HAGAR (SINGAPORE) LIMITED
(Co. Reg. No. 200401226H)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2019

CONTENTS

HAGAR (SINGAPORE) LIMITED
(A company limited by guarantee)

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 December 2019.

In the opinion of the directors:

(i) the financial statements as set out on pages 6 to 21 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and of the financial performance, changes in fund and cash flows of the Company for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore; and

(ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Koh Eu Beng
Michael Chiam Tow Khoon
Jimson Cheng Jang Fa
Chua Eng Hui
Sylvia Lee
Lee How Giap
Chan Chee Onn
Dominique Choy Sok Fun
Cheryl Chong Chiew Peng (Appointed on 22 July 2020)

Arrangements to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other matters

As the Company is limited by guarantee without share capital, matters relating to the issue of shares, debentures, dividends or share options are not applicable.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

Chan Chee Onn
Director

Michael Chiam Tow Khoon
Director

27 AUG 2020

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAGAR (SINGAPORE) LIMITED
(A company limited by guarantee)

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Hagar (Singapore) Limited (the "Company") as set out on pages 6 to 21, which comprise the balance sheet as at 31 December 2019, and the statement of comprehensive income, statement of changes in fund and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and of the financial performance, changes in fund and cash flows of the Company for the financial year ended on that date.

Basis for Qualified Opinion

As disclosed in Note 11, we were not able to rely on the audit of the financial statements of the Company for the financial year ended 31 December 2018. We have not performed audit procedures to obtain sufficient appropriate audit evidence to satisfy ourselves with respect to the opening balances of the Company's financial statements as at 1 January 2019. As opening balances as at 1 January 2019 affect the determination of the financial performance and cash flows for the financial year ended 31 December 2019, we were unable to determine whether adjustments might have been required in respect of the opening accumulated fund, surplus and total comprehensive income, changes in fund and cash flows for the financial year ended 31 December 2019.

Our opinion on the current year's financial statements is also modified because of the possible effects of the above matters on the current year's financial amounts and the possible effect of these matters on the comparability of the current year's figures and the corresponding figures.

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 Company 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 qualified opinion.

Other Matters

We draw attention to Note 11 to the financial statements with respect to the comparative figures as presented in these financial statements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAGAR (SINGAPORE) LIMITED (CONT'D)
(A company limited by guarantee)

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on page 1.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. Because of the possible effects of the matter as described in the *Basis for Qualified Opinion* section of our report, we are unable to conclude whether or not the other information obtained prior to the date of this auditor's report is materially misstated with respect to the matter.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, the Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company'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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAGAR (SINGAPORE) LIMITED (CONT'D)
(A company limited by guarantee)

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

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

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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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 the directors 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HAGAR (SINGAPORE) LIMITED (CONT'D)
(A company limited by guarantee)

Report on Other Legal and Regulatory Requirements

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year, the Company has not complied with the requirements of Regulation 7 (Fund-raising expenses) of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

Baker Tilly

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

27 August 2020

HAGAR (SINGAPORE) LIMITED
(A company limited by guarantee)

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2019

	Note	**2019** **$**	2018 $
Income			
Donations received		**1,076,109**	842,082
Interest income		–	400
		1,076,109	842,482
Expenditure			
Depreciation of plant and equipment	5	–	(1,208)
Depreciation of right-of-use assets	6	**(8,733)**	–
Global programme expenses	3	**(517,504)**	(421,272)
Local programme expenses		**(34,635)**	(32,298)
Fundraising expenses		**(102,318)**	(36,238)
Interest expense on lease liabilities	6	**(1,527)**	–
Marketing expenses		**(22,376)**	(22,284)
Salaries and staff related costs	4	**(332,826)**	(259,632)
Other expenses		**(13,096)**	(15,043)
Rental expense		–	(9,600)
		(1,033,015)	(797,575)
Surplus and total comprehensive income for the financial year		**43,094**	44,907

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

HAGAR (SINGAPORE) LIMITED
(A company limited by guarantee)

