



Gem

Graceful • Empowered • Masterpiece

Annual Report

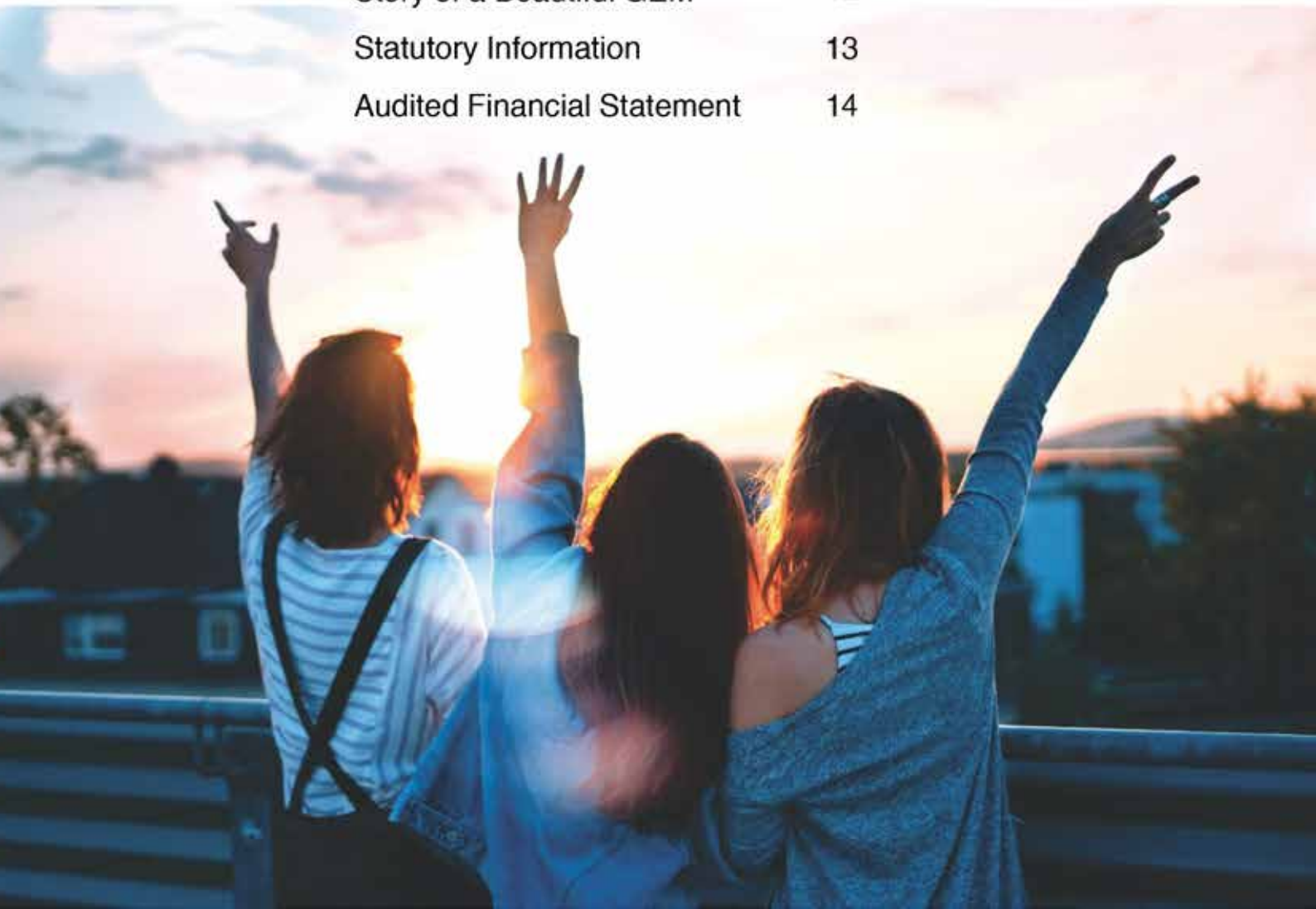
FY 2019

Every Woman
CAN
LAUGH
at her
FUTURE



Content

Executive Chairman's Message	1
Board of Directors	2
About Us	3
Financial Snapshots	4
Beautiful GEMs in Numbers	5
Who Do We Help	6
Community Outreaches	7
Highlights of the Year	8- 9
Event Highlights	10
Plans Ahead	11
Story of a Beautiful GEM	12
Statutory Information	13
Audited Financial Statement	14



Executive Chairman's Message

GEM New Start Centre ("GEM") entered her 8th year of community outreach to young female offenders and female youths at risk and celebrated the milestone with a charity gala dinner in March 2019. We were humbled and honoured to have both Dr & Mrs Tony Tan to grace the event as our Guests of Honour. Their presence and that of other community partners and volunteers at the dinner, attested to their belief in our cause and encouraged us to continue serving to bring hope to individuals and families in our community.



