



# ANNUAL REPORT 2020

Every Woman  
**CAN**  
LAUGH  
at her  
**FUTURE**





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### **Registered Office**

24 Raffles Place  
#24-03 Clifford Centre  
Singapore 048621

### **Office/ Residential Home**

2 Springleaf View  
Singapore 787908

### **Charity Status**

Charity Registration Date : 20 June 2016

### **Institute of Public Character (IPC)**

Period of approval : 6 November 2020 to 5 November 2021  
Type of Fund : General Fund  
Sector Administrator : Ministry of Social and Family Development

### **Company Incorporation**

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

### **Membership**

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

### **Banker**

OCBC Bank

### **Auditor**

H. Wee & Co. LLP

### **Company Secretary**

Wendy Mei-Yoke Wong nee Leong

### **Contact:**

Tel : 6266 3302/ 6266 3310  
Email : [admin@gemnsc.com](mailto:admin@gemnsc.com)

The COVID-19 pandemic has brought about unprecedented disruptions to our lives and the global economy. Given the bleak economic outlook, small charities like ours are greatly impacted by the sharp drop in donations from individual donors, corporations and foundations as they tighten their charity budgets.



Safe management measures wisely put in place by our Government have kept us safe but our two fund raising events planned last year were disrupted. We had hoped to raise funds through these two events to cover 60% of our operating needs. We are grateful for the various support schemes introduced by our Government and the National Council of Social Service which tided us over the difficult year of 2020. We are also very grateful to our faithful donors who responded to our urgent appeals to give during such a time.

As a residential home providing essential services, GEM New Start Centre Limited (GEM NSC) continued to operate the whole of last year to serve the needs of WINners placed in our care. We received numerous enquiries for emplacement and even direct calls for shelter during this time. We admitted 6 new residents aged between 19 to 24 years old to WINner's Home during Phase 2 of the Circuit Breaker.

We are proud to report that 3 WINners completed their programme successfully with us in 2020. As these ladies had multiple needs, we were keenly aware when we received them that it would not be an easy time journeying with them. However, our staff and volunteers were committed to work with them to build prosocial support so that they could reintegrate into society, restored and empowered. And they did!

We were encouraged to close the year 2020 with a new milestone for GEM NSC. GEM NSC was given IPC status with effect from 6 November 2020 for an initial period of one year. Becoming an IPC charity is an affirmation of our effort and a testament to the quality of our work, the impact of our activities, and the strength of our governance.

We acknowledge the support of our community partners, faithful donors, volunteers and dedicated team of committee members and staff in the mission of GEM NSC. On behalf of the WINners, thank you all for making a difference and supporting them in their journeys of transformation.

With Love

A handwritten signature in black ink, appearing to read 'Caroline Tay', written over a light blue background.

Caroline Tay

### **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 beautiful gems 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 situation

#### **Excellence**

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

#### **Self-Control**

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

## Board of Directors

Board Members	Position	Date of Re-appointment	Board Meeting Attendance
Tay Ah Guan (Caroline Tay)	Executive Chairman	29 June 2020	2/2
Wendy Mei-Yoke nee Leong	Director cum Corporate Secretary		2/2
Tay Poh Lian (Lilian Tng)	Director		2/2
Ching Siow Fai (Lynn Ching)	Director		2/2
Kwan Thim Fatt (Thomis Kwan)	Director		2/2
Tan Beng Wee	Director	29 June 2020	2/2

### Executive Committee 2020

Advisor : Lilian Tng  
 Chairman : Caroline Tay  
 Secretary : Wang Si Ying  
 Treasurer : Jesslyn Ng  
 Member : Lynn Ching  
 Key Management Personnel : Doreen Lim

### Finance Committee 2020

Chairman : Lilian Tng  
 Member : Jesslyn Ng

### Audit & Risk Committee 2020

Director cum Corporate Secretary : Wendy Mei-Yoke nee Leong  
 Member : Lynn Ching

### Governance

The Board has a Conflict-of-Interest Policy to protect all directors, staff from any impropriety. The policy serves to assist in identifying and managing potential areas of conflict within the organisation.



## **Financial Announcement**

GEM New Start Centre has obtained the status as an Institute of Public Character (IPC) for the period 6 November 2020 to 5 November 2021.

## **Funding Sources**

GEM New Start Centre is funded through good-will donations and other support in kind.

### Review of financial performance

Owing to COVID-19 pandemic, we had to cancel 2 fund-raising events which were planned to raise approximately \$200,000 to partially meet the yearly operational expenses. In spite of this, we were able to raise \$204,356 with donations from kind-hearted individuals and corporations who had responded swiftly to our appeals.

Our financial resources for FY2020 stood at \$253,311 and we closed the year in deficit of \$20,074.

For more information, please refer to page 15.





### **Volunteers**

**21** persons contributed **209** hours

**6** persons have been newly recruited

**2** are long-term volunteers who have served at least **10** years

**3** are faithful volunteers who have served at least **5** years

**8** are regular volunteers who have served an average of **18** hours a year

### **WINners Touched**

**3** successfully completed their residential programme in the WINner's Home; **2** of which were probationers who had to serve **9** and **12** months respectively.