BALANCE SHEET
At 31 December 2019

	Note	**2019** **$**	2018 $
Non-current assets			
Plant and equipment	5	–	–
Right-of-use assets	6	**29,497**	–
		29,497	–
Current assets			
Sundry receivables		**14,894**	–
Prepayment		**1,540**	1,510
Cash and cash equivalents	7	**172,385**	139,377
		188,819	140,887
Total assets		**218,316**	140,887
Non-current liability			
Lease liabilities	6	**21,871**	–
Current liabilities			
Accrued expenses		**25,934**	21,756
Lease liabilities	6	**8,286**	–
		34,220	21,756
Total liabilities		**56,091**	21,756
Net assets		**162,225**	119,131
Fund			
Accumulated Fund		**162,225**	119,131

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

HAGAR (SINGAPORE) LIMITED
(A company limited by guarantee and not having share capital)

STATEMENT OF CHANGES IN FUND
For the financial year ended 31 December 2019

	Accumulated Fund $
Balance at 1 January 2018	74,224
Surplus and total comprehensive income for the financial year	44,907
Balance at 31 December 2018	119,131
Surplus and total comprehensive income for the financial year	43,094
Balance at 31 December 2019	**162,225**

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

HAGAR (SINGAPORE) LIMITED
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2019

	2019	2018
	$	$
Cash flows from operating activities		
Surplus for the financial year	**43,094**	44,907
Adjustments for:		
Depreciation of plant and equipment (Note 5)	–	1,208
Depreciation of right-of-use assets (Note 6)	**8,733**	–
Interest expense (Note 6)	**1,527**	–
Operating cash flows before working capital changes	**53,354**	46,115
Sundry receivables and prepayment	**(14,924)**	(638)
Accrued expenses	**4,178**	(1,332)
Net cash generated from operating activities	**42,608**	44,145
Cash flows from investing activity		
Purchases of plant and equipment (Note 5)	–	(1,208)
Net cash used in investing activity	–	(1,208)
Cash flows from financing activities		
Repayment of lease liabilities (Note 6)	**(8,073)**	–
Interest paid (Note 6)	**(1,527)**	–
Net cash used in financing activities	**(9,600)**	–
Net increase in cash and cash equivalents	**33,008**	42,937
Cash and cash equivalents at beginning of the financial year	**139,377**	96,440
Cash and cash equivalents at end of the financial year (Note 7)	**172,385**	139,377

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

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

1 Corporate information

The Company (Co. Reg. No. 200401226H) is a company limited by guarantee incorporated and domiciled in Singapore. The registered office is located at 600 North Bridge Road, #05-01 Parkview Square, Singapore 188778. The Company's principal place of activities is at 8 Lorong 27A Geylang, #03-04, Singapore 388106.

The Company is a charity registered under the Charities Act on 7 April 2014. The principal activities of the Company are to provide fostering hope for vulnerable women and children in crisis through holistic, transformational development and creative initiatives.

The Company is limited by its member's guarantee to contribute to the assets of the Company an amount of $50 each in the event of it being wound up.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial statements, presented in Singapore dollar ("$") which is the Company's functional currency, have been prepared in accordance with the provisions of the Companies Act, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires 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 management's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year.

The carrying amounts of sundry receivables, cash and cash equivalents and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new/revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Company except as disclosed below:

FRS 116 Leases

When the Company is the lessee

FRS 116 replaces the existing FRS 17: *Leases* for the financial period beginning 1 January 2019. It reforms lessee accounting by introducing a single lessee accounting model. Lessees are required to recognise all leases on their balance sheets to reflect their rights to use leased assets (a "right-of-use asset) and the associated obligations for lease payments (a lease liability), with limited exemptions for short-term leases (less than 12 months) and leases of low value items. In addition, the nature of expenses related to those leases will change as FRS 116 replaces the straight-line operating lease expense with depreciation charge of right-of-use asset and interest expense on lease liability.

On adoption of FRS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as "Operating Leases" under FRS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at 1 January 2019. The incremental borrowing rate applied to the lease liabilities on 1 January 2019 was 5.25% per annum.

	$
Operating lease commitments as at 31 December 2018 (Note 8)	23,200
Discounted using the lessee's incremental borrowing rate	(1,424)
Lease liabilities recognised as at 1 January 2019 (Note 6)	21,776

The associated right-of-use assets were measured at the amount equal to the lease liability (adjusted for any prepaid or accrued lease payment) on date of initial adoption. The right-of-use assets and lease liabilities of $21,776 and $21,776 respectively were recognised on the balance sheet on 1 January 2019.