Caroline Kwan

The WINners' Home (started in September 2017), is part of our ongoing efforts to effectively meet the needs of female youths between the ages of 18 - 25 who are in need of intervention. By providing a safe and nurturing environment for these youths (we refer to them fondly know as "WINners"), we hope to enable them to focus on the restorative and rehabilitation programme offered to them during their residence at WINner's Home. Through these programmes, we work with them to overcome their insecurities and challenges and to confidently face life.

We were proud to report that the first batch of WINners admitted to the WINners' Home completed their residential programme during the first quarter of 2019. Thereafter, one of them joined and completed a 3 months internship program in digital marketing. She is now actively encouraging youths facing similar challenges like her not to give up but to be strong and appreciative of what they already have been blessed with. Our aspiration is to be able to teach every youth under our care, to inspire her to learn to take charge of her life, define her own success story and to make a positive impact to the community.

We are also greatly encouraged that community partners like the Ministry of Social & Family Development (MSF), Singapore Prison Services (SPS) and the State Court have begun to recognise the efforts of GEM in working with the ex-offenders in their rehabilitation and reintegration journeys back into the community. In July 2019, GEM was privileged to be invited to participate in a pilot project called 'EE21' (Early Engagement for Youths under 21), launched by the State Court to provide upstream rehabilitative efforts for young offenders between the period of the first mention of their offence in court to the day of sentencing.

On behalf of the Board of Directors of GEM, I want to thank our community partners, donors and volunteers for their steadfast support towards the works of GEM. Your contributions have helped to make a difference in the lives of the WINners to find value in womanhood and a new start in life. I would also like to take the opportunity to appreciate the dedication and the hard work of all the staff of GEM. It is your commitment and love for our WINners and your willingness to go beyond the call of duty that make GEM such a special organisation.

With love,

A handwritten signature in black ink, appearing to be 'Caroline Kwan', written over the words 'With love,'.



Board of Directors

Name	Position	Date of appointment
Tay Ah Guan (Caroline Kwan)	Executive Chairman	Re-elected 29 June 2020
Tay Poh Lian (Lilian Tng)	Director	Re-elected 12 April 2019
Wendy Mei-Yoke nee Leong	Director	Re-elected 12 April 2019
Ching Siow Fai (Lynn Ching)	Director	Re-elected 28 May 2018
Kwan Thim Fatt	Director	Re-elected 29 June 2020
Tan Beng Wee	Director	Appointed 18 July 2020

Executive Committee 2019

Advisor : Lilian Tng
Chairman : Caroline Kwan
Secretary : Julie Gan
Treasurer : Jesslyn Ng
Member : Lynn Ching
Wang Si Ying

Audit & Risk Committee 2019

Chairman : Wendy Wong
Member : Julie Gan

Finance Committee 2019

Chairman : Lilian Tng
Member : Jesslyn Ng

Staff Team:

Doreen Lim, Lim Yan Yan, Jean Marie Seah, Judy Sim, Dianna Koh, Helen Thamarai
Resigned : Rose Faquir

Board Governance

Reserve Policy (approved on 20 June 2019)

The Board has approved its Reserve Policy to ensure governance compliance and to provide financial stability for the means of further improvement of its activities.

At present, GEM New Start Centre Limited does not have excess funds to be set aside for the application of a Reserve Policy. However, the Board will regularly review the financial performance and work towards building reserves to continue providing services to the beneficiaries.

About Us

Our Vision

Every woman can LAUGH at her future

We believe that her past should not determine her Future and she can look forward to her future with joy.

Our Mission

Empowering women to discover their valued identities and to live a purpose-driven life

Women should shine like a beautiful gem and live a life of dignity and self-worth.

Our Core Values

Based on the acronym VIRTUES

Values

Upholding a set of principles that guide them in responsible decision making

Integrity

Doing the right thing at all times and in all circumstances

Respect

Treating one another with kindness

Teachability

Willing to be corrected and learn from mistakes

Understanding

Ability to reason and comprehend situations

Excellence

Committed to being the best and delivering the best in all that we do

Self-Control

Ability to control one's emotions, behaviour and desires when faced with external demands.

Financial Snapshots

Funding Sources

We are funded through good-will donations and other supporters of GEM New Start Centre.

Review of financial state and explanation of major financial transactions

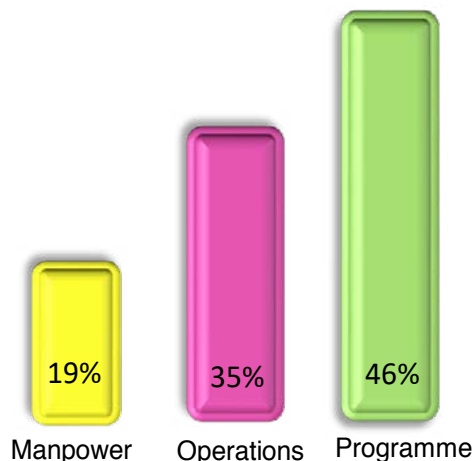
Our financial resources for FY2019 stood at \$ 402,208, out of which \$ 389,962 was raised through a fund-raising event.

Our expenses for the year were \$322,560, with manpower and programme costs making up 65% of the total expenditure.

Surplus at end of FY 2019 was \$ 79,648.

Currently we do not have a reserve fund.

For more information, please refer to page 14.



Fund-Raising

8% fund-raising cost

GEM kept its fund-raising cost well below the 30% ceiling guideline set by the Charity Council



Beautiful Gems in Numbers

Volunteers



19 persons contributed 351.5 hours

3 persons have been newly recruited

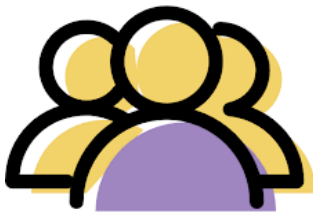


6 are long-term volunteers who have served at least 4 years

2 are faithful volunteers who have served more than 5 years

3 are regular volunteers who have served more than 24 hours a year

WINners Touched



Reached out to **44** in our community outreach efforts.

3 successfully completed their residential programme in the WINner's Home

As at date : reached out to 395 and we are still counting



We walk this journey with you

Who Do We Help



You deserved a second chance!

The WINner's Home houses female youth and young adults aged between 18 and 25 years old who have either violated the law or come from troubled family background with no conducive home environment. Most of the youths homed in WINners' Home are serving their probation orders mandated by the State Court. They are supported through a holistic rehabilitative programme with 24/7 care. The WINner's Home provides a safe, stable and nurturing environment for them to rebuild their lives.

At the WINners' Home, we strive for each WINner to develop autonomy and become an empowered individual, walking tall in dignity and having renewed confidence to face the challenges of life.

Most importantly, we hope to see them reintegrating successfully into the community and rebuilding family relationship with the loved ones.

Demographic Profile



Mean age: 19



Drug-related Offence : 75%



Lack of parental guidance: 25%

Community Outreaches

A huge thank you to the team of dedicated staff and volunteers who had tirelessly given their time and talent to reach out to the female offenders in A4 (formerly known as the Changi Women's Prison) and to residents at The Turning Point.

We run 2 batches of our signature programme at A4, impacting a total of 22 WINners and another 22 at The Turning Point (TTP). We are glad to receive words of appreciation from cheerful WINners and are heartened to know that our efforts have paid off.

Emotional Intelligence

"I have trouble dealing with my own emotion. I tend to keep and bottle up my own emotion sometimes in fear that if it gets out, I do not know how to handle it. However, after this lesson, I am able to apply what I have learnt to cope with my own emotion and others.

SH, 31 years old, A4

Making Good Decision

"This programme has helped me to open up my mind and broaden my perspective."

NSS, 33 years old, A4



How to Deal with Failure

Starting Over

'It is never too late to start all over again and never to give up!'

Karen, TTP

'If I fail, get up and try again. I can learn through failure and be better at the next attempt.'

Sara, TTP

Conflict Resolution

'Activities conducted during the lesson help me to better understand how to have win-win solutions when we have conflicts and how to see it from a positive perspective.'

NBM, 29 years old, A4

Friendship

'I learned how to draw boundaries in friendship, relationships and gained clearer ideas on what's healthy and what's not, which is very essential.'

NWL, 27 years old, A4

How to Deal with Guilt

'To forgive myself is as important as forgiving others.'

Melissa, TTP

Self Esteem

'I discovered more about myself and recognized the errors that I have made and now working to make them right.'

NEMR, 24 years old, A4

To the Trainers:

I would like to thank all the trainers for teaching us a lot of things since day 1. I have applied what I learnt and observed that I am more positive. Thank you very much.

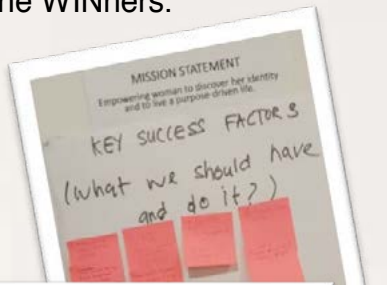
ZJ, 26 years old, A4

Highlights of the Year

Staff Planning Retreat at Batam – 11 to 13 Jan 2019

On Jan 11, a team of 8 took a break from routine and set sail to Batam for a strategic planning retreat, as well as a time of reflection and renewal.

An updated vision and mission statement was presented to align and re-position GEM New Start Centre Limited as an organisation focusing on the rehabilitation and outreach to young women aged 18 to 25 years old. While we brainstormed the critical success factors for us, we acknowledged the need to further equip the staff and encourage the staff to 'walk the talk' and live by our core values so as to set an exemplary model for the WINners.



WINner's Graduation

During the first quarter of 2019, we were proud to witness 3 WINners successfully completing their residential programme in the WINners' Home.

Shazrin came into our residential programme under a court order. She has gained confidence to converse in English, a language which she initially found herself incompetent in. She has even discovered her flair for beauty skills acquired during her stay at the WINners' Home.



Shazrin, 20 years old

Kavita, who faced rejection by her own family found acceptance in the WINners' Home and was glad to have mentors to guide and affirm her. Upon completion of her internship, she was offered a full-time job!



