

MENTORING THE NEXT GENERATION

STORIES OF IMPACT



LIVING A LIFE OF TRUE FREEDOM

I used to hang out with bad influence of friends, getting drunk and getting into several fights. I also struggled with anger and was even violent with my mother. Eventually, I was sentenced to the Reformative Training Centre (RTC) for rioting offenses. I'm thankful for the help and counselling that I received from Dylan, my New Life caseworker, and bridging me to other community help agencies. I am now a changed person, living a life of true freedom and guided by discipline and responsibility. I hope to continue to grow and develop myself to help other youths who are also going through struggles like me.

SETH

24 years old

Casework & Counselling beneficiary



BUILDING CONFIDENCE & RESILIENCE

As a foreigner without having English as the first language, my daughter Yuki struggled to catch up in school. This affected her confidence and self-esteem. She felt intimidated when speaking. But since she was enrolled with Steady Readers and Kids Champ Club, I observed that she became more confident in expressing herself. She can now communicate well with her peers without feeling shy. I hope to see her grow up to be more resilient in facing challenges. I am very thankful for the patience of New Life mentors for always guiding her. They never gave up on her even when she wasn't doing well at first. These programmes truly helped her improve.

KAREN TEA PEI KHEM

Mother of Yuki (8 years old)

Steady Readers &

Kids Champ Club beneficiary

2018 OVERVIEW



CHILDCARE

BUKIT PANJANG

105

CHILDREN

WOODLANDS

120

CHILDREN

JUNCTION 10

88

CHILDREN



725

CHILDREN

CHILDREN PROGRAMMES

STEADY READERS

211

CHILDREN

KIDS CHAMP CLUB

15

CHILDREN

P.A.N.D.A. CHAMPS

91

CHILDREN

1-2-1 CHILDREN MENTORING

7

CHILDREN



CHILDREN & STUDENT CARE

88

CHILDREN



YOUTH



225

YOUTHS

FAJAR YOUTH HUB

104

YOUTHS

WOODLANDS YOUTH HUB

74

YOUTHS

JUNCTION 10 YOUTH HUB

47

YOUTHS

SCHOOL PROGRAMMES

131 6

SESSIONS

SCHOOLS



CASEWORK & COUNSELLING

151

FAMILIES

COUNSELLING REFERRALS

13

CASES

REFORMATIVE TRAINING CENTRE

201

AT-RISK YOUTHS

PROJECT LOVE

70

FAMILIES

MILK-NEW LIFE SUPPORT FUND

81

FAMILIES



CHAIRMAN & EXECUTIVE DIRECTOR'S MESSAGE

New Life Community Services (NLCS) has been serving the community for the past 18 years. In 2018, we mentored 725 children and 225 youths, rebuilt the lives of 201 at-risk youths and their families, and assisted 151 families financially with \$242,538. NLCS also impacted six secondary schools in the western and north-western parts of Singapore. 1,053 volunteers stepped forward to help to make a difference for the beneficiaries above. NLCS received \$3.34M of donations from 1,525 (corporate and individual) donors. The charity golf raised \$303,950 while the charity run raised \$294,966. The volunteers and the donors are truly the unsung heroes that contributed much to love and impact the community!

On behalf of New Life Community Services and the beneficiaries, we say a big thank you!



Patrick

Patrick Lim
Board Chairman



Johnny

Elder Johnny Tan
Executive Director

2018 was significant in that the fully renovated Fajar youth hub was officially opened by Dr Teo Ho Pin, Mayor of the North West Community Development Council and Adviser to Bukit Panjang GROs. The youth hub created an immediate positive social impact on the youths in Bukit Panjang area. The Early Childhood Development Agency had also approved the expansion of Woodlands Childcare centre at Block 556 in Woodlands Drive 16 which will begin operations in the second quarter of 2019.

At the end of 2019, NLCS will receive the keys to the new office and community space in Woods Square which was generously donated by Far East Organization. The renovation works for Woodlands student care centre will also commence. Along with Woods Square community space, Block 556 childcare expansion and new student care in Woodlands, there is a significant expansion of services to Woodlands area. This makes sense for NLCS headquarters to shift from Bukit Panjang to the Northern part of Singapore in Woods Square.

In this significant growth journey, Mr Felix Wong has stepped up from Deputy Executive Director role to assume the office of Executive Director with effect from 1 January 2019.

Mr Steve Kon, previous Head of Strategic Development has also been appointed as Deputy Executive Director to assist Felix. The Head of Strategic Development role is folded into the Deputy Director role as a prudent way to manage NLCS headcount.

Forging ahead, we aim to continue to grow our existing community services in childcare, children and youth work as well as school programmes. At the same time, we will also be exploring to extend our reach to families and the Silver Generation. Moreover, we will further strengthen our human resource, finance, governance and audit processes and procedures as an IPC and as NLCS' work grows beyond the annual expense threshold of ten million dollars.

We continue to look to God, our board, our management and staff team, our volunteers and donors, and our stakeholders in the community as we continue in this partnership to love the community for Christ. To God be the glory!

NEW LIFE BOARD 2018

Patrick Lim
Chairman

Elder Johnny Tan
Vice-Chairman

Jeremiah Lo
Secretary

Sim Teow Hong
Treasurer

Adelyn Teo
Assistant Treasurer

Elder Lawrence Chua
Board Adviser

Adrienne Sng
Board Member

Cheah Sin Hean
Board Member

Chia Ko Wen
Board Member

Eddie Tan
Board Member

BOARD COMMITTEES (2018)

STRATEGY & PROGRAMMES

Patrick Lim (Chairman)
Elder Johnny Tan
Jeremiah Lo
Sim Teow Hong
Adrienne Sng
Eddie Tan

STAFF (ex-officio)
Executive Director
Koh Ser Lian
Tan Bee Leng

CHILDREN TASK FORCE

Jeremiah Lo (Chair)
Eddie Tan
Sim Choon Siong
(Co-opted)

STAFF (ex-officio)
Koh Ser Lian

YOUTH TASK FORCE

Adrienne Sng (Chair)
Jeremiah Lo
Adelyn Teo
Oliver Loke (Co-opted)

STAFF (ex-officio)
Tan Bee Leng

CASEWORK & COUNSELLING

Jeremiah Lo (Chair)
Elder Johnny Tan
Adrienne Sng

STAFF (ex-officio)
Tan Bee Leng

HUMAN RESOURCE

Patrick Lim (Chair)
Elder Johnny Tan
Cheah Sin Hean

STAFF (ex-officio)
Executive Director
Low Puay Khee

FINANCE & INVESTMENT

Sim Teow Hong (Chair)
Elder Johnny Tan
Adelyn Teo
Teo Kong Yeow (Co-opted)