In applying FRS 116 for the first time, the Company has used the practical expedient permitted by the standard by excluding initial direct costs for the measurement of the right-of-use asset at the date of initial application.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2019 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

2 Summary of significant accounting policies (cont'd)

(b) Income recognition

Donations

Donations are recognised when received.

Interest income

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

(c) Income taxes

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

(d) Plant and equipment

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and any impairment in value.

The cost of plant and equipment initially recognised includes its purchase price and any cost that is 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.

The cost of replacing a component of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Company, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised.

On disposal of a plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to income or expenditure.

Depreciation is calculated on a straight-line basis to write off the cost of plant and equipment over their expected useful lives. The estimated useful life of computer equipment is 3 years.

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in income or expenditure when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

(e) Leases

The accounting policy for leases before 1 January 2019 is as follows:

Leases where a significant portion of the risks and rewards incidental to ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recogised in income or expenditure on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period expires, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2 Summary of significant accounting policies (cont'd)

(e) Leases (cont'd)

The accounting policy for leases after 1 January 2019 is as follows:

The Company 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.

The Company applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option), and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 lease liability is presented as a separate line in the balance sheet.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever 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.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under *FRS 37 Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

2 Summary of significant accounting policies (cont'd)

(e) Leases (cont'd)

The accounting policy for leases after 1 January 2019 is as follows (cont'd):

Right-of-use assets (cont'd)

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Company 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 depreciation starts at the commencement date of the lease.

The right-of use assets are presented as a separate line in the balance sheet.

The Company applies *FRS 36 Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(f).

(f) Impairment of non-financial assets

At each balance sheet date, the Company assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in income or expenditure.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A previously recognised impairment loss for an asset other than goodwill is only reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. A reversal of an impairment loss is recognised immediately in income or expenditure.

2 Summary of significant accounting policies (cont'd)

(g) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Company commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets are added to the fair value of the financial assets on initial recognition.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. The Company classifies its financial assets based on the Company's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Company's financial assets are classified at amortised cost which comprise sundry receivables (excluding prepayment) and cash and cash equivalents on the balance sheet.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method and are subject to impairment. Gains and losses are recognised in income or expenditure when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Company recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

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

The Company recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

(h) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise bank balance and deposits with financial institutions which are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

(i) Fund

Unless specifically indicated, fund balances are not represented by any specific assets, but are represented by all assets of the Company. All income and expenditure are reflected in the accumulated fund.

2 Summary of significant accounting policies (cont'd)

(j) Financial liabilities

Financial liabilities include accrued expenses and lease liabilities. Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in income or expenditure when the liabilities are derecognised and through the amortisation process.

(k) Employee benefits

Defined contribution plans

The Company contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. Contributions to CPF are charged to income or expenditure in the period in which the contributions relate.

(l) Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in income or expenditure.

3 Global programme expenses

The global programme expenses include donations to Hagar International which distributed funds for various programmes in different countries including Afghanistan, Cambodia and Vietnam for providing support and assistance to vulnerable women and children.

4 Salaries and staff related costs

	2019	2018
	$	$
Key management personnel:		
- Salaries and related costs	**187,510**	156,260
- Contributions to defined contribution plans	**31,488**	26,793
Total key management personnel compensation	**218,998**	183,053
Other personnel:		
- Salaries and related costs	**94,406**	63,206
- Contributions to defined contribution plans	**16,257**	10,862
Staff welfare	**3,165**	2,511
	332,826	259,632

5 Plant and equipment

	Computer equipment $
2019	
Cost	
At 1 January 2019 and 31 December 2019	**7,217**
Accumulated depreciation	
At 1 January 2019 and 31 December 2019	**7,217**
Net carrying value	
At 31 December 2019	**-**
2018	
Cost	
At 1 January 2018	6,009
Additions	1,208
At 31 December 2018	7,217
Accumulated depreciation	
At 1 January 2018	6,009
Depreciation charge	1,208
At 31 December 2018	7,217
Net carrying value	
At 31 December 2018	-

6 Right-of-use assets and lease liabilities

Nature of the Company's leasing activities

The Company leases office premises from a third party with a remaining tenure of 1.5 years.