Kavita, 23 years old



Intan, 19 years old

When Intan first came to WINners' Home in Sep 2018, she was apprehensive about adapting to the life there as she missed her family very much. She was eventually moved by the love, patience and acceptance shown to her by the staff. In the WINner's Home, she learnt how to accept and respect people with differing opinions.

Highlights of the Year

GEM New Start Centre commemorated 8 years in community service with a Charity Gala cum Fund Raising Dinner on Sunday, 17 March 2019 at the Grand Copthorne Waterfront Hotel. We were honoured to have Dr & Mrs Tony Tan to grace the event as our Guests-of-Honour. We were also grateful to donors, volunteers and community partners who purchased seats for the dinner in support of our cause.

The theme for the event was Peranakan Night. To complement the theme, many of our guests came attired in batiks and vibrant-coloured sarong kebayas. To accentuate the theme of the evening, we invited The Peranakan Association of Singapore (TPAS) and the Gunong Sayang Association (GSA) to participate in the entertainment segment of the evening.

The highlights of the evening included special performances by our beneficiaries, performance by a choir and a brass band and an auction of exquisitely hand-crafted unique Peranakan jewellery pieces. The guests witnessed the graduation ceremony of our WINners at the WINners' Home.

The evening concluded on a high note as TPAS and GSA, together with the choir and our organising committee took to stage to lead everyone into singing a revised rendition of the song "Rasa Sayang", a popular Malay folk song resonating the theme of the night.



Event Highlights



AP Catherine Dong and Dr. Grace Li



High Tea with the ladies, 17 August



Graduates Reunion, 27 June



Volunteers Gathering, 19 September



Outreach at Bright Vision Hospital, 16 December



Christmas Sales booth, 15, 22 & 23 December



Christmas Celebration, 23 December



Plans Ahead

Our Core Priorities:

1. Website New Look!

Yes, we are revamping our website to stay relevant and current for community partners and beneficiaries.

2. Because They Matters

We are adding strength to our current team to provide additional support for the WINners as we plan for increasing number of admissions.

3. Strengthening Helping Hands

We are actively engaging various stakeholders, community partners and various government agencies for referrals. We are aware that it will not be possible for us to reach all our goals alone and we do need partners to work with us to meet the needs of the WINners in the community.

4. Increased Giving

We are actively looking at new fund-raising platforms.

Story of Beautiful GEM

I'm Shazrin and I have been staying in Singapore since I was 14 years old. I did not have the opportunity to attend school although I very much wanted to. Having no certificates or education, I felt lost and had no idea what I wanted to do with my life. My dream was to have the ability to help my mom and siblings but I felt stuck as I thought that there was no hope or a future for me. I cried when I thought about the future so I chose not to think about it as I felt weak crying.

I got into trouble with the law and was sent by the State Court to reside in the WINners' Home, a residential home for young female offenders. That was in fact a turning point in my life. In the WINners' Home, I experienced love and learned to appreciate myself. I realised that there were people who cared about me and my future. I learned to be positive and not to give up on my life. I also had the opportunity to learn manicure/pedicure and facial; skills that I never thought I would learned in my life. Learning these skills helped me to be more confident during my internship placement. I got to improve on my English too!

Throughout my stay in the WINners' Home, the staff never gave up on me. I started to discover my potential and saw hope for my future. I learned to love and accept myself. I felt free to share my problems because I knew that I was not alone. I felt sad the day I completed my residency in the WINners' Home as it had become my home and the people there had become my extended family.

"I started to discover my potential and saw hope for my future. I learned to love and accept myself."



Statutory Information

Registered Office

24 Raffles Place
#24-03 Clifford Centre
Singapore 048621

Charity Status

Charity Registration Date : 20 June 2016

Company Incorporation

Company Limited by Guarantee
Unique Entity No. (UEN) : 201314600E
Date of Establishment : 31 May 2013

Company Secretary

Wendy Mei-Yoke Wong nee Leong

Membership

Full member of National Council of Social Services since 1 June 2017

Banker

OCBC Bank

Auditor

H Wee & Co

Contact Information :

Tel : 6266 3302/ 3310

Email : admin@gemnsc.com

Website : www.gemnsc.com

AUDITED FINANCIAL STATEMENTS

GEM NEW START CENTRE LIMITED
(Registration No. 201314600E)

31 DECEMBER 2019

AUDITED FINANCIAL STATEMENTS

GEM NEW START CENTRE LIMITED

31 DECEMBER 2019

C O N T E N T S

	<u>PAGE</u>
Directors' statement	1
Independent auditors' report	3
Statement of financial position	5
Statement of financial activities	6
Statement of changes in fund	7
Statement of cash flows	8
Notes to the financial statements	9

GEM NEW START CENTRE LIMITED

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The directors present their report to the members together with the financial statements of Gem New Start Centre Limited (the "company") for the financial year ended 31 December 2019.

In the opinion of the directors,

- (a) the financial statements of the company together with the notes thereon are drawn up so as to give a true and fair view of the financial position of the company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the company for the financial 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.