STAFF (ex-officio)
Executive Director
Zoe Lim

FUNDRAISING & OUTREACH

Eddie Tan (Chair)
Patrick Lim
Cheah Sin Hean
Jeremiah Lo
Michael Mok (Co-opted)
Caleb Gau (Co-opted)

STAFF (ex-officio)
Executive Director
Leslie Kabigting

AUDIT & GOVERNANCE

Chia Ko Wen (Chair)
Eddie Tan
Elder Lawrence Chua
(Advisor)

STAFF (ex-officio)
Zoe Lim
Low Puay Khee
Lim Bee Hong

BUILDING & INFRASTRUCTURE

Cheah Sin Hean (Chair)
Chia Ko Wen
Tony Kwa (Co-opted)

STAFF (ex-officio)
Lim Bee Hong

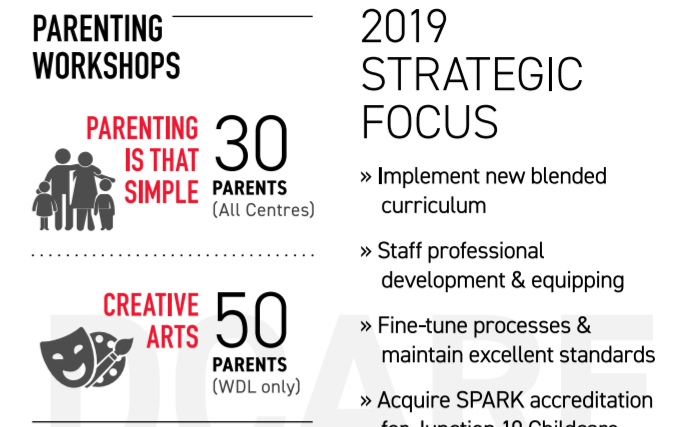
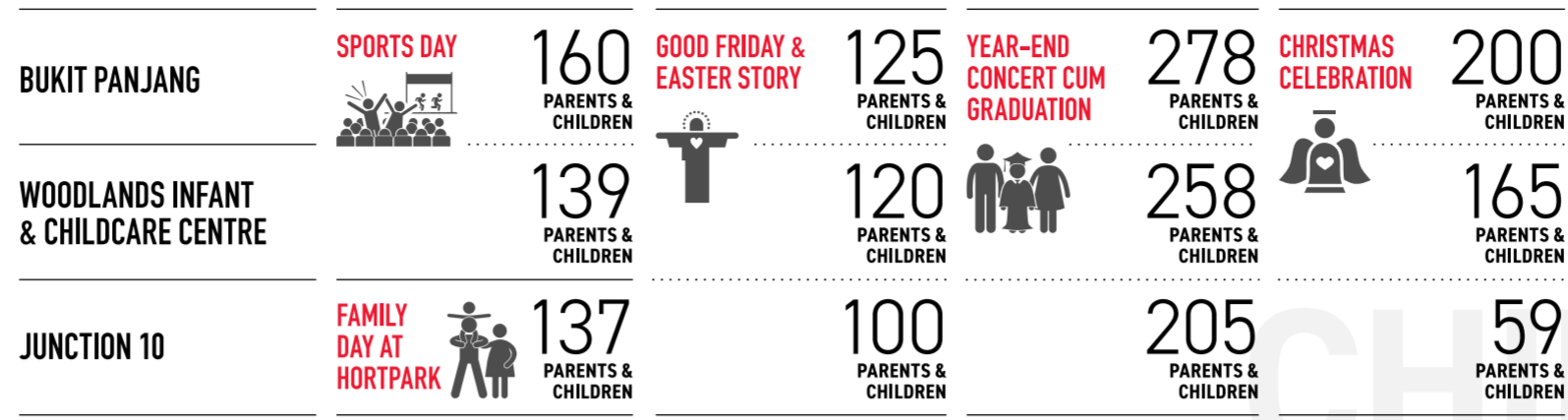
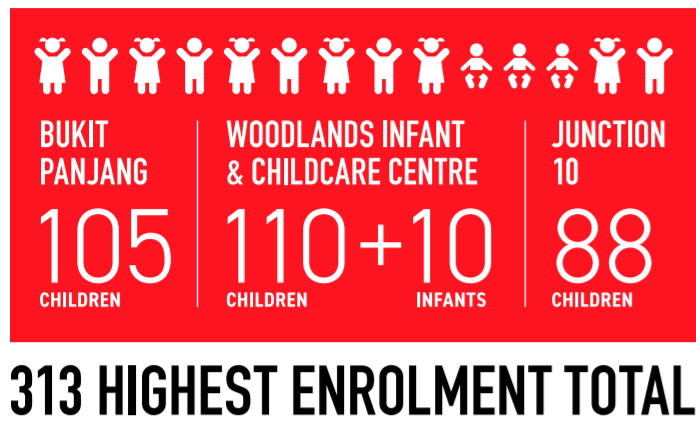
NOMINATIONS

Patrick Lim (Chair)
Elder Johnny Tan
Jeremiah Lo

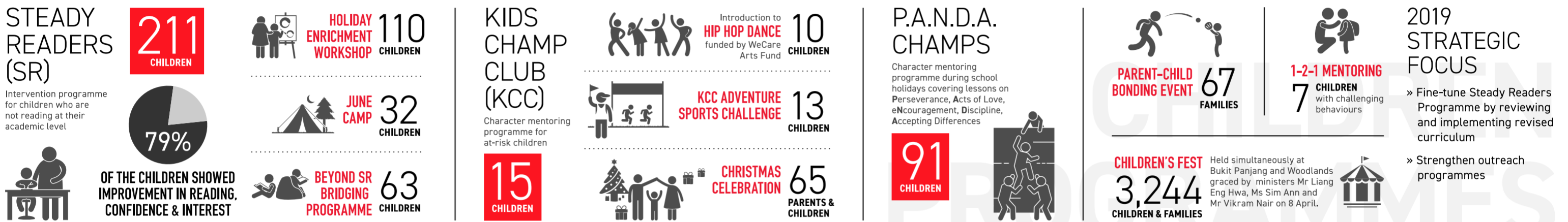
STAFF (ex-officio)
Executive Director

S E R V I C E S' R E P O R T S

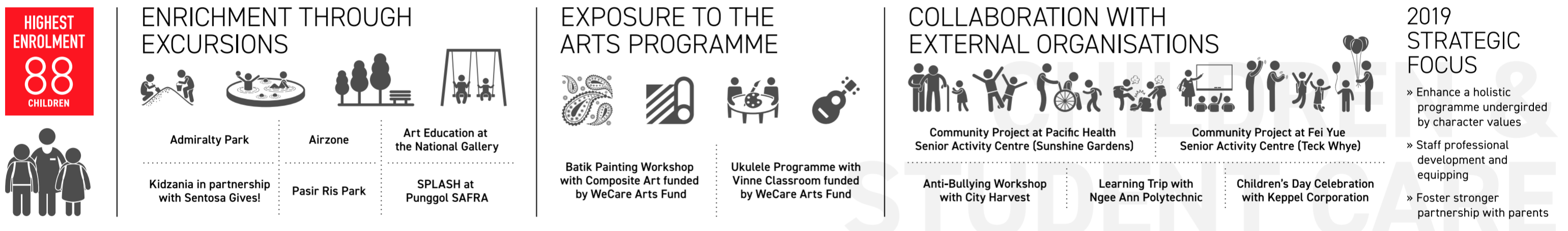
CHILDCARE *Nurturing wholesome children in partnership with families and the community*



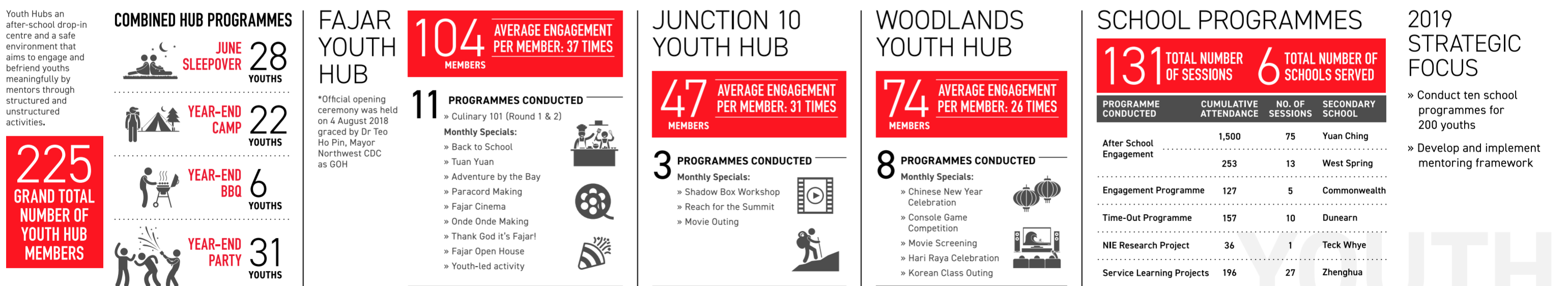
CHILDREN PROGRAMMES *Loving children by mentoring them to become champions in life*



CHILDREN & STUDENT CARE *Mentoring children to become disciplined and confident individuals*



YOUTH *Building character and developing resilience in youths through life-transforming purpose*



CASEWORK & COUNSELLING *Promoting social change and empowerment to individuals, families and communities to enhance their well-being*



VOLUNTEERS

GRAND TOTAL

1053*

76 CHILDCARE

88 CHILDREN &
STUDENT CARE

200 = 155 + 16 + 29
CHILDREN PROGRAMMES Steady Reader Kids Champ Club P.A.N.D.A. Champs

16 YOUTH SERVICES

8 REFORMATIVE TRAINING CENTRE

586 CHILDREN'S FEST

15 MEDIA AND COMMUNICATIONS

14 FUNDRAISING EVENTS

50 CORPORATIONS
(Keppel Corporation & Citibank)

*Number may include duplicate unique headcounts as some volunteers serve in more than one programme or event

DONATIONS

\$3,339,365

TOTAL DONATIONS

1525 = 1466 + 59*

**TOTAL
DONORS**

**INDIVIDUAL
DONORS**

**CORPORATE
DONORS**

CORPORATE DONORS

A1 Motoring Pte Ltd	Mitsubishi Electric Asia Pte Ltd
Acclaim Systems (Asia) Pte Ltd	National Council of Social Service
Acclaim Systems Pte Ltd	Net-Source Group Pte Ltd
Airelated Services Pte Ltd	One Epitome
Axon Management Consultants Pte Ltd	Online Profits Partner Pte Ltd
Bedding Specialist	Pet Lovers Centre Pte Ltd
Capital International, Inc	Skyde Engineering Pte Ltd
Cathay Photo Store (Pte) Ltd	The Community Foundation of Singapore (CFS)
CBL Aircon Engineering Pte Ltd	Tong Loong Engineering Pte Ltd
Chwee Lai Air-Conditioning Pte Ltd	Trans-cab Services Pte Ltd
Clixer+ Pte Ltd	Univac Precision Engineering Pte Ltd
D'Light (2007) Pte Ltd	Vanguard Fire Systems Pte Ltd
Fire-Guard Engineering Pte Ltd	Visa Worldwide Pte Ltd
Horse Can Listen Pte Ltd	YM Holdings Pte Ltd
Jabez Hope Pte Ltd	
Micron Technology, Inc.	

*ACI Singapore - The Financial Markets Association
(29 of the corporate donors and 38 of the individual donors are consolidated through ACI Singapore Charity Golf 2018)