Information about leases for which the Company is a lessee is presented below:

Carrying amount of right-of-use assets

	2019 **$**	1.1.2019 $
Office premises	**29,497**	21,776

	2019 **$**
Additions to right-of-use assets	**16,454**

6 Right-of-use assets and lease liabilities (cont'd)

Amounts recognised in income or expenditure

	2019 $
Depreciation charge for the year	
Office premises	**8,733**
Interest expense on lease liabilities	**1,527**

The lease liabilities are analysed as follows:

	2019 $	1.1.2019 $
Current	**8,286**	9,339
Non-current	**21,871**	12,437
	30,157	21,776

Reconciliation of movements of lease liabilities to cash flows arising from financing activities:

	2019 $
Balance at 1 January 2019	–
Recognition of lease liabilities on adoption of FRS 116	**21,776**
Changes from financing cash flows:	
- Repayments	**(8,073)**
- Interest paid	**(1,527)**
Non-cash changes:	
- Interest expense	**1,527**
- New lease	**16,454**
Balance at 31 December 2019	**30,157**

The maturity analysis of the lease liabilities is disclosed in Note 9 (b).

Total cash flow for leases of the Company for the financial year amounted to $9,600.

7 Cash and cash equivalents

	2019 $	2018 $
Fixed deposits	**40,000**	40,000
Bank balances	**132,385**	99,377
	172,385	139,377

The fixed deposits are placed with reputable financial institutions on varying maturity and interest rate terms. The effective interest rates of these fixed deposits ranging from 1.00% to 1.15% (2018: 1.00% to 1.15%) per annum at the balance sheet date.

8 Lease commitments

The Company leases office premises from a third party under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal options. No restrictions are imposed on dividends or further leasing.

Commitments in relation to non-cancellable operating leases contracted for at the balance sheet date, but not recognised as liabilities, are as follows:

	2018 $
Not later than one financial year	9,600
Later than one financial year but not later than five financial years	13,600
	23,200

As disclosed in Note 2(a), the Company has adopted FRS 116 on 1 January 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the balance sheet as at 1 January 2019.

9 Financial instruments

a) Categories of financial instruments

Financial instruments as at balance sheet date are as follows:

	2019 $	2018 $
Financial assets		
Financial assets at amortised cost	**187,279**	139,377
Financial liabilities		
Financial liabilities at amortised cost	**56,091**	21,756

9 Financial instruments (cont'd)

b) Financial risk management

The Company's overall risk management is determined and carried out by the directors. The Company is exposed to the following financial risks:

Foreign exchange risk

The Company has minimal exposure to foreign exchange risk as its transactions are substantially denominated in Singapore dollar ("SGD").

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises primarily from sundry receivables and cash and cash equivalents which have minimal exposure. For cash and cash equivalents, credit risk is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

The Company has no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each class of financial assets presented on the balance sheet.

Credit risk exposure in relation to cash and cash equivalents and sundry receivables is insignificant, and accordingly no credit loss allowances is recognised as at 31 December 2019 and 31 December 2018.

Interest rate risk

The Company is not exposed to interest rate risk as it has no significant interest-bearing assets or liabilities.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Company manages the liquidity risk by maintaining sufficient cash to enable them to meet their normal operating commitments.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations:

	2019			2018
	1 year or less	**1 to 5 years**	**Total**	1 year or less
	$	**$**	**$**	$
Accrued expenses	25,934	–	**25,934**	21,756
Lease liabilities	9,600	23,200	**32,800**	–
	35,534	23,200	**58,734**	21,756

9 Financial instruments (cont'd)

c) Fair value of financial assets and financial liabilities

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

10 Fund management

The Company's objectives when managing its funds are to safeguard and maintain adequate working capital to continue as a going concern and to develop its principal activities over the longer term through donations.

No changes were made to the fund management objectives during the financial year ended 31 December 2019.

11 Comparative figures

On 20 May 2020, the Company lodged a formal report to the Accounting and Regulatory Authority (ACRA) regarding the Company's predecessor auditor's alleged claim that the predecessor auditor had not audited the Company's financial statements for the financial year ended 31 December 2018. In relation to this formal report, the directors and the management have submitted to ACRA the documentary evidence of the prior year's audit arrangement and are awaiting the outcome of the investigation by ACRA at the date of this financial statements.

12 Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the directors dated 27 August 2020.