

## Tan Mok Koon Charity Fund Limited Annual Report FY-2020

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Attachment: Tan Mok Koon Charity Fund Limited audited annual financial statement  
- 31 December 2020

## 1. Background

The Tan Mok Koon Charity Fund Limited (TMK Charity Fund) is established by Mr. Tan Mok Koon (Mr. Tan) in 2015. It aims to provide donations to charitable causes for the advancement of education and relief of poverty.

The TMK Charity Fund has been registered as a charity under the Charity Act in Singapore and as an approved Qualifying Grantmaker Philanthropic organization. The Fund does not fundraise from the public. Instead, funding will be wholly undertaken by Mr. Tan (in personal capacity and/or through his business enterprise) and his family members.

Mr. Tan came from humble beginnings. Through the sacrifices of his elder siblings and the education bursaries he received, Mr. Tan eventually graduated from the National University of Singapore. He attributes his success to the support and mentorship he received from many selfless individuals he met while building his career. In this regard, he is filled with gratitude towards his benefactors and our society which gave him opportunities in life. Furthermore the challenges he encountered in his younger years motivated him to reach out to the less fortunate who face similar predicaments. For these reasons, he felt compelled to give back to our society in the same manner.

In 2016, the TMK Charity Fund supported the National University of Singapore Undergraduate Student Aid and established the Tan Mok Koon Bursary (Endowed Fund). The Bursary will cover the selected needy recipients for their undergraduate studies in the Faculty of Chemical Engineering, Computer Science and Psychology.

Through the TMK Charity Fund, Mr. Tan hopes to formalize the process of giving in a structured approach. It is also his wish that such philanthropic values be passed on to his children and descendants and for them to continue the charitable legacy beyond his lifetime.

## 2. Vision & Mission

### Vision

We want to support a society where every individual regardless of age, gender, race, and religion can have access to equal opportunities to fulfil their fullest potential without being constrained by the lack of financial resources.

### Mission

We want to provide meaningful and sustainable financial support and assistance for the underprivileged in our society by granting them access to the resources they need to overcome their life obstacles and have a proper education.

By helping the underprivileged to fulfil their potential, the recipients in turn will be inspired to pass on the good values and contribute in a similar manner to the rest of our society.

### 3. Chairman's Message

Due to the negative impact generated by the COVID-19 pandemic, no donation was received, and disbursed during the year 2020.

On a positive note, we are pleased to report that the Tan Mok Koon Bursary (Endowed Fund) has allowed the University to help 21 recipients over the course of the period 2020-2021. During the difficult period the bursary remains more important than ever, which allowed students whose family income has been badly affected by the pandemic, to access a world-class education without having to worry about the costs.

we will continue our commitment to support charitable causes in the areas of advancement of education and relief of poverty.

Thank You!



Mr. Tan Mok Koon  
Chairman

#### 4. Statutory Information

Tan Mok Koon Charity Fund Limited:

UEN:2015534719N

Incorporate as a company limited by Guarantee on 15 September 2015

Registered as Charity since 24 Nov 2015

Registered as Grantmakers since 28 Dec 2015

Registered office:

1003 Bukit Merah Central

#07-22 Singapore 159836

Operating office:

1003 Bukit Merah Central

#07-22 Singapore 159836

Banker:

DBS Bank Ltd

Independent Auditor:

C.B. Lim & Co

29 Tai Seng Avenue

#03-33 Natural Cool Lifestyle Hub

Singapore 534119

Corporate Secretary:

Goh Boon Kok Services Pte Ltd

29 Tai Seng Avenue

#03-33 Natural Cool Lifestyle Hub

Singapore 534119

Founding Members:

Tan Mok Koon

Tan Wei Liang

Tan Wei Ting

Directors:

Tan Mok Koon, Chairman (since 15 September 2015)

Tan Tow Koon (since 15 September 2015)

Tan Poay Koon (since 15 September 2015)

## 5. Review of Year 2020

### 5.1 Staffing

The TMK Charity Fund is wholly managed by Mr. Tan and his family members. No external staff was employed during the year.

### 5.2 Remuneration

The Members and Board of Directors are volunteers of the TMK Charity Fund. They will not be paid any remuneration.