DIRECTORS

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

**TAY POH LIAN
KWAN THIM FATT
WENDY WONG MEI YOKE NEE LEONG
CHING SIOW FAI
TAY AH GUAN
TAN BENG WEE**

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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 acquisition of shares in, or debentures of, the company or any other body corporate.

OTHER MATTERS

As the company is limited by guarantee and does not have a share capital, matters relating to the issue of shares, debentures or share options are not applicable.

GEM NEW START CENTRE LIMITED

DIRECTORS' STATEMENT (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

INDEPENDENT AUDITORS

The independent auditors, H. Wee & Co, have expressed their willingness to accept re-appointment as auditors of the company.

On Behalf of the Board of Directors



Ching Siow Fai
Director



Tay Ah Guan
Director

DATE: 3 April 2020

**GEM NEW START CENTRE LIMITED
INDEPENDENT AUDITORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **GEM NEW START CENTRE LIMITED** (the company), which comprise the statement of financial position as at 31 December 2019, and the statement of financial activities, statement of changes in fund 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 provisions of the Companies Act, Chapter 50 (the Companies 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 give a true and fair view of the financial position of the company as at 31 December 2019 and of the financial performance, changes in the 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 opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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 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 comprises the directors. Their responsibilities include overseeing the company's financial reporting process.

**GEM NEW START CENTRE LIMITED
INDEPENDENT AUDITORS' REPORT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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

Report on Other Legal and Regulatory Requirements

In our opinion, 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, and the Charities Act and Regulations.

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

H. Wee & Co.

H. Wee & Co.
Public Accountants and Chartered Accountants

DATE: 3 April 2020

GEM NEW START CENTRE LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019

	<u>NOTE</u>	<u>2019</u> S\$	<u>2018</u> S\$
FUNDS			
General Fund		150,294	70,646
		<u>150,294</u>	<u>70,646</u>
Represented by:			
NON-CURRENT ASSETS			
Plant and equipment	3	48,093	6,832
CURRENT ASSETS			
Other debtors	4	10,327	16,090
Bank and cash balances	5	144,427	55,101
		<u>154,754</u>	<u>71,191</u>
LIABILITIES			
NON-CURRENT LIABILITIES			
Lease liability	6	8,190	-
CURRENT LIABILITIES			
Accruals		6,182	7,377
Lease liability	6	38,181	-
		<u>44,363</u>	<u>7,377</u>
NET CURRENT ASSETS		102,201	63,814
		<u>150,294</u>	<u>70,646</u>

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

GEM NEW START CENTRE LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>NOTE</u>	<u>2019</u> S\$	<u>2018</u> S\$
INCOME			
Donations		6,173	165,359
Social Events	7	389,962	21,572
Miscellaneous income		6,073	5,651
Total income		402,208	192,582
COSTS AND EXPENSES			
Accountancy fees		5,200	4,800
Audit fees		1,200	1,200
Bank charges		123	118
Depreciation	3	35,360	5,899
External training/workshop		728	774
Honorarium paid to a director		-	2,353
Interest expense	11	2,416	
Lease expenses		8,000	38,400
Programs	8	146,745	171,717
Social event - Expenses	7	32,338	3,707
Salaries and employee benefits		64,044	61,200
Other operating expenses		26,406	31,702
Total costs and expenses		322,560	321,870
PROFIT/(LOSS) FOR THE YEAR		79,648	(129,288)
Tax expense	9	-	-
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR		79,648	(129,288)

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

GEM NEW START CENTRE LIMITED

**STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>GENERAL FUND</u>	<u>TOTAL FUND</u>
	S\$	S\$
Balance at 31 December 2017	199,934	199,934
Total comprehensive loss for the year	(129,288)	(129,288)
	<hr/>	<hr/>
Balance at 31 December 2018	70,646	70,646
Total comprehensive income for the year	79,648	79,648
	<hr/>	<hr/>
Balance at 31 December 2019	150,294	150,294

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

GEM NEW START CENTRE LIMITED**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>2019</u> S\$	<u>2018</u> S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit/(Loss) before taxation	79,648	(129,288)
Adjustments:		
Depreciation	35,360	5,899
Interest expense	2,416	-
Operating profit/(loss) before working capital changes	<u>117,424</u>	<u>(123,389)</u>
Changes in working capital:		
Decrease in stocks	-	5,919
Decrease/(Increase) in other debtors	5,763	(7,690)
(Decrease)/Increase in accruals	(1,195)	5,767
Cash flows from/(used in) operations	<u>121,992</u>	<u>(119,393)</u>
Tax paid	-	-
Net cash flow from/(used in) operating activities	<u>121,992</u>	<u>(119,393)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	<u>(1,316)</u>	<u>(298)</u>
Net cash flow used in investing activities	<u>(1,316)</u>	<u>(298)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	<u>(31,350)</u>	-
Net cash flow used in financing activities	<u>(31,350)</u>	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	89,326	(119,691)
CASH & CASH EQUIVALENTS AT BEGINNING OF YEAR	55,101	174,792
CASH & CASH EQUIVALENTS AT END OF YEAR (Note 5)	<u>144,427</u>	<u>55,101</u>

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

GEM NEW START CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 DECEMBER 2019

1. GENERAL INFORMATION

Gem New Start Centre Limited (the "company") is a company limited by guarantee, domiciled and incorporated in Singapore. The registered office is at 24 Raffles Place, #24-03 Clifford Centre, Singapore 048621.

The principal activities of the company are reintegration, training and support for prisoners, ex-offenders and family.

The financial statements for the year ended 31 December 2019 were authorised for issue in accordance with a resolution of the board of directors on 3 April 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

The accounts expressed in Singapore Dollars, which is the company's functional currency, have been prepared under the historical cost basis (except as disclosed in the accounting policies below) and in accordance with Financial Reporting Standards in Singapore (FRS).

ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATION

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the company has adopted all the new and amended standards which are relevant to the company and are effective for annual financial periods beginning on or after 1 January 2019. Except for the adoption of FRS 116 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the company.

FRS 116 Leases

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The company adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings. The company elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the company applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The company has lease contracts for office premise. Before the adoption of FRS 116, the company classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The accounting policy prior to 1 January 2019 is disclosed in Note 2 - Leases.

Upon adoption of FRS 116, the company applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 January 2019 is disclosed in Note 2 - Leases. The standard provides specific transition requirements and practical expedients, which have been applied by the company.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

ADOPTION OF NEW AND AMENDED STANDARDS AND INTERPRETATION (CONTINUED)

(i) Leases previously accounted for as operating leases

The company recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised based on the amount equal to the lease liability, adjusted for previously recognized prepaid or accrued lease payments.

The company also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

The company has lease for office premise and it was classified as lease liability under FRS 116 as at 31 December 2019. As at 1 January 2019, the company applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application. Therefore, the lease commitment as at 31 December 2018 of \$8,000 was the commitment relating to short-term lease.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The company has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 <i>Definition of Material</i>	1 January 2020
Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES – (CONTINUED)

Information about critical judgements, key assumptions and accounting estimates that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

Useful lives of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight line basis over their estimated useful lives. The company reviews annually the estimated useful lives of these assets, based on factors that include asset utilisation and anticipated use of the assets. It is possible that results of operations could be materially affected by changes in estimates brought about by changes in the factors mentioned. The carrying amount of property, plant and equipment at statement of financial position date are disclosed in Note 3.

FINANCIAL INSTRUMENTS

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 carried 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.

Trade receivables are measured at the amount of consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The company only has debt instruments at amortised cost.

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 the 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.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL INSTRUMENTS (CONTINUED)

Financial assets (Cont'd)

De-recognition

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 for debt instruments is recognised in profit or loss.

Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised 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 plus in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

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 or 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).

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

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

IMPAIRMENT OF NON-FINANCIAL ASSETS

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

PROPERTY, PLANT AND EQUIPMENT AND DEPRECIATION

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the company recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the property, plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of financial activities.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture & fittings, office equipment and renovation	3 years
Computers	1 years
Right-of-use assets	2 years

The carrying amount is reviewed annually to assess whether it needs to be written down to its recoverable amount. Fully depreciated assets are retained in the accounts until they are no longer in use. The useful lives and depreciation method are reviewed annually to ensure that these are consistent with the pattern of economic benefits provided by the assets.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash at bank and cash in hand which is subject to an insignificant risk of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

EMPLOYEE BENEFITS

Pension obligations

As required by law, the company makes contributions to the contribution pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

INCOME RECOGNITION

Revenue is measured based on the consideration to which the company expects to be entitled in exchange for transferring control of a promised good or service to a counterparty, excluding amounts collected on behalf of third parties.

Revenue is recognised when the company satisfies a performance obligation by transferring control of a promised good or service to the counterparty. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Donations

Donations are recognised upon receipt from donors.

LEASES

These accounting policies are applied on and after the initial application date of FRS 116, 1 January 2019:

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

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

Right-of-use assets

The company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, adjusted for previously recognized prepaid or accrued lease payment. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

NOTES TO THE FINANCIAL STATEMENTS

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

LEASES – (CONT'D)

These accounting policies are applied on and after the initial application date of FRS 116, 1 January 2019:

Lease liabilities

At the commencement date of the lease, the company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the company and payments of penalties for terminating the lease, if the lease term reflects the company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

Short-term leases and leases of low-value assets

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

These accounting policies are applied before the initial application date of FRS 116, 1 January 2019:

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

RELATED PARTIES

A party is considered to be related to the company if:

- i) The party, directly or indirectly through one or more intermediaries,
 - controls, is controlled by, or is under common control with the company;
 - has an interest in the company that gives it significant influence over the company, or
 - has joint control over the Company;
- ii) The party is an associate;
- iii) The party is a jointly-controlled entity;
- iv) The party is a member of the key management personnel of the company;
- v) The party is a close member of the family of any individual referred to in (i) or (iv); or
- vi) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (iv) or (v).