FUNDRAISING EVENTS

\$283,950 CHARITY GOLF ON 15 SEPTEMBER

\$294,966 CHARITY RUN ON 19 AUGUST

Event Partners: MetaSport & DC Production Studio Pte Ltd

CONTACT US

HEADQUARTERS

10 Jelapang Road, Singapore 677740

 6892 7191  6892 7181  email@newlife.org.sg  www.newlife.org.sg

STAY CONNECTED



New Life Community Services

CHILDCARE CENTRES

BUKIT PANJANG

10 Jelapang Road
Singapore 677740

TEL 6892 0179
enquiry.bpjcc@newlife.org.sg

JUNCTION 10

1 Woodlands Road
The Tannery #04-02
Singapore 677899

TEL 6892 0084
enquiry.j10cc@newlife.org.sg

INFANT AND CHILDCARE CENTRE

WOODLANDS

Blk 580 Woodlands Drive 16
#01-582 Singapore 730580

TEL 6892 0013
enquiry.wdlcc@newlife.org.sg

CHILDREN PROGRAMMES

Blk 419 Fajar Road
#01-449 Singapore 670419

TEL 6892 8020
children@newlife.org.sg

CHILDREN & STUDENT CARE

Blk 507 Jelapang Road
#01-14 Singapore 670507

TEL 6892 8040
studentcare@newlife.org.sg

CASEWORK & COUNSELLING

Blk 540 Woodlands Drive 16
#01-79 Singapore 730540

TEL 6892 7116

YOUTH SERVICES

FAJAR YOUTH HUB

Blk 419 Fajar Road
#01-449 Singapore 670419

TEL 6892 4419
youth@newlife.org.sg

JUNCTION 10 YOUTH HUB

1 Woodlands Road
The Tannery #04-02
Singapore 677899

TEL 6892 0085
FAX 6892 3902
youth@newlife.org.sg

WOODLANDS YOUTH HUB

Blk 540 Woodlands Drive 16
#01-79 Singapore 730540

TEL 6892 7102
FAX 6892 3902
youth@newlife.org.sg

YOUTH PROGRAMMES

Blk 419 Fajar Road
#01-449 Singapore 670419

TEL 6892 4419
youth@newlife.org.sg

CORPORATE DATA

REGISTERED SOCIETY

registered under The Societies Act on 3 March 2000
Registration No. 305/99 WEL Unique Entity No.
T00SS0057E

REGISTERED CHARITY

registered under The Charities Act on 13 Aug 2001
Registration No. 1518

FULL MEMBER OF NATIONAL COUNCIL OF SOCIAL SERVICE since 16 Sep 2002

INSTITUTION OF A PUBLIC CHARACTER

under the sector administration of the Ministry of Social
and Family Development since 18 Nov 2002
Reference No. 2002-122 NLC

Established since 2000, we aim to make a difference by
MENTORING THE LIVES OF THE YOUNG and meeting the
needs in the community. As a not-for-profit voluntary welfare
organisation, we fulfill our purpose by complementing fellow
service providers, working hand in hand with community
leaders, institutions and residents to serve the community
REGARDLESS OF RACE AND RELIGION and with
no strings attached.

AUDITOR

Baker Tilly TFW LLP
Public Accountants and Chartered Accountants
600 North Bridge Road, #05-01 Parkview Square,
Singapore 188778

AUDIT PARTNER

Ms Tiang Yii

OUR VISION IS TO
MENTOR THE NEXT
GENERATION OF YOUTHS
AND CHILDREN TO
MASTER LIFE'S
TRANSITIONS SO THEY
MAY BE ABLE TO MAKE A
POSITIVE CONTRIBUTION
TO THEIR HOMES,
COMMUNITIES AND
SOCIETY.

OUR MISSION IS TO
LOVE THE COMMUNITY
FOR CHRIST

NEW LIFE COMMUNITY SERVICES
(Registered in Singapore under the Societies Act)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2018

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NEW LIFE COMMUNITY SERVICES
(Registered in Singapore under the Societies Act)

STATEMENT BY THE BOARD MEMBERS

On behalf of the Board, we, Patrick Lim Kah Hock and Sim Teow Hong, being the Chairman and Treasurer of New Life Community Services (the "Society") respectively, do hereby state that in our opinion, the financial statements of the Society as set out on pages 5 to 25 are properly drawn up in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 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 Society as at 31 December 2018 and the financial performance, changes in funds and cash flows of the Society for the financial year then ended on that date.

On behalf of the Board



Patrick Lim Kah Hock
Chairman



Sim Teow Hong
Treasurer

11 May 2019

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NEW LIFE COMMUNITY SERVICES****Report on the Audit of the Financial Statements*****Opinion***

We have audited the accompanying financial statements of New Life Community Services (the "Society") as set out on pages 5 to 25, which comprise the balance sheet as at 31 December 2018, and the statement of comprehensive income, statement of changes in funds and statement 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 Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Society as at 31 December 2018 and the financial performance, changes in funds and cash flows of the Society for the year ended on that date.

Basis for Opinion

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

Other Information

The Board is responsible for the other information. The other information comprises the information included in the Annual Report, 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NEW LIFE COMMUNITY SERVICES (cont'd)**

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

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

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Charities Act and Regulations and FRSs, and for such internal control as the Board 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, Board is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NEW LIFE COMMUNITY SERVICES (cont'd)**

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

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

- Conclude on the appropriateness of Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.


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

In our opinion,

- (i) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (ii) the fund raising appeal held during the financial year ended 31 December 2018 has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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

- (i) the Society 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
- (ii) the Society has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

11 May 2019

NEW LIFE COMMUNITY SERVICES
(Registered in Singapore under the Societies Act)

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 December 2018

	Note	2018 \$	(Restated) 2017 \$
School fees	2b	2,891,709	2,529,434
Interest income		68,219	52,133
Donations	3	3,339,409	3,303,186
Donation-in-kind	19a	100,800	100,800
Amortisation of deferred capital grants	9	450,813	312,563
Other programme income	2b	733,153	551,101
Government grants and subsidies		8,250	28,581
Government employment/wages credit/grant		126,766	120,312
Others		19,249	44,787
		7,738,368	7,042,897
Less expenses			
Staff costs	4	5,573,725	4,694,076
Charities expenses	5	1,591,348	1,441,000
Depreciation	6	501,656	509,236
Financial assistance		242,538	75,774
Programme cost		158,516	155,057
		8,067,783	6,875,143
Net (deficit)/surplus and total comprehensive (loss)/income for the financial year		(329,415)	167,754

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

NEW LIFE COMMUNITY SERVICES
(Registered in Singapore under the Societies Act)

BALANCE SHEET
At 31 December 2018

	Note	2018 \$	2017 \$
Non-current asset			
Property, plant and equipment	6	2,555,042	3,023,673
Current assets			
Other receivables	7	382,572	278,185
Fixed deposits	8	6,874,840	6,322,007
Bank and cash balances		1,855,880	2,668,540
		9,113,292	9,268,732
Total assets		11,668,334	12,292,405
Non-current liability			
Deferred capital grants	9	585,445	593,366
Current liabilities			
Deferred capital grants	9	435,698	304,378
Accruals and other payables	10	912,158	1,330,213
		1,347,856	1,634,591
Total liabilities		1,933,301	2,227,957
Net assets		9,735,033	10,064,448
Funds			
<i>Unrestricted fund</i>			
General Fund		8,160,681	8,291,598
<i>Restricted funds</i>			
Steady Readers' Fund	11	—	—
Asset Capitalisation Reserve	12	1,527,696	1,587,024
EX3 Mentoring Programme Fund	13	—	—
MILK Fund	14	46,656	185,826
Kids Champ Club Fund	15	—	—
New Life Youth Fund	16	—	—
Project Love Fund	17	—	—
		9,735,033	10,064,448