We had our 1<sup>st</sup> girl placed with us under Release On Supervision (ROS) from the Singapore Prison Services. She too successfully completed a 6- month programme.

**7** new admissions

**16** referrals and enquiries

No. of referrals and enquiries received till date (since 2017) : **42**

**As at date: reached out to 404 ladies and we are still counting**



## Our Programme

Our programme anchors on our mission to empower women to discover their valued identities and to live a purpose-driven life. As such, the curriculum is designed to bring healing, restoration and transformation to every WINner in body, mind and spirit, through 2 phases - Refine and Shine.

### Refine Phase

#### 1. Life Skills & Socio-Emotional Resilience

We equip each WINner with the essential skills to face life challenges and to be more resilient and adaptable.

#### 2. Characters & Values

We seek to shape each WINner's character by instilling our core values - integrity, respect, teachability, understanding, excellence and self-control – in her and to work with her towards a renewed mind and a new sense of purpose.

#### 3. Vocational Skills Training

We prepare each WINner for adulthood and work life by facilitating her acquisition of new technical skills, new knowledge or developing marketable skills.

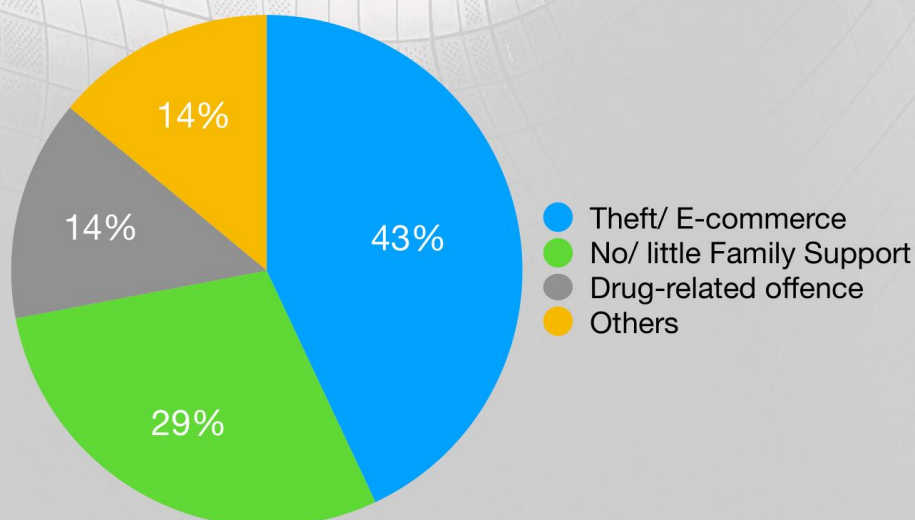
### Shine Phase

This phase is where the WINners are put to the test. For those who are ready for work engagement and are deemed competent in their skills, we will work with our partners to see if they can be offered internship placements where they can earn and learn on the job. So far, our partners are in the beauty trade and we hope to expand our circle to include other industry partners.

### Demographic Profile for FY 2020 admission

Mean age : 20 years

### Nature of offence



## WINners' Graduation

We rejoiced with 3 WINners who successfully completed their programmes in WINners' Home in 2020 despite it being a "pandemic year".

### WINner Fanny\*, 19 years old

Graduated on 25 February 2020

Fanny was sent by the State Court on 25 Feb 2019 to be placed on 12 months hostel stay as part of her probation order. Her desire to return back to school to complete her Secondary 4 education came to fruition when the school decided to give her a chance. We are happy for Fanny as we believe that each girl deserves a second chance to reset her past.

#### Graduation Speech:

*'My experience in GEM has been a bumpy ride. I was out of control but GEM didn't give up on me as it chose to see the good in me that I could change. The staff members in GEM NSC were always there to support me throughout the 12 months I was a resident there. I want to thank GEM for making it possible for me to return back to school, it would not have been possible without GEM's initial commitment to the school that it would see me through.'*

### WINner Nelly\*, 20 years old

Graduated on 7 August 2020

Nelly, a single mum, was charged for drug consumption and placed by the State Court on 8 November 2019 to reside in WINners' Home for 6 months hostel stay as part of her probation order. Subsequently, her stay was extended for another 3 months because of her parents' incarceration. Her progress was good and she got a job prior to her completion of the programme.

#### Graduation Speech:

*"During this period of time, I likened myself to being a knife that needed to be polished and sharpened. I like the change in me now. The old me was defensive by nature and saw feedbacks as personal attacks, and my reaction was to retaliate. Now, I am open to feedbacks and will do a self-check to see what are the areas that I can improve on. I am a prideful person and for me to admit that I am wrong is hard but GEM has helped me to see the importance of admitting mistakes and making amends.'*

### WINner Sherry\*, 21 years old

Graduated on 18 November 2020

Sherry, who was diagnosed with mild mental retardation with behavioral problems and adjustment disorder, was emplaced for 6 months as part of her 'Release-On-Supervision' (ROS) with the Singapore Prison Service. The setbacks faced by Sherry were a little different from the other residents; yet we chose to take her in as we believed the safe and nurturing environment could contribute positively to her emotional wellbeing. One achievement that we wanted to celebrate was her success in overcoming her fear of the stove. She learnt to cook potato egg omelette, a dish which soon become her signature dish, and she told us that she could not wait to share it with her family.

Sherry was the 1<sup>st</sup> ROS case and we are proud that she was released from supervision after the successful completion of her programme with us.

#### Graduation Speech:

*'I regard GEM as my own home and I have made friends here. I have learnt many things and I hope to apply them in my life after I leave GEM.'*

## WINners' Learning Journey

### WINner Rachel\*, 18 years old



*'GEM is like a home; it is unlike other homes or institution that I have been to. I feel special here. I enjoy the programme and in particular, producing a portfolio of my training in the areas of basic nails technology, which is one of the requirements in vocational skills training. The portfolio is a showcase of my work and that can come in handy if I choose to go for a job in the same trade where the employer will be able to assess my skills competency.'*

### WINner Hannah\*, 19 years old



*'At first, I didn't like manicure and pedicure skills training but the staff encouraged me, saying that I could do it. That was when I started to believe in myself and I saw the work product as a form of art. Also, I am thankful that I got to learn to play the piano here. I thought I had to start learning like a kid to be able to play, but that was not true. When I started to learn and practise, I realized that I could actually do it and what I need is patience.'*

\*Names are changed to protect their identities

## Birthday Celebrations for the Graduates

Yes, we celebrated the birthdays of 13 of our past graduates, giving each a sweet surprise with yummy tiramisu. To many of them, it was an unexpected Birthday Surprise. This is part of our aftercare initiatives to follow up and stay connected with our graduates. They will always be a part of GEM's big family even after they finished their programme with us.



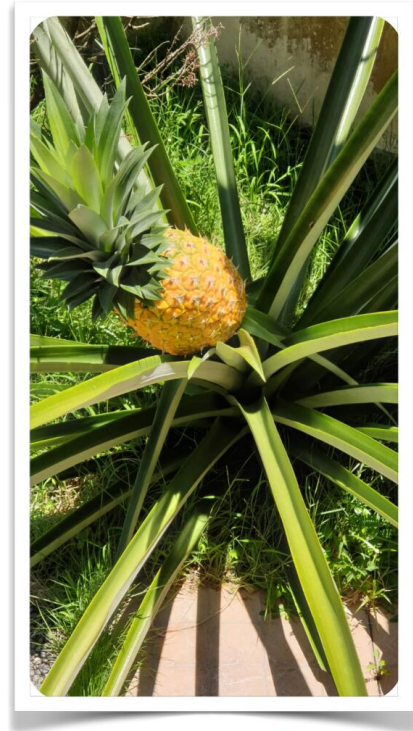
*Note: some of the celebrations were held before Circuit Breaker*

## Pineapple Harvest

What a timely harvest! While the staff and WINners were adapting to the different challenges of being locked down during the circuit breaker period, we got to enjoy the fruit of our labour; savouring the incredibly sweet, juicy and tangy pineapple freshly harvested from our garden. Every bite of the pineapple instantaneously brought a big wide smile to each of our faces as we immersed our senses in the citrus and fruity fragrance of the pineapple in the air.

Thanks to Ms Jenny Ng, one of our volunteers who played a significant role in transforming the landscape of our garden.

Not wanting to miss another chance to enjoy the tangy fruit, we replanted the head of pineapple and looked forward to another great harvest in years to come.



## Volunteers Engagement

Volunteers are great assets and resources for small charities like GEM. We rely substantially on these group of individuals to provide new learning opportunities for our WINners, especially in the area of interest-based skills learning.

This round of volunteers recruitment started with just one kind-hearted individual, Steve M, who stepped forward to help raise awareness of the work of GEM through his social media. He posted our needs among his neighbours at a prime district. Steve is a cancer survivor, a Singapore Permanent Resident who has found his home in Singapore and wants to contribute back to the community. We are thankful for his assistance, without which, we will not be able to reach out to these new groups of volunteers. There is no better publicity than having the volunteers reaching out to recruit other volunteers on our behalf.

Despite the COVID-19 pandemic situation, we are thankful that new volunteers are willing to come in to spend time with the girls at the WINner's Home, impart valuable skills ranging from flower arrangements, art decoupage, crochet knitting to financial planning workshop. What a memorable moment for the WINners!

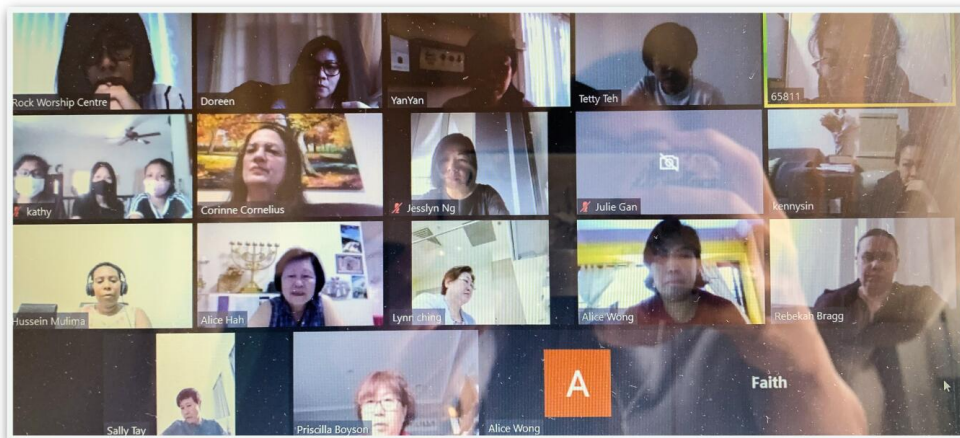
***Volunteers, THANK YOU for your dedication and love for the WINners.***

## Virtual Soul Care for the LADIES

"Woman of the hour"  
28 November 2020

*'We may be apart but we will always be together as a part of the bigger mission.'*

Every year, without fail, GEM would host high-tea sessions to gather women from all walks of life for a time of encouragement, validating and fulfilling their purposes. Last year, we hosted our 'HiTEA' roundtable session for the first time virtually, via zoom, connecting women across the globe from Australia and New Zealand.



## Christmas - Tis the Season for Giving

The WINners were blessed to be treated to a traditional English fare by the owners of Rabbit Carrot Gun on Christmas Day. As a token of appreciation, the WINners presented a hand painted vase of a pit bull, which is the love pet of the owner.



**1. Completion and Launch of new website - www.gemnsc.com**

After months of working with the service provider, we have finally launched our new website to stay relevant. Thanks to the VWOs-Charities Capability Fund (VCF) Info-Communication Technology Grant administered by National Council of Social Service, we are able to obtain 70% subsidy for the website development.

**2. Recruitment of new staff member**

We welcomed a new staff member on board to look into building social media presence and add support to the operation team.

**3. Engaging in various e-platform for donations**

To connect with past donors and to expand the reach to engage new donors, crowdfunding e-platform is the way to go in the midst of pandemic where many charities, especially the smaller ones, are greatly hit.

3.1. GIVE.asia – Be the Catalyst for Changed Lives

GEM registered with one of the major crowdfunding e-platforms, GIVE.asia, to start its first fund-raising campaign in November 2020.

We were thankful to receive donations from our supporters from Australia via this platform. Till date, we raised a total of \$ 11,636.

3.2. Donate For Change

We signed up as one of the beneficiaries with Donate for Change, Singapore's micro donation service where donors can donate their change to charity through a free app. Donations can be as small as \$ 1 per month.

*'As little as it may seem, we believe this nest of donated money will eventually grow with continued effort.'*

**4. SG Cares Giving Week initiated by National Volunteer & Philanthropy Centre (NVPC)**

GEM New Start Centre Limited is privileged to be one of the beneficiaries of the SG Cares Giving Week, a movement that celebrates the spirit of giving and seeks to make giving part of our way of life during the period of 1 – 31 December.

The campaign is jointly organised by the National Volunteer & Philanthropy Centre, SG Cares Office and National Council of Social Service. The fund aims to help small charities like us who have been significantly hit financially during the COVID-19 pandemic. We received a total of \$ \$3,277.34.



Published  
December 2, 2020  
The Straits Times

# The City of Good Show

## Saving Our Charities

Wed 22 Jul 2020  
8.00pm  
Episode 04: Social Services

CityofGoodSG

Starring:

- SELENA TAN
- PAM OEI
- SITI KHALIJAH
- GHAFIR AKBAR

Special Guest Star:

- KOH CHIENG MUN

GEM New Start Centre was selected as one of the charities to be featured in The City of Good Show on 22 July 2020.

The screenshot shows the City of Good website interface. At the top, there are navigation links: "Donate Today Learn", "Be a Volunteer", and "Fundraise Now". The main content area features a grid of charity profiles. The profile for "GEM New Start Centre" is highlighted with a red circle and a callout box. The callout box contains the following text:

**GEM New Start Centre**  
by GEM New Start Centre

We strongly believe that every WIN can become a valuable, GRACEFUL & EMPOWERED MASTERPIECE...

The grid also includes other charity profiles such as "The Bone Marrow Donor Programme", "The National Kidney Foundation", "Care Corner Singapore", "Caritas Singapore Community Council", "Marymount Centre", "Metta Welfare Association", "St. Andrew's Mission Hospital", "Lia Society Pro Bono Services", and "Majulah Community".

At the bottom of the page, there are several sections: "NEWSLETTER" with a "SUBSCRIBE" button, "TOWARDS A CITY OF GOOD" with the "nvpc" logo, "CHAMPIONING SG CARES" with a "download the app" button, "ABOUT US" with "What is Giving.sg", "GET HELP" with "FAQ" and "Contact us", and "EXPLORE" with "Donate today", "Be a volunteer", and "Fundraise now".

### **Cash Donation - Individuals**

Alice Oseo	John Thong	Nuzhat Kazi
Amanda Yuk	Joseph Lai	Ong Ai Boon
Anand D Jeyasekharan	Josephine Huang	Patricia Lim
Andrew Bodnar	Judy Ng Sau Ling/Mrs Helen Ng	Paula Connelly Association
Belinda Cabaday	Judy Sim	Peter Pang
Belle Wong	Julie Gan	Priscilla Boyston
Bina Ong	Kang Rita Sadeli	Rachel Khoo
Carol Kwan	Kathy Ng	Rebekah Bragg
Caroline Lee	KathyIn Yeong Siow Hwei	Richard Tock
Chow Swee Sin	Koh Bee Choo Madeleine	Roland
David Sao	Koh Deng Hao	Sally Tay
Doreen Lim	Lee Chiew Huat	Sean Isaac Tng
Doris Chan	Lee Ching Ching	Siew Lin Lee
Doris Lim	Lee Kean Chuan	Tan Qing Wen
Earnest Khow	Lee Siew Lin	Tang Yam Soon
Esther Wong	Lim Lay Keong	Tay Ah Guan
Evangeline Tng	Lim Yan Yan	Tay Poh Lian
Gilbert	Lin Kim Gek	Tay Sok Heng
Irene Chew	Loh NeNee	Titus Tay
Jean Marie Seah	Lye Thiam Ken Natasha	Wang Siying
Jesslyn Ng	Lynn Ching Siow Fai	Wong Lixian Clarisse
Jing Shan	Maria Levanti	Yeo Ai Min
Jlim	Nancy Toh	Yiap Sow Chan
		Yvonne Tan

### **Cash Donation - Corporate**

Bethany Emmanuel Church  
Lee Foundation  
Rock Worship Centre Inc  
Upon This Rock



# **AUDITED FINANCIAL STATEMENTS**

## **GEM NEW START CENTRE LIMITED**

(Registration No. 201314600E)

**31 DECEMBER 2020**

# AUDITED FINANCIAL STATEMENTS

## GEM NEW START CENTRE LIMITED

31 DECEMBER 2020

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## **GEM NEW START CENTRE LIMITED**

### **DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

The directors present their report together with the audited financial statements of GEM New Start Centre Limited (the "company") for the financial year ended 31 December 2020.

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 2020 and the financial performance, changes in fund 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 report are as follows:

Tay Poh Lian  
Tay Ah Guan  
Kwan Thim Fatt  
Wendy Mei Yoke Wong Nee Leong  
Ching Siow Fai  
Tan Beng Wee

#### **ARRANGEMENT 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.

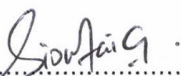
**GEM NEW START CENTRE LIMITED**

**DIRECTORS' STATEMENT (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**INDEPENDENT AUDITORS**

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

On behalf of Board of Directors



.....  
Ching Siow Fai  
Director



.....  
Tay Ah Guan  
Director

Singapore, 26 March 2021

# H. WEE & CO. LLP

PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS SINGAPORE

UEN: T21LL0283F

12 Tannery Road #10-01 HB Centre 1 Singapore 347722 Tel: (65) 6744 5158 Fax: (65) 6744 4050

## GEM NEW START CENTRE LIMITED INDEPENDENT AUDITORS' REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

### 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 balance sheet as at 31 December 2020, 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 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 2020 and of the financial performance, changes in fund 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 Auditors' 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.

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 Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act 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.

AW

**GEM NEW START CENTRE LIMITED  
INDEPENDENT AUDITORS' REPORT (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**Responsibilities of Management and Directors for the Financial Statements (Continued)**

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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

**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 auditors' 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 auditors' report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**GEM NEW START CENTRE LIMITED  
INDEPENDENT AUDITORS' REPORT (CONTINUED)  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act, 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 period from 6 November 2020 to 31 December 2020:

- (a) the Charity has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Charity has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

*H. Wee & Co. LLP*

**H. Wee & Co. LLP**  
Public Accountants and Chartered Accountants

Singapore, 26 March 2021

**GEM NEW START CENTRE LIMITED****BALANCE SHEET  
AS AT 31 DECEMBER 2020**

	<u>NOTE</u>	<u>2020</u> \$	<u>2019</u> \$
<b>ASSETS</b>			
<b>Non-current asset</b>			
Property, plant and equipment	3	<u>17,129</u>	<u>48,093</u>
<b>Current assets</b>			
Other receivables	4	9,589	10,327
Cash and bank balances		<u>122,407</u>	<u>144,427</u>
		<u>131,996</u>	<u>154,754</u>
<b>TOTAL ASSETS</b>		<u><u>149,125</u></u>	<u><u>202,847</u></u>
<b>FUND AND LIABILITIES</b>			
<b>Fund</b>			
General fund		<u>130,220</u>	<u>150,294</u>
<b>Non-current liability</b>			
Lease liability	5	<u>-</u>	<u>8,190</u>
<b>Current liabilities</b>			
Lease liability	5	8,190	38,181
Other payables	6	<u>10,715</u>	<u>6,182</u>
		<u>18,905</u>	<u>44,363</u>
<b>TOTAL FUND AND LIABILITIES</b>		<u><u>149,125</u></u>	<u><u>202,847</u></u>

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



**GEM NEW START CENTRE LIMITED****STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	<u>NOTE</u>	<u>2020</u>	<u>2019</u>
		\$	\$
<b>INCOME</b>			
Donations		204,356	6,173
Government grants		48,955	5,223
Social events	7	-	389,962
Miscellaneous income		-	850
<b>Total income</b>		<b>253,311</b>	<b>402,208</b>
<b>COSTS AND EXPENSES</b>			
Accountancy fee		4,800	5,200
Audit fee		2,000	1,200
Bank charges		314	123
Depreciation	3	42,025	35,360
External training/workshop		90	728
Interest on lease liability		1,419	2,416
Professional fee		3,500	-
Programs	8	120,188	146,745
Property, plant and equipment written off		164	-
Short term lease		-	8,000
Social events expenses	7	-	32,338
Salaries and employee benefits	9	78,852	64,044
Other operating expenses		20,033	26,406
<b>Total costs and expenses</b>		<b>273,385</b>	<b>322,560</b>
(Loss)/profit before income tax		(20,074)	79,648
Income tax	10	-	-
<b>Total comprehensive income</b>		<b>(20,074)</b>	<b>79,648</b>

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

**GEM NEW START CENTRE LIMITED**

**STATEMENT OF CHANGES IN FUND  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	<u>General fund</u>
	\$
Balance at 31 December 2018	70,646
Total comprehensive income	<u>79,648</u>
Balance at 31 December 2019	150,294
Total comprehensive income	<u>(20,074)</u>
Balance at 31 December 2020	<u><u>130,220</u></u>

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

**GEM NEW START CENTRE LIMITED****STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	<u>2020</u>	<u>2019</u>
	\$	\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
(Loss)/profit before income tax	(20,074)	79,648
Adjustments for:-		
Depreciation	42,025	35,360
Interest expense	1,419	2,416
Property, plant and equipment written off	164	-
	<hr/>	<hr/>
Operating profit before working capital changes	23,534	117,424
Other receivables	738	5,763
Other payables	4,533	(1,195)
	<hr/>	<hr/>
Net cash generated from operating activities	<u>28,805</u>	<u>121,992</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Purchase of property, plant and equipment	<u>(11,225)</u>	<u>(1,316)</u>
Net cash used in investing activity	<u>(11,225)</u>	<u>(1,316)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Interest paid	(1,419)	(2,416)
Repayment of principal portion of lease liability	<u>(38,181)</u>	<u>(28,934)</u>
Net cash used in financing activities	<u>(39,600)</u>	<u>(31,350)</u>
Net change in cash and cash equivalents	(22,020)	89,326
Cash and cash equivalents at beginning of year	<u>144,427</u>	<u>55,101</u>
Cash and cash equivalents at end of year	<u><u>122,407</u></u>	<u><u>144,427</u></u>

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

## **GEM NEW START CENTRE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2020**

#### **1. GENERAL INFORMATION**

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

The company has obtained IPC Status for 1 year from 6 November 2020 to 5 November 2021 on 6 November 2020.

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 2020 were authorised for issue in accordance with a resolution of the Board of Directors on 26 March 2021.

#### **2. SIGNIFICANT ACCOUNTING POLICIES**

##### **BASIS OF PREPARATION**

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore (“FRS”s) 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 the process of applying the company’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There were no significant critical accounting estimates and assumptions used, or critical judgment applied.

##### **ADOPTION OF NEW AND REVISED STANDARDS**

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the company has adopted all the new and revised standards which are relevant to the company and are effective for annual financial periods beginning on or after 1 January 2020.

The adoption of the new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the company and had no material effect on the amounts reported for the current or prior financial periods.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### FRS AND INT FRS NOT YET EFFECTIVE

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

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendment to FRS 116 <i>Leases: Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to FRS 109 <i>Financial Instruments</i> , FRS 39 <i>Financial Instruments: Recognition and Measurement</i> , FRS 107 <i>Financial Instruments: Disclosures</i> , FRS 104 <i>Insurance Contracts</i> , FRS 116 <i>Leases: Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendments to FRS 16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023

The directors expect the adoption of the standards above will not have any material impact on the financial statements in the year of initial application.

#### CURRENCY TRANSLATION

##### Functional and presentation currency

The financial statements of the company are measured using the currency of the primary economic environment in which the company operates (“functional currency”). The financial statements are presented in Singapore dollar, which is the functional and presentation currency of the company.

#### PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the company’s management. The cost of an item of property, plant and equipment including subsequent expenditure 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. When significant parts of property, plant and equipment is required to be replaced in intervals, the company recognises such parts as individual assets with specific 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 expenses are recognised in profit or loss when incurred.

After initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

**NOTES TO THE FINANCIAL STATEMENTS****2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

All other items of property, plant and equipment are depreciated using the straight-line method to write-off the cost of the assets over their estimated useful lives as follows: -

	<u>Useful lives (Years)</u>
Furniture & fittings	3
Office equipment	3
Computers	1
Office premises	2

The estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each balance sheet date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss.

**IMPAIRMENT OF NON-FINANCIAL ASSETS**Property, plant and equipment

Property, plant and equipment are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. The higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the Cash Generating Unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### FINANCIAL INSTRUMENTS

##### Financial assets

##### Initial recognition and measurement

Financial assets are recognised when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

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

##### *Investment in debt instruments*

Subsequent measurement of debt instruments depend 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.

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 rate method, less impairment. Gains and losses are recognised in profit and loss when the assets are derecognised or impaired, and through the amortisation process.

##### Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of 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 inception.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### FINANCIAL INSTRUMENTS (CONTINUED)

##### Financial liabilities (Continued)

##### Subsequent measurement

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

##### Derecognition

A financial liability is derecognised 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 FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the 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 inception, 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 inception, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (i.e. a lifetime ECL).

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

#### BORROWINGS

Borrowings are presented as current liabilities unless the company has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recorded at fair value, net of transaction costs and subsequently carried for at amortised costs using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method. Borrowings which are due to be settled within twelve months after the balance sheet date are included in current borrowings in the balance sheet even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the balance sheet date and before the financial statements are authorised for issue.

#### BORROWING COSTS

Borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### LEASES

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.

#### As lessee

The company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets of which these lease payments are recognised as expenses on a straight-line basis over the respective lease terms. 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 recognised 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. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in this Note.

#### *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 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.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### PROVISIONS

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

#### INCOME RECOGNITION

All income is recognised on a cash basis.

#### GOVERNMENT GRANTS

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the balance sheet and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

#### EMPLOYEE BENEFITS

##### Retirement benefits

The company makes contribution to the Central Provident Fund ("CPF") Scheme in Singapore, a defined contribution retirement scheme.

Obligations for contributions to defined contribution retirement plan 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 as a result of services rendered by employees up to the balance sheet date.

#### INCOME TAX

The company is registered as a charity under the Charities Act and is exempted from income tax under the provisions of the Income Tax Act Cap. 134. As such, no provision for income tax is required to be made in the financial statements, to the extent that income and gains are applied to its charitable objects.

## NOTES TO THE FINANCIAL STATEMENTS

## 3. PROPERTY, PLANT AND EQUIPMENT

	<u>Furniture &amp; fittings</u>	<u>Office equipment</u>	<u>Computers</u>	<u>Office premises</u>	<u>Total</u>
	\$	\$	\$	\$	\$
<b>2020</b>					
<b>Cost</b>					
At beginning of year	15,553	2,733	3,975	75,305	97,566
Additions	129	7,727	3,369	-	11,225
Written off	-	(739)	-	-	(739)
At end of year	<u>15,682</u>	<u>9,721</u>	<u>7,344</u>	<u>75,305</u>	<u>108,052</u>
<b>Accumulated depreciation</b>					
At beginning of year	13,906	2,380	3,379	29,808	49,473
Depreciation	1,479	1,579	1,314	37,653	42,025
Written off	-	(575)	-	-	(575)
At end of year	<u>15,385</u>	<u>3,384</u>	<u>4,693</u>	<u>67,461</u>	<u>90,923</u>
<b>Carrying amount</b>					
2020	<u>297</u>	<u>6,337</u>	<u>2,651</u>	<u>7,844</u>	<u>17,129</u>
<b>2019</b>					
<b>Cost</b>					
At beginning of year	15,174	2,733	3,038	-	20,945
Additions	379	-	937	75,305	76,621
At end of year	<u>15,553</u>	<u>2,733</u>	<u>3,975</u>	<u>75,305</u>	<u>97,566</u>
<b>Accumulated depreciation</b>					
At beginning of year	9,615	1,535	2,963	-	14,113
Depreciation	4,291	845	416	29,808	35,360
At end of year	<u>13,906</u>	<u>2,380</u>	<u>3,379</u>	<u>29,808</u>	<u>49,473</u>
<b>Carrying amount</b>					
2019	<u>1,647</u>	<u>353</u>	<u>596</u>	<u>45,497</u>	<u>48,093</u>

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).

**NOTES TO THE FINANCIAL STATEMENTS****4. OTHER RECEIVABLES**

	<u>2020</u>	<u>2019</u>
	\$	\$
Other receivables	260	1,599
Prepayments	2,579	1,978
Deposits	6,750	6,750
	<u>9,589</u>	<u>10,327</u>

**5. LEASE LIABILITY**

	<u>2020</u>	<u>2019</u>
	\$	\$
Minimum lease liability payments due:		
Within 1 year	8,250	39,600
Within 2 to 5 years	-	8,250
	<u>8,250</u>	<u>47,850</u>
Less: deferred interest	(60)	(1,479)
Present value of lease liability	<u>8,190</u>	<u>46,371</u>

The present value of the lease liability may be analysed as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Due within 1 year	8,190	38,181
Due within 2 to 5 years	-	8,190
	<u>8,190</u>	<u>46,371</u>

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

	01.01.2020	Cash flows	Non-cash changes		31.12.2020
			Interest expense	Others*	
	\$	\$	\$		\$
<u>Lease liability</u>					
Current	38,181	(39,600)	1,419	8,190	8,190
Non-current	8,190	-	-	(8,190)	-
	<u>46,371</u>	<u>(39,600)</u>	<u>1,419</u>	<u>-</u>	<u>8,190</u>

\*Relates to reclassification from non-current to current portion of lease liability.

**NOTES TO THE FINANCIAL STATEMENTS****5. LEASE LIABILITY (CONTINUED)**

	<u>01.01.2019</u>	<u>Cash flows</u>	<u>Acquisitions</u>	<u>Non-cash changes Interest expense</u>	<u>31.12.2019</u>
	\$	\$		\$	\$
<u>Lease liability</u>					
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>

**6. OTHER PAYABLES**

	<u>2020</u>	<u>2019</u>
	\$	\$
Accruals	10,515	6,182
Advances received	200	-
	<u>10,715</u>	<u>6,182</u>

**7. SOCIAL EVENTS (CONFERENCE & FUND-RAISING)**

	<u>2020</u>	<u>2019</u>
	\$	\$
Receipts	-	389,962
Less: Expenses		
AV/Media expenses	-	1,362
Rental of banquets	-	27,505
Postages and courier charges	-	185
Printing and stationery	-	1,089
Refreshments	-	8
Transport	-	315
Miscellaneous expenses	-	1,874
	<u>-</u>	<u>32,338</u>
	<u>-</u>	<u>357,624</u>

**NOTES TO THE FINANCIAL STATEMENTS****8. PROGRAMS**

	<u>2020</u>	<u>2019</u>
	\$	\$
Expenses:		
Miscellaneous expenses	3,286	715
Professional fee	4,113	-
Printing and stationery	5	73
Refreshment/meals	8,229	4,202
Salaries and employee benefits (Note 9)	100,465	137,492
Telephone, fax and internet	120	-
Transport	2,078	1,226
Training materials	199	1,086
Winner programme (reimbursements)	1,294	2,682
	<u>119,789</u>	<u>147,476</u>
Less:		
Contribution received - programs	-	359
Receipts - beauty training & services	-	404
Cost of training/beauty products	(399)	(32)
	<u>(399)</u>	<u>731</u>
	<u>120,188</u>	<u>146,745</u>

**9. SALARIES AND EMPLOYEE BENEFITS**

	<u>2020</u>	<u>2019</u>
	\$	\$
Administrative expenses	78,852	64,044
Programs expenses	100,465	137,492
	<u>179,317</u>	<u>201,536</u>

These comprise of the following:

	<u>2020</u>	<u>2019</u>
	\$	\$
Salaries and bonuses	152,429	172,407
CPF contributions	24,580	25,378
Other related expenses	2,308	3,751
	<u>179,317</u>	<u>201,536</u>

None of the company's employees were remunerated more than or equal to \$100,000 per annum during the financial year ended 31 December 2020.

**NOTES TO THE FINANCIAL STATEMENTS****10. INCOME TAX**

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

**11. LEASES**The company as a leasee

The company has a lease contract for office premises from non-related party which is for daily office use.

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

	<u>Office premises</u>
	\$
<b>2020</b>	
<b>Cost</b>	
At beginning/end of year	<u>75,305</u>
<b>Accumulated depreciation</b>	
At beginning of year	29,808
Depreciation	<u>37,653</u>
At end of year	<u>67,461</u>
<b>Carrying amount</b>	
2020	<u><u>7,844</u></u>
<b>2019</b>	
<b>Cost</b>	
At beginning of year	-
Addition	<u>75,305</u>
At end of year	<u>75,305</u>
<b>Accumulated depreciation</b>	
At beginning of year	-
Depreciation	<u>29,808</u>
At end of year	<u>29,808</u>
<b>Carrying amount</b>	
2019	<u><u>45,497</u></u>

**(b) Lease liabilities**

The carrying amounts of lease liabilities are disclosed in Note 5 and the maturity analysis of lease liabilities is disclosed in Note 12.

**NOTES TO THE FINANCIAL STATEMENTS****11. LEASES (CONTINUED)**The company as a lessee (Continued)**(c) Amounts recognised in profit or loss**

	<u>2020</u>	<u>2019</u>
	\$	\$
Depreciation of right-of-use assets	37,653	29,808
Interest expenses	1,419	2,416
Short term leases	-	8,000
	<u>39,072</u>	<u>40,224</u>

**12. FINANCIAL RISK MANAGEMENT****Financial risk management objectives and policies**

The company does not have written risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy but management may use natural hedges or closely monitor the company's business risk exposures in connection with its financial assets and liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures of losses.

It is the company's policy not to trade in derivative contracts.

**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.

**Market risk**

The company has no significant exposure to foreign exchange risk, interest rate risk and price risk.

**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.

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

The company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days.



## NOTES TO THE FINANCIAL STATEMENTS

### 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Credit risk (Continued)

To minimise credit risk, the company has developed and maintained the company's credit risk grading to categorise exposures according to their degree of risk of default. The credit rating information is supplied by the company's own trading records to rate its major customers and other debtors. The company considers available reasonable and supportable forward-looking information which includes the following indicators:

- