673	6,424	5,673
Staff training	3,210	4,672	3,210	4,672
<u>With subsidiary</u>				
Logistics support	-	-	-	60,000
Administrative and accounting fees	-	-	30,000	30,000
Expenses paid on behalf	-	-	2,354	-
Rental income	-	-	9,600	9,600
Programme expenses	-	-	7,103	1,280
PHOL expenses	-	-	2,756	6,867
Telecommunication expenses	-	-	600	-
Other income	-	-	3,000	-

None of the Group's nor the Centre's staff received more than \$100,000 in annual remuneration.

Key management personnel are those person having authority and responsibility for planning, directing and controlling the activities of the Group and the Centre, directly or indirectly.

#### 20 FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's and the Centre's financial instruments are credit risk and liquidity risk. The Group's and the Centre's risk management seeks to minimise the potential adverse effects from these exposures. The Group and the Centre review and agree policies for managing each of these risks and they are summarised below:

##### Credit risk

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



## THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021

#### 20 FINANCIAL RISK MANAGEMENT (CONTINUED)

##### Credit risk (Continued)

The Group and the Centre adopted the following:

- (a) Policy of only dealing with creditworthy counterparties and perform ongoing credit evaluation of their counterparties' financial condition and generally do not require a collateral;
- (b) Consider 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;
- (c) 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; and
- (d) Developed and maintained credit risk grading to categorise exposures according to their degree of risk of default.

The Group and the Centre categorise a receivable for potential write-off when a receivable fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the receivable is in severe financial difficulty and the receivable has no realistic prospect of recovery.

The Group and the Centre used actual credit loss experience over the past years to assess the expected credit loss rate with management considering the economic conditions during the period over which the historical data has been collected, current conditions and the Group's and the Centre's view of economic conditions over the expected lives of receivables.

As the Group and the Centre have no actual credit loss experienced or it has been insignificant during the period under review and at financial year end, credit risk exposure to the financial assets at amortised cost is insignificant, and accordingly no credit loss allowance is recognised during the financial year.

##### Liquidity risk

In the management of liquidity risk, the Group and the Centre monitor and maintain a level of cash and bank balances deemed adequate to finance the Group's and the Centre's operations and mitigate the effects of fluctuations in cash flows.

The table below summaries the maturity profile of the Group's and the Centre's financial liabilities at the end of reporting period based on contractual undiscounted payments.

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**NOTES TO THE FINANCIAL STATEMENTS  
31 MARCH 2021**

**20 FINANCIAL RISK MANAGEMENT (CONTINUED)**

Liquidity risk (Continued)

<u>GROUP</u>	Within 1 year S\$	Between 1 and 5 years S\$	Total S\$
<b><u>2021</u></b>			
Trade and other payables	69,760	-	69,760
Lease liabilities	262,032	248,288	510,320
	<u>331,792</u>	<u>248,288</u>	<u>580,080</u>
<b><u>2020</u></b>			
Trade and other payables	63,237	-	63,237
Lease liabilities	29,992	4,647	34,639
	<u>93,229</u>	<u>4,647</u>	<u>97,876</u>
<u>CENTRE</u>	Within 1 year S\$	Between 1 and 5 years S\$	Total S\$
<b><u>2021</u></b>			
Trade and other payables	38,301	-	38,301
Lease liabilities	230,846	226,198	457,044
	<u>269,147</u>	<u>226,198</u>	<u>495,345</u>
<b><u>2020</u></b>			
Trade and other payables	33,773	-	33,773
Lease liabilities	29,992	4,647	34,639
	<u>63,765</u>	<u>4,647</u>	<u>68,412</u>

*Sensitivity analysis*

The operation of the Group and the Centre does not expose itself to any significant market risk. In view of this, sensitivity analysis of market risk is not considered necessary for disclosure.

**21 FAIR VALUE**

The carrying amounts of current financial assets and current financial liabilities recorded in the financial statements approximate their respective net fair values due to the relatively short-term maturity of these financial instruments.

## THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATION

### NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2021

#### 22 TAX-EXEMPT RECEIPTS

The Centre is a member of the National Council of Social Services (NCSS) and an Institution of Public Character (IPC). The IPC status was renewed for 33 months with effect from 10 August 2018. Tax-exempt receipts issued for donations received during the year amounted to S\$1,411,818 (2020: S\$1,463,458).

#### 23 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to safeguard its assets; to effectively and efficiently manage the usage of available capital resources towards supporting the Group's principal and related activities, and ensuring long-term financial sustainability. No changes were made in the objectives, policies or processes of the Group since prior year.

#### 24 FINANCIAL INSTRUMENTS BY CATEGORY

At the end of the reporting period, the aggregate carrying amounts of financial assets and financial liabilities at amortised cost were as follows:

	GROUP		CENTRE	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$
<b>Financial assets</b>				
Trade and other receivables	219,609	183,173	150,587	102,246
Cash and cash equivalents	2,080,098	1,399,042	1,824,496	1,338,629
	<u>2,299,707</u>	<u>1,582,215</u>	<u>1,975,083</u>	<u>1,440,875</u>
<b>Financial liabilities</b>				
Trade and other payables	69,760	63,237	38,301	33,773
Lease liabilities	486,114	28,960	435,042	4,600
	<u>555,874</u>	<u>92,197</u>	<u>473,343</u>	<u>38,373</u>

#### 25 COMPARATIVE FIGURES

The comparative figures for the financial year ended 31 March 2020 were audited by another firm of Chartered Accountants whose report dated 1 December 2020 express an unqualified opinion on those statements.

#### 26 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Group for the year ended 31 March 2021 were authorised for issue by the Management Committee on 21 January 2022.