### 5.3 Donation received

No donation receives in FY2020.

### 5.4 Donation disbursement

No disbursement in FY2020.

The TMK Charity Fund only make donations to IPCs, and it must distribute the donations to IPCs within five years of receipt of the donation from the donors. As of 31<sup>st</sup> December 2020, the TMK Charity Fund has an outstanding balance of \$35,000 which need to be disbursed latest by 31<sup>st</sup> December 2022. Failing to do so, the charity fund will be liable to pay to IRAS a financial penalty.

	\$
Balance of cash donation not disbursed as at 1 <sup>st</sup> January 2020	35,000
Add cash donation received during the year 2020	0.0
Less cash donation disbursed during the year 2020	0.0
Balance of cash donation not disbursed as at 31 December 2020	35,000

### 5.5 Financial status

See enclosed audited financial statement FY 2020.

Mr. Tan has undertaken to fund the operating expenses (such as the accounting, auditing, corporate secretary fees etc.) of the charity fund. All donations will be distributed to the IPCs within five years of receipt from the donors according to the IRAS guideline.

6. Future plans and commitments

During this difficult period, we will continue our commitment to support charitable causes in the areas of advancement of education and relief of poverty.

7. Charity Council – Governance Evaluation Checklist

This requirement does not apply to a self-funded Grantmaker which is not an IPC.

**TAN MOK KOON CHARITY FUND LIMITED**  
(Incorporated in the Republic of Singapore,  
limited by guarantee and not having share capital)  
Company Registration No: 201534719N

**ANNUAL FINANCIAL STATEMENTS – 31 DECEMBER 2020**

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# TAN MOK KOON CHARITY FUND LIMITED

## DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members of the Tan Mok Koon Charity Fund Limited (the "Company") together with the audited financial statements of the Company for the financial year ended 31 December 2020.

### 1. OPINION OF THE DIRECTORS

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and the financial performance, changes in funds and cash flows of the Company for the year then ended; and
- (b) 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.

### 2. DIRECTORS

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

Tan Mok Koon  
Tan Tow Koon  
Johnny Tan Poay Koon

### 3. DIRECTORS' INTEREST

Director who is also member of the Company is Mr Tan Mok Koon. The member does not have a personal interest in the Company.

As the Company is a company limited by guarantee and has no share capital, the statutory information required to be disclosed by the directors under Section 201 (6) (g) and Section 201 (12) of the Companies Act, Chapter 50 does not apply.

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

### 4. SHARE OPTIONS

As the Company is a company limited by guarantee and has no share capital. The statutory information to be disclosed in the report of the Board of Directors under Section 201 (12) of the Companies Act, Cap.50 does not apply.

### 6. AUDITOR

**C.B. LIM & CO.** have expressed their willingness to accept reappointment.

On behalf of  
the Board of Directors



.....  
Tan Mok Koon  
Director



.....  
Tan Tow Koon  
Director

Dated: **08 APR 2021**  
Singapore

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAN MOK KOON CHARITY FUND LIMITED**

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

Opinion

We have audited the financial statements of Tan Mok Koon Charity Fund Limited (the "Company"), which comprise the statement of financial position of the Company as at 31 December 2020, the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows of the Company 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 Companies Act, Chapter 50 (the Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations), the Income Tax (Grant-Making Philanthropic Organisations) Regulations 2009 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 2020 and of the financial performance, changes in funds and cash flows of the Company 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 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 audit opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement.

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 Management and Those Charged with Governance 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 Companies Act, the Charities Act and Regulations, the Grant-Making Philanthropic Organisations 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.

Those charged with governance comprise the directors. Their responsibilities include overseeing the Company's financial reporting process.

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*INDEPENDENT AUDITOR'S REPORT*

*TO THE MEMBERS OF TAN MOK KOON CHARITY FUND LIMITED - CONT'D*

Auditor's Responsibilities for the Audit of the Financial Statements.

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

As part of an audit in accordance with SSAs, we exercise professional 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act, the Charities Act and Regulations and the Grant-Making Philanthropic Organisations Regulations 2009.



**C.B. LIM & CO.**  
**Public Accountants and**  
**Chartered Accountants**

**Singapore**

Date: **08 APR 2021**

TAN MOK KOON CHARITY FUND LIMITED

AUDITED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> S\$	<u>2019</u> S\$
<u>Assets</u>			
Cash and cash equivalents	4	9,993	14,635
Total current assets		<u>9,993</u>	<u>14,635</u>
Total assets		<u>9,993</u>	<u>14,635</u>
 <u>Funds</u>			
Accumulated funds	5	4,336	9,078
Total funds		<u>4,336</u>	<u>9,078</u>
 <u>Liabilities</u>			
Other payables	6	5,657	5,557
Total current liabilities		<u>5,657</u>	<u>5,557</u>
Total funds and liabilities		<u>9,993</u>	<u>14,635</u>

The accompanying notes form an integral part of these financial statements

TAN MOK KOON CHARITY FUND LIMITED

AUDITED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	<u>Note</u>	<u>2020</u> S\$	<u>2019</u> S\$
Donation received		-	15,000
Donation expenses		-	(20,000)
Other operating expenses	7	(4,742)	(11,598)
Deficit before tax		<u>(4,742)</u>	<u>(16,598)</u>
Income tax expense	8	-	-
Deficit for the year representing total comprehensive expenses for the year		<u>(4,742)</u>	<u>(16,598)</u>

The accompanying notes form an integral part of these financial statements

TAN MOK KOON CHARITY FUND LIMITED

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

	Accumulated funds S\$
At 1 January 2019	25,676
Total comprehensive expenses for the year	(16,598)
At 31 December 2019	<u>9,078</u>
Total comprehensive expenses for the year	(4,742)
At 31 December 2020	<u><u>4,336</u></u>

The accompanying notes form an integral part of these financial statements

TAN MOK KOON CHARITY FUND LIMITED

AUDITED STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	<u>2020</u> S\$	<u>2019</u> S\$
<u>Cash flow from operating activities</u>		
Deficit for the year	(4,742)	(16,598)
Changes in other payables	100	(1,400)
Net cash used in operating activities	<u>(4,642)</u>	<u>(17,998)</u>
Net changes in cash and cash equivalents	(4,642)	(17,998)
Cash and cash equivalents at 1 January	<u>14,635</u>	<u>32,633</u>
Cash and cash equivalents at 31 December (Note 4)	<u><u>9,993</u></u>	<u><u>14,635</u></u>

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

## TAN MOK KOON CHARITY FUND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS AS AT 31 DECEMBER 2020

These notes form an integral part of the financial statements.

The financial statements of the Company for the financial year ended 31 December 2020 were authorised for issue by the Board of Directors on 8 April 2021.

#### 1. DOMICILE AND ACTIVITIES

Tan Mok Koon Charity Fund Limited is incorporated in Singapore as a company limited by guarantee under the Singapore Companies Act (Cap.50) and registered as a charity under the Charities Act (Cap.37). The Company's registered office is located at 29 Tai Seng Avenue, #03-33, Natural Cool Lifestyle Hub Singapore 534 119 and place of business is located at 1003 Bukit Merah Central #07-22 Singapore 159836.

The Company is a non-profit philanthropic organisation whose principal activities are to carry out charitable activities and to provide grants and bursaries to students at local universities.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### 2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Cap 50, the Charities Act, Cap 37, the Grant-Making Regulations and Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis unless as disclosed in the accounting policies below. The financial statements are presented in Singapore dollars (S\$) which is the Company's functional currency as the Company operates only in Singapore and substantially its transactions are in Singapore dollars.

##### 2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards and Interpretation of FRS that are effective for annual periods beginning on or after 1 January 2020. Management anticipates the adoption of these standards and interpretations did not have material effect on the financial performance or position of the Company.

##### 2.3 Financial assets

###### Initial recognition and measurement

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

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

###### Subsequent measurement

###### 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 and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

### 2.3 Financial assets - cont'd

#### Derecognition

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

### 2.4 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit and loss. 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 expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

The Company considers a financial asset in default when contractual payments are 120 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### 2.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank balances. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

### 2.6 Financial liabilities

#### Initial recognition and measurement

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. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of other financial liabilities, plus directly attributable transaction costs.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

#### Other financial liabilities

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

### 2.6 Financial liabilities - cont'd

#### Derecognition

A financial liability is not recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

### 2.7 Donations

The Company is registered on 28 December 2015 as a grant-making philanthropic organisation in accordance with Section 3(3) of the Income Tax (Grant-Making Philanthropic Organisations) Regulations 2009.

The registration was granted by the Comptroller in Income Tax and the Company is required to meet the conditions stipulated in the Regulations.

As per the Regulations, all donations received must only be disbursed to Institutions of Public Character within 5 years from the date of receipt.

Donations are recognised as income upon receipt.

### 2.8 Related parties

A related party is defined as follows:

- (a) a person or a close member of that person's family is related to the company if that person:
  - (i) has control or joint control over the company;
  - (ii) has significant influence over the company;
  - (iii) is a member of the key management personnel of the company or of a parent of the company.
- (b) an entity is related to the company if any of the following conditions applies:
  - (i) the entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) both entities are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

### 2.9 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each accounting 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 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.

## 3. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENT

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

## 4. CASH AND CASH EQUIVALENTS

	<u>2020</u> S\$	<u>2019</u> S\$
Cash at bank	9,993	14,635

## 5. ACCUMULATED FUNDS

According to the Constitution of the Company, the liability of members is limited and each member of the Company undertakes to contribute an amount not exceeding S\$1 in the event of it being wound up while he is a member, or within one year after he ceases to be a member, for payment of debts and liabilities of the Company contracted before he ceases to be a member.

The accumulated funds are unrestricted and available for general use at the discretion of the governing board members in furtherance of the Company's objectives.

## 6. OTHER PAYABLES

	<u>2020</u> S\$	<u>2019</u> S\$
Accruals	2,700	2,600
Due to a director	2,957	2,957
	<u>5,657</u>	<u>5,557</u>

The amount due to a director is unsecured, repayable on demand and interest free.

## 7. OTHER OPERATING EXPENSES

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Accounting fee	700	500
Audit fee	2,100	2,100
Computer expenses	728	728
Secretarial fee	800	7,276
Others	414	994
	<u>4,742</u>	<u>11,598</u>

## 8. INCOME TAX EXPENSE

The Company is registered as a charity and is exempt from income tax in accordance with Section 13(1)(zm) of the Income Tax Act.

## 9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company does not have any written risk management policies and guideline.

The Company's financial instruments carried on the balance sheet include cash and cash equivalents, receivables and payables.

The Company's activities expose it to a variety of financial risks: market risk (including interest rate risk and currency risk), credit risk and liquidity risk.

The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

### 9.1 Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

At 31 December 2020, the Company is not exposed to any foreign exchange risk as all financial assets and financial liabilities are denominated in Singapore dollar.

### 9.2 Interest risk

The Company's financial assets and financial liabilities are non-interest bearing.

### 9.3 Liquidity risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the operations of the Company and mitigate the effects of fluctuation in cash flow.

At the balance sheet date, the Company's financial assets and financial liabilities mature in less than one year.

### 9.4 Credit risk

Credit risk refers to the risk that counterparties may default on their contractual obligations resulting in financial loss to the Company. The Company minimises credit risk by dealing with creditworthy counterparties.

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

**9 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES - CONT'D**

9.4 Credit risk - cont'd

The Company has assessed the financial position of the related party and concluded that there has been no significant increase in the credit risk since the recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using the 12-month ECL and determined that the ECL is insignificant.

**10. FAIR VALUE OF ASSETS AND LIABILITIES**

The fair value of a financial instrument is the amount of which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

*Financial instruments whose carrying amount approximate fair value*

Management has determined that the carrying amounts of cash and cash equivalents, trade and other receivables, trade and other payables are based on their notional amounts, reasonably approximate their fair values because there are mostly short term in nature or are repriced frequently.

**11. CAPITAL MANAGEMENT**

The Company was incorporated as a company limited by guarantee and not having a share capital.

The Company is not subjected to externally imposed capital requirements for the financial years ended 31 December 2020 and 2019.