NOTES TO THE FINANCIAL STATEMENTS

3. PROPERTY, PLANT AND EQUIPMENT

	<u>Furniture & Fittings</u>	<u>Office Equipment</u>	<u>Computers</u>	<u>Office Premise</u>	<u>Total</u>
	S\$	S\$	S\$	S\$	S\$
Cost					
At 01.01.2018	15,174	2,733	3,169	-	21,076
Additions	-	-	298	-	298
Disposals	-	-	(429)	-	(429)
At 31.12.2018	15,174	2,733	3,038	-	20,945
Additions	379	-	937	75,305	76,621
Disposals	-	-	-	-	-
At 31.12.2019	15,553	2,733	3,975	75,305	97,566
Accumulated Depreciation					
At 01.01.2018	4,850	624	3,169	-	8,643
Additions	4,765	911	223	-	5,899
Disposals	-	-	(429)	-	(429)
At 31.12.2018	9,615	1,535	2,963	-	14,113
Additions	4,291	845	416	29,808	35,360
Disposals	-	-	-	-	-
At 31.12.2019	13,906	2,380	3,379	29,808	49,473
Net Book Value					
At 31.12.2019	1,647	353	596	45,497	48,093
At 31.12.2018	5,559	1,198	75	-	6,832

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 11(a).

4. OTHER DEBTORS

	<u>2019</u>	<u>2018</u>
	S\$	S\$
Utility deposit	150	150
Rental deposit	6,600	6,400
Deposit paid for charity dinner	-	6,500
Prepayments	3,577	3,040
	<u>10,327</u>	<u>16,090</u>

NOTES TO THE FINANCIAL STATEMENTS

5. CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of bank and cash balances. Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amount:

	<u>2019</u> S\$	<u>2018</u> S\$
Bank and cash balances	144,427	55,101

6. LEASE LIABILITIES

	<u>2019</u> S\$	<u>2018</u> S\$
Lease liabilities		
Current	38,181	-
Non-Current	8,190	-
	<u>46,371</u>	<u>-</u>

A reconciliation of liabilities arising from financing activities is as follows:

	<u>01-Jan</u> <u>2019</u>	<u>Cash flows</u>	<u>Acquisitions</u>	<u>Non-cash</u> <u>changes</u>	<u>31-Dec</u> <u>2019</u>
				Accretion of <u>interest</u>	
	S\$	S\$	S\$	S\$	S\$
				<u>Other</u>	
				S\$	
Lease Liability					
- Current	-	(31,350)	67,115	2,416	38,181
- Non-current	-	-	8,190	-	8,190
	<u>-</u>	<u>(31,350)</u>	<u>75,305</u>	<u>2,416</u>	<u>46,371</u>

7. SOCIAL EVENTS (CONFERENCE & FUND-RAISING)

	<u>2019</u> S\$	<u>2018</u> S\$
Receipts	389,962	21,572
Less: Expenses		
AV/Media expenses	1,362	230
Rental of banquets	27,505	-
Postages and courier charges	185	-
Printing and stationery	1,089	-
Refreshments	8	267
Transport	315	37
Miscellaneous expenses	1,874	3,173
	<u>32,338</u>	<u>3,707</u>
	<u>357,624</u>	<u>17,865</u>

NOTES TO THE FINANCIAL STATEMENTS

8. PROGRAMS

	<u>2019</u>	<u>2018</u>
	S\$	S\$
Expenses:		
Medical fee	326	287
Miscellaneous expenses	715	1,662
Program development fees	-	14,500
Printing and stationery	73	145
Refreshment/meals	4,202	4,053
Staff salaries and CPF	136,947	142,240
Staff benefits	114	171
Staff training	105	2,115
Transport	1,226	836
Training materials	1,086	1,318
Winner programme (reimbursements)	2,682	5,270
	<u>147,476</u>	<u>172,597</u>
Less:		
Contribution received - programs	359	1,993
Receipts - beauty training & services	404	342
Cost of training/beauty products	(32)	(1,455)
	<u>731</u>	<u>880</u>
	<u>146,745</u>	<u>171,717</u>

9. TAXATION

The company is registered as a charitable institution and income is exempt from tax under Section 13(1)(g) of the Income Tax Act as of 20 June 2016.

Subject to the agreement of the Comptroller of Income Tax and the compliances with relevant provisions of the Income Tax Act, the company has unrecognised tax losses and unabsorbed capital allowance carry forward available for offsetting against future taxable income as follows:

	<u>2019</u>	<u>2018</u>
	S\$	S\$
Tax losses and capital allowances:		
Balance at beginning of year	87,372	87,372
Current year	-	-
Balance at end of year	<u>87,372</u>	<u>87,372</u>
Unrecorded deferred tax asset on above	<u>14,853</u>	<u>14,853</u>

Deferred tax benefit from tax losses and capital allowance are not recorded as an asset in view of the uncertainties over future income stream against which the benefit can be realised.

NOTES TO THE FINANCIAL STATEMENTS

10. EMPLOYEE BENEFITS

The company's contribution to the Central Provident Fund was in respect of:

	<u>2019</u> S\$	<u>2018</u> S\$
Staff	25,378	28,915

Compensation of directors and key management personnel

The remuneration of the directors during the year was as follows:

	<u>2019</u> S\$	<u>2018</u> S\$
Honorarium paid to a director	-	2,353

There are no other key members of management except for the directors of the company.

11. LEASE

The company has lease contract for office premise. The company's obligations under the leases are secured by the lessor's title to the leased assets. The company is restricted from assigning and subleasing the leased assets. The lease contract that include extension options which are further discussed below.

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

	<u>Office premise</u> S\$
At 1 January 2019	-
Addition	75,305
Depreciation	(29,808)
At 31 December 2019	<u>45,497</u>

(b) Amounts recognised in profit or loss

	<u>2019</u> S\$
Depreciation of right-of-use assets	29,808
Interest expense on lease liabilities	2,416
Lease expense not capitalised in lease liabilities: - expense relating to short-term leases	8,000
	<u>40,224</u>

(c) Total cash outflow

The company had total cash outflows for leases of S\$39,350 in 2019.

NOTES TO THE FINANCIAL STATEMENTS

12. COMMITMENT

As at 31 December 2018, the future minimum lease payables under non-cancellable operating leases contracted for in respect of office premise but not recognised as liabilities, are as follows:

	<u>2018</u> S\$
Lease which expires	
Within one year	8,000
Within two to five years	-
	<hr/>

As disclosed in Note 2 leases, the company has adopted FRS 116 on 1 January 2019. These lease payments were recognised as right-of-use assets and lease liabilities in the statement of financial position as at 31 December 2019, except for short-term and low-value leases.

13. RELATED PARTY TRANSACTIONS

During the year, significant transactions with related parties on terms as agreed were as follows:

	<u>2019</u> S\$	<u>2018</u> S\$
Expenses paid to a related party		
- Program development fees	-	14,500
	<hr/>	<hr/>

14. FINANCIAL ASSETS AND LIABILITIES

Financial assets and liabilities can be categorised as follows:

	<u>2019</u> S\$	<u>2018</u> S\$
Financial assets at amortised cost	151,177	68,151
Financial liabilities at amortised cost	52,553	7,377
	<hr/>	<hr/>

15. FINANCIAL RISK MANAGEMENT

The main risks arising from the company's financial statements are credit risk, interest rate risk, liquidity risk, capital management and fair values. The directors review and agree on policies for managing each of these risks and they are summarised below:

(i) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company. For other financial assets, the company adopts the policy of dealing only with high credit quality counterparties. The counterparty's payment profile and credit exposure are continuously monitored by the management.

NOTES TO THE FINANCIAL STATEMENTS

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

(i) **Credit risk (continued)**

As the company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the balance sheet.

The company has no significant concentration to credit risk.

(ii) **Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the company's financial instruments will fluctuate because of changes in market interest rates.

The company's exposure to interest rate risk arises primarily from the company's cash at bank. The company's policy is to obtain the most favourable interest rates available.

(iii) **Liquidity risk**

The company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the company's operations and to mitigate the effects of fluctuations in cash flows. Typically, the company ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations.

The financial liabilities of the company as at 31 December 2019 and 2018 are repayable on demand or due within 1 year from the financial position date.

(iv) **Capital Management**

The primary objective of the company's capital management is to ensure that it has sufficient funds in order to support its charitable activities.

(v) **Fair Values**

The carrying amounts of bank balance, receivables and payables approximate their fair values due to their short term nature.

GEM NEW START CENTRE LIMITED

**DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2019**

	<u>2019</u>	<u>2018</u>
	S\$	S\$
INCOME		
Donations	6,173	165,359
Social Events	389,962	21,572
Miscellaneous Income	6,073	5,651
	<u>402,208</u>	<u>192,582</u>
LESS : EXPENSES		
Accountancy fees	5,200	4,800
Audit fee	1,200	1,200
Bank charges	123	118
Depreciation	35,360	5,899
External Training/Workshop	728	774
Entertainments	-	1,610
Honorarium paid to a director	-	2,353
Interest - ROUA	2,416	-
Insurance	1,633	1,621
Marketing & publicity	564	300
Medical fee	130	41
Miscellaneous expenses	2,720	4,384
Office rental	8,000	38,400
Programs	146,745	171,717
Postages & courier	446	897
Printing & stationery	4,823	3,110
Refreshments & catering	1,196	1,513
Repairs & maintenance	5,389	5,598
Staff salaries, CPF & SDL	61,263	60,738
Staff benefits	638	155
Staff training	-	266
Staff training retreat	2,013	-
Seminars & Conference	329	990
Social event - expenses	32,338	3,707
Telephone, fax & internet	1,755	1,674
Travelling expenses	445	3,536
Transport	1,742	1,959
Utilities	5,364	4,510
	<u>322,560</u>	<u>321,870</u>

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

Graceful. Empowered. Masterpiece



<https://www.facebook.com/GEMNewstart/>



6266 3302/ 3310



www.gemnsc.com



admin@gemnsc.com