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

NEW LIFE COMMUNITY SERVICES
(Registered in Singapore under the Societies Act)

STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 December 2018

	Unrestricted fund ←		Restricted funds →		Total \$
	General Fund \$	MILK Fund \$	EX3 Mentoring Programme Fund \$	Asset Capitalisation Reserve \$	
Balance at 1 January 2017	8,230,198	-	20,144	1,646,352	9,896,694
Net surplus/(deficit) and total comprehensive income/(loss) for the financial year	61,400	185,826	(20,144)	(59,328)	167,754
Balance at 31 December 2017	8,291,598	185,826	-	1,587,024	10,064,448
Net deficit and total comprehensive loss for the financial year	(130,917)	(139,170)	-	(59,328)	(329,415)
Balance at 31 December 2018	8,160,681	46,656	-	1,527,696	9,735,033

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

NEW LIFE COMMUNITY SERVICES
(Registered in Singapore under the Societies Act)

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2018

	2018 \$	2017 \$
Cash flows from operating activities		
Net (deficit)/surplus for the financial year	(329,415)	167,754
Adjustments for:		
Amortisation of deferred capital grants	(450,813)	(312,563)
Depreciation	501,656	509,236
Interest income	(68,219)	(52,133)
Operating cash flows before working capital changes	(346,791)	312,294
Receivables	(74,231)	(163,383)
Payables	156,157	163,682
Net cash (used in)/generated from operating activities	(264,865)	312,593
Cash flows from investing activities		
Purchase of property, plant and equipment	(33,025)	(423,552)
Proceeds from capital grants	-	585,000
Interest received	38,063	37,362
Net cash generated from investing activities	5,038	198,810
Net (decrease)/increase in cash and cash equivalents	(259,827)	511,403
Cash and cash equivalents at beginning of the financial year	8,990,547	8,479,144
Cash and cash equivalents at end of the financial year	8,730,720	8,990,547
Cash and cash equivalents comprise:		
Bank and cash balances	1,855,880	2,668,540
Fixed deposits	6,874,840	6,322,007
	8,730,720	8,990,547

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

NEW LIFE COMMUNITY SERVICES
(Registered in Singapore under the Societies Act)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2018

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

1. General information

The principal activities of the Society are to assist and organise family development activities, to operate childcare centres, to provide student care and to run enrichment programs for youth. The Society's registered office is at 10 Jelapang Road, Singapore 677740.

2. Significant accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollar (\$), which is the Society's functional currency, have been prepared in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37 and other relevant regulations and the 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 management to exercise its judgement in applying the Society's accounting policies. It also 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, 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 were no significant judgements made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

The carrying amounts of fixed deposits, bank and cash balances, other receivables and accruals and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards

In the current financial year, the Society 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 Society's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these new/revised FRSs and INT FRSs did not have any material effect on the financial statements except for updates made to the accounting policy of financial assets (Note 2(g)) and changes in classification of the Society's financial assets effective from 1 January 2018 (Note 20(a)) as required by FRS 109 Financial Instruments and as disclosed below:

2. Significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards (cont'd)

FRS 115 Revenue from Contract with Customers

FRS 115 replaces FRS 18 'Revenue', FRS 11 'Construction contracts' and other revenue-related interpretations. It applies to all contracts with customers, except for leases, financial instruments, insurance contracts and certain guarantee contracts and non-monetary exchange contracts.

FRS 115 provides a single, principle-based model to be applied to all contracts with customers. An entity recognises revenue in accordance with the core principle in FRS 115 by applying a 5-step approach.

Under FRS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. The entity is required to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model; to contracts with their customers. The standard also specifies the accounting for incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The Society adopted FRS 115 using the modified retrospective approach without restating prior periods' information and recognises any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening general fund as at 1 January 2018.

At the date of initial application and 31 December 2018, the Society has assessed that the adoption of FRS 115 does not have any material impact to the financial position and results of the Society.

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 2018 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 Society.

b) Income recognition

Revenue from services - child care centres and children & student care

The Society provides child care, children & student care and education services to children aged from 18 months to 6 years old. The Society has the right to school fees (including other related fees) from the children in an amount that corresponds directly with the provision of child care and other incidental services on a monthly basis.

Accordingly, school fees are recognised as income over time on a monthly basis.

Revenue from services - children programmes

The Society provide specialised service catered to children aged from 7 years old to 12 years old in the community. The Society has the right to programme income (including other related fees) from the children in an amount that corresponds directly with the provision of services over the period of the programme.

Accordingly, programme income are recognised as income over time over the period of the programme.

2. Significant accounting policies (cont'd)

b) Income recognition (cont'd)

Revenue from Youth School Program

The Society provide specialised after-school programme to the Youths in Secondary Schools' in-house hubs. The Society has the right to programme income (including other related fees) from the schools in an amount that corresponds directly with the provision of services over the period of the programme.

Accordingly, Youth school programme income are recognised as income over time over the period of the programme.

Revenue from Reformative Training Centre (RTC) Income

The Society provide casework counselling to Youth Offenders by promoting social change and empowerment and provide groupwork sessions for Youths and Parents to prepare them for the eventual reintegration back to the community. The Society has the right to RTC Income (including other related fees) from the Prisons in an amount that corresponds directly with the provision of services over the period of the programme.

Accordingly, RTC income are recognised as income over time over the period of the casework counselling and groupwork sessions.

Donations

Donations are recognised when received in cash.

Donation in kind is recognised at the fair value of the donated item if the value can be estimated reliably.

Interest income

Interest income is recognised on a time proportion basis over the period of placement of deposits with banks.

Government grants and subsidies

Grants and subsidy claims are recognised when there is reasonable assurance that the grant or subsidy will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised on profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal instalments.

2. Significant accounting policies (cont'd)

c) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment loss. Depreciation is calculated on a straight-line basis so as to write off the cost of the assets over their estimated useful lives as follows:

	Years
Leasehold property	30
Furniture and fittings	5
Kitchen equipment	5
Playgroup equipment	5
Renovation	5
Computer	3
Office equipment	3

No depreciation is provided on asset under construction until it is completed and ready for their intended use.

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

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

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

d) Impairment of non-financial assets

At each balance sheet date, the Society 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 Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal 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 profit or loss.

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 reversal of an impairment loss is recognised immediately in profit or loss.

e) Cash and cash equivalents in the statement of cash flows

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash on hand, bank balances and deposits with financial institutions which are subject to an insignificant risk of change in value.

2. Significant accounting policies (cont'd)

f) Income Tax

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

g) Financial assets

The accounting policy for financial assets before 1 January 2018 are as follows:

Classification

The Society classifies its financial assets according to the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date which are classified as non-current assets. Loans and receivables are presented as "other receivables (excluding prepayments)", "fixed deposits" and "bank and cash balances" on the balance sheet.

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Society 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 Society has transferred substantially all risks and rewards of ownership.

On disposal of a financial asset, the difference between the net sale proceeds and its carrying amount is recognised in profit or loss.

Initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method, less impairment.

Impairment

The Society assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account, and the amount of the loss is recognised in profit or loss. The allowance amount is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

2. Significant accounting policies (cont'd)

g) Financial assets (cont'd)

The accounting policy for financial assets before 1 January 2018 are as follows (cont'd):

Offset

Financial assets and liabilities are offset and the net amount presented on the balance sheet when, and only when the Society has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The accounting policy for financial assets from 1 January 2018 onwards are as follows:

Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Society 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 Society 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 (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in profit or loss.

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 Society classifies its financial assets based on the Society's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Society's financial assets are classified at amortised cost which comprise other receivables (excluding prepayments), fixed deposits and bank and cash balances.

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 profit or loss 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 Society 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 Society 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 Society 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.

2. Significant accounting policies (cont'd)

g) Financial assets (cont'd)

The accounting policy for financial assets from 1 January 2018 onwards are as follows (cont'd):

Offset

Financial assets and liabilities are offset and the net amount presented on the balance sheet when, and only when the Society has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

h) Financial liabilities

Financial liabilities include accruals and other payables (exclude school fees received in advance, GST payables, staff's unconsumed leave and deferred grant income). Financial liabilities are recognised on the balance sheet when, and only when, the Society 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 method.

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

i) Provisions

Provisions are recognised when the Society has a 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. Where the Society expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

j) Asset Capitalisation Reserve

Property donated is capitalised as part of the property, plant and equipment and the corresponding credit is reflected in the Asset Capitalisation Reserve account. The depreciation is charged to the Asset Capitalisation Reserve account.

k) Employee benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee service in current or preceding year. Contributions to national pension schemes are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

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

2. Significant accounting policies (cont'd)**l) Operating leases**

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 taken to profit or loss 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.

m) Funds

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

3. Donations

Included in the donations are tax-deductible donations received of \$2,957,216 (2017: \$2,925,129).

4. Staff costs

	2018 \$	2017 \$
Salaries and bonus	4,653,404	3,895,241
Contributions to CPF	630,042	556,218
Other staff benefits	290,279	242,617
	<hr/> 5,573,725	<hr/> 4,694,076

5. Charities expenses

	2018 \$	2017 \$
Repair and maintenance	285,472	216,534
Fund-raising cost	227,060	210,520
Rental of premises	118,576	113,064
Rental of equipment	31,103	44,074
Centres' operating costs	587,520	484,044
Others	341,617	372,764
	<hr/> 1,591,348	<hr/> 1,441,000

6. Property, plant and equipment

	Leasehold property \$	Furniture & fittings \$	Kitchen equipment \$	Playgroup equipment \$	Reno- vation \$	Computer \$	Office equipment \$	Asset under construction \$	Total \$
2018									
Cost									
Balance at 1.1.2018	1,780,000	279,812	8,988	26,665	2,935,739	169,965	154,159	125,287	5,480,615
Additions	–	3,044	–	–	13,683	15,038	1,260	–	33,025
Disposal/write-off	–	–	–	–	–	(11,729)	–	–	(11,729)
Reclassification	–	–	–	–	123,036	–	–	(123,036)	–
Balance at 31.12.2018	1,780,000	282,856	8,988	26,665	3,072,458	173,274	155,419	2,251	5,501,911
Accumulated depreciation									
Balance at 1.1.2018	192,976	161,722	4,042	26,655	1,822,971	155,770	92,806	–	2,456,942
Depreciation charge	59,328	39,416	1,490	10	354,405	11,965	35,042	–	501,656
Disposal/write-off	–	–	–	–	–	(11,729)	–	–	(11,729)
Balance at 31.12.2018	252,304	201,138	5,532	26,665	2,177,376	156,006	127,848	–	2,946,869
Net carrying value At 31.12.2018	1,527,696	81,718	3,456	–	895,082	17,268	27,571	2,251	2,555,042
2017									
Cost									
Balance at 1.1.2017	1,780,000	273,735	5,886	26,665	2,644,646	159,928	97,799	68,404	5,057,063
Additions	–	–	–	–	33,434	10,037	12,457	367,624	423,552
Reclassification	–	6,077	3,102	–	257,659	–	43,903	(310,741)	–
Balance at 31.12.2017	1,780,000	279,812	8,988	26,665	2,935,739	169,965	154,159	125,287	5,480,615
Accumulated depreciation									
Balance at 1.1.2017	133,648	122,177	2,709	26,655	1,461,225	146,503	54,789	–	1,947,706
Depreciation charge	59,328	39,545	1,333	–	361,746	9,267	38,017	–	509,236
Balance at 31.12.2017	192,976	161,722	4,042	26,655	1,822,971	155,770	92,806	–	2,456,942
Net carrying value At 31.12.2017	1,587,024	118,090	4,946	10	1,112,768	14,195	61,353	125,287	3,023,673

6. Property, plant and equipment (cont'd)

During the financial year, depreciation was charged as follows:

	2018	2017
	\$	\$
General Fund	442,328	449,908
Asset Capitalisation Reserve (Note 12)	59,328	59,328
	<hr/>	<hr/>
Statement of comprehensive income	501,656	509,236
	<hr/>	<hr/>

7. Other receivables

	2018	2017
	\$	\$
Other receivables	312,686	203,745
Prepayments	39,168	46,487
Deposits	30,718	27,953
	<hr/>	<hr/>
	382,572	278,185
	<hr/>	<hr/>

8. Fixed deposits

The fixed deposits are placed with the banks and mature varying from 1 to 12 (2017: 1 to 12) months from the balance sheet date. The average interest rate of these deposits was 1.10% to 1.90% (2017: 0.10% to 1.18%) per annum.

9. Deferred capital grants

	2018 \$	2017 \$
Cost		
Balance at 1 January	1,839,870	1,839,870
Payment for purchase of property, plant and equipment (Note 10)	574,212	-
	<hr/> 2,414,082	<hr/> 1,839,870
Accumulated amortisation		
Balance at 1 January	942,126	629,563
Amortisation during the year	450,813	312,563
	<hr/> 1,392,939	<hr/> 942,126
Net carrying amount	<hr/> 1,021,143	<hr/> 897,744
Representing:		
Non-current	585,445	593,366
Current	435,698	304,378
	<hr/> 1,021,143	<hr/> 897,744
Represented by:		
Care and Share Grant (Note a)	965,577	800,118
VWOs-Charities Capability Fund Info-Communications Technology Core Components and Innovation & Productivity Grant (Note b)	-	2,061
ECDA Grant (Note c)	55,566	95,565
	<hr/> 1,021,143	<hr/> 897,744

Capital grants received and utilised for purchases of property, plant and equipment is recognised as deferred capital grants on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset.

Deferred capital grants relate to:

- (a) Grants received for the renovation works, purchase of office equipment and furniture and fittings for the childcare centre located at Blk 577 #01-572 Woodlands Drive 16, Singapore 730577, Blk 580 #01-582 Woodlands Drive 16, Singapore 730580 and a childcare and youth, casework and counselling centre located at 1 Woodlands Road #04-02, The Tannery, Singapore 677899. The grants received are amortised over the useful life of the property, plant and equipment between 3 to 5 years;
- (b) Deferred VWOs-Charities Capability Fund Info-Communications Technology Core Components and Innovation & Productivity grants received for the purchase of computers and school management system. The grants received are amortised over the useful life of the computers of 3 years; and
- (c) Grant received for the renovation works, purchase of office equipment and furniture and fittings for the childcare centre located at Blk 577 #01-572 Woodlands Drive 16, Singapore 730577 and Blk 580 #01-582 Woodlands Drive 16, Singapore 730580. The grants received are amortised over the useful life of the property, plant and equipment between 3 to 5 years.

10. Accruals and other payables

	2018 \$	2017 \$
Deposits received	229,794	241,297
School fees received in advance	6,383	9,417
Accrued operating expenses	593,864	433,122
Sundry payables	71,329	61,377
Deferred grant income - Care and Share Grant	10,788	585,000
	912,158	1,330,213

Details of deferred grant income - Care and Share Grant are as follows:

	2018 \$	2017 \$
Balance as at beginning of the year	585,000	-
Received during the year	-	585,000
Expenditure - utilised for purchase of property, plant and equipment transferred to deferred capital grants (Note 9)	(574,212)	-
Balance as at end of the year	10,788	585,000

Under the Care and Share Grant ("CSG") granted to the Society, by the Ministry of Social and Family Development ("MSF"), the MSF has pledged to allocate up to \$2,900,000 for eligible donations raised by the Society from 1 December 2013 to 31 March 2016, matching \$1.25-for-\$1 for the first \$1,000,000, \$1-for-\$1 for the subsequent \$1,000,000 and \$0.65-for-\$1 for the subsequent \$1,000,000. The Society is one of the CSG eligible Societies who had entered into the MSF funding agreement (the "agreement") with MSF. Subject to the terms and conditions of the agreement, on submission of an application for the grant together with the necessary information required, MSF would review the application and on approval, disburse the grant to the Society. The grant is to be used for qualifying purposes as provided for in the agreement and will expire on 30 June 2019.

In 2017, the Society received additional grant of \$585,000.

11. Steady Readers' Fund

	2018 \$	2017 \$
At 1 January	-	-
Receipts for the financial year	62,563	24,503
Expenditures for the financial year	(62,563)	(24,503)
Net surplus for the financial year	-	-
At 31 December	-	-

The Steady Readers' Fund was set up to help the children who are not reading at their academic age to improve. Receipts in 2018 and 2017 are tax-deductible donations.

12. Asset Capitalisation Reserve

	2018 \$	2017 \$
At 1 January	1,587,024	1,646,352
Depreciation charge (Note 6)	(59,328)	(59,328)
At 31 December	<u>1,527,696</u>	<u>1,587,024</u>

This represents donation-in-kind, a leasehold property received by the Society in financial year 2014. The depreciation with respect to the aforesaid asset is charged to the asset capitalisation reserve.

13. EX3 Mentoring Programme Fund

	2018 \$	2017 \$
At 1 January	-	20,144
Receipts for the financial year	203,250	-
Expenditures for the financial year	(203,250)	(20,144)
Net deficit for the financial year	-	(20,144)
At 31 December	<u>-</u>	<u>-</u>

The EX3 Mentoring Programme Fund was set up to help youths to develop resilience, empower them to build character traits in overcoming adversities and challenges, and acquire leadership skills to succeed in their future endeavours. Receipts in 2018 are non tax-deductible donations and are received from President’s Challenge.

14. MILK Fund

	2018 \$	2017 \$
At 1 January	185,826	-
Receipts for the financial year	-	266,000
Expenditures for the financial year	(139,170)	(80,174)
Net (deficit)/surplus for the financial year	(139,170)	185,826
At 31 December	<u>46,656</u>	<u>185,826</u>

The MILK (Mainly I Love Kids) - New Life Support Fund was set up in July 2017 in conjunction with the partnership between MILK Fund and NLCS to provide assistance to the needy families (with children and youths) to protect their immediate mental and physical well-being, improve their probability of mastering life’s transitions well and minimise their likelihood of remaining in the poverty trap and/or falling to negative life choices and influence. Receipts in 2017 were non tax-deductible donations and were received from President’s Challenge.

15. Kids Champ Club Fund

	2018 \$	2017 \$
At 1 January	-	-
Receipts for the financial year	26,000	21,515
Expenditures for the financial year	(26,000)	(21,515)
Net surplus for the financial year	-	-
At 31 December	-	-

Kids Champs Club Fund is set up to help children between 7 to 10 years old to live out good character values and cope with socio-emotional issues. Receipts in 2018 and 2017 are non-tax-deductible donations and are received from President's Challenge.

16. New Life Youth Fund

	2018 \$	2017 \$
At 1 January	-	-
Receipts for the financial year	-	35,265
Expenditures for the financial year	-	(35,265)
Net surplus for the financial year	-	-
At 31 December	-	-

New Life Youth Fund is set up to engage youths to positively impact them, empowering them to build character and develop resilience, so as to master life's transitions. Receipts in 2017 were tax-deductible donations.

17. Project Love Fund

	2018 \$	2017 \$
At 1 January	-	-
Receipts for the financial year	20,750	-
Expenditures for the financial year	(20,750)	-
Net surplus for the financial year	-	-
At 31 December	-	-

Project Love Fund is a direct financial assistance scheme to ensure no child is deprived of basic education due to financial hardship. Receipts in 2018 are non-tax-deductible donations and are received from President's Challenge.

18. Commitments

a) Capital commitments

Capital expenditure contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	2018 \$	2017 \$
Property, plant and equipment	258,488	43,616

b) Operating lease commitments

Lease commitments in relation to non-cancellable operating leases contracted for rental of equipment but not recognised as liabilities, are payable as follows:

	2018 \$	2017 \$
Not later than one financial year	21,039	28,412
Later than one financial year but not later than five financial years	11,073	29,303
	<u>32,112</u>	<u>57,715</u>

19. Related party disclosures

a) Related parties

The Society is the community service arm of Covenant Evangelical Free Church.

Rental and Utilities

The Society used the premises of Covenant Evangelical Free Church for its day-to-day operations. The Society was charged \$87,600 (2017: \$87,600) for rental and \$13,200 (2017: \$13,200) for utilities by Covenant Evangelical Free Church. The value of rental and utilities was mutually-agreed upon and detailed in a Memorandum of Understanding between the two entities, which is renewable annually.

Donation-In-Kind

The Society received from Covenant Evangelical Free Church a donation-in-kind of \$100,800 (2017: \$100,800), the value being the equivalent of rental and utilities due to Covenant Evangelical Free Church. The value of the donation-in-kind was mutually-agreed upon and detailed in a Memorandum of Understanding between the two entities, which is renewable annually.

19. Related party disclosures (cont'd)**b) Compensation of Key Management Personnel**

Included in the expenditure on staff costs is compensation paid to key management personnel as follows:

	2018 \$	2017 \$
Remuneration paid to key management staff 8 persons (2017: 8 persons)		
- Salaries and bonuses	645,455	531,856
- Contributions to CPF	90,106	65,055
	<hr/>	<hr/>

Board members did not receive any remuneration for their services. During the financial year, there are 3 personnel (2017: 3 personnel) who received more than \$100,000 in salaries, bonuses and CPF contributions.

20. Financial instruments**a) Categories of financial instruments**

The financial instruments as at the balance sheet date are:

	2018 \$	2017 \$
<i>Financial assets</i>		
Loans and receivables (including bank and cash balances)	-	9,222,245
Financial asset at amortised cost	9,074,124	-
	<hr/>	<hr/>
<i>Financial liabilities</i>		
At amortised cost	778,177	621,424
	<hr/>	<hr/>

b) Financial risk management

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Board.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Society has a policy of dealing with creditworthy counterparties. The Society's exposure to credit risk arises primarily from other receivables, fixed deposits and bank and cash balances. The Society places its fixed deposits and bank and cash balances with reputable banks in Singapore.

The Society does not have any significant concentration of credit risk exposure. The maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised in the balance sheet. Credit risk exposure in relation to financial assets at amortised costs as at 31 December 2018 is insignificant and accordingly no credit loss allowance is recognised as at 31 December 2018.

20. Financial instruments (cont'd)

b) Financial risk management (cont'd)

Interest rate risk

The Society's exposure to the risk of changes in interest rates arises mainly from the bank balances and fixed deposits placed with financial institutions. For interest income from the fixed deposits, the Society managed the interest rate risks by placing fixed deposits with reputable financial institutions on varying maturities and interest rate terms. The sensitivity analysis for changes in interest rate is not disclosed as the effect on the statement of comprehensive income is not significant.

Foreign exchange risk

The Society has no significant exposure to foreign exchange risk as all of its transactions are in Singapore dollars.

Liquidity risk

The Board exercises prudent liquidity and cash flow risk management policies and aims to maintain sufficient level of liquidity and cash flows at all times.

The financial liabilities of the Society as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted repayment obligations.

c) Fair values of financial instruments

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

21. Fund management

The Society's objectives when managing its funds are to safeguard and to maintain adequate working capital to continue as going concern and to develop its principal activities over the longer term through the fees received from students and significant support in various forms of government funding, subsidies and donations.

The overall fund management objectives remain unchanged from the last financial year.

22. Comparative figures

Certain reclassifications have been made to the previous year's financial statements to enhance comparability with the current year's financial statements. The reclassifications arise from the change in presentation of the Statement of Comprehensive Income, Statement of Changes in Funds and Statement of Cash Flows for the current and prior financial years.

23. Authorisation of financial statements

The financial statements of the Society for the financial year ended 31 December 2018 were authorised for issue by the Board on 11 May 2019.

Conflict of Interest Policy

In compliance with the be *Charities Act (Chapter 37, Section 40C) Charities (Institutions of A Public Character) Regulations (Revised 2008) Paragraph 18*, New Life, being an approved Institution of a Public Character, is required to disclose its policy relating to the management and avoidance of conflicts of interest.

New Life's conflict of interest policy is based on and adapted (with permission) from the sample provided to member VWOs by the National Council of Social Service. It is based on the principle that New Life integrity of serving for public trust and community good, rather than personal gain, must be upheld at all costs.

The policy is applicable to New Life's board members, members of committees established by the board, staff and volunteers. It specifically addresses, for example, contract with vendors, other organisations that have dealings with New Life, joint ventures, employment of staff who are related remuneration for voluntary service, and staff as board members. The above list, however, is non-exhaustive, and, in any other situations or matters whereby an actual, potential or perceived conflict of interest is or may be encountered, affected parties are to adhere to the general principles stipulated therein, and to act accordingly.

For details of the policy, please refer to <http://newlife.org.sg/images/pdfs/Conflictof-Interest-Form.pdf>

Code of Governance for Charities and IPC

The New Life Board is of the view that, to the best of its knowledge, New Life is in general compliance with the Code of Governance for Charities & Institutions of a Public Character (IPCs) issued by the Charity Council.

Reserve Policy

New Life's policy is that the reserve ratio, defined as General Funds over Total Expenditure, should not exceed 5 times. New Life's Reserve Ratio as at 31 December 2018 was 1.01 times (2017: 1.21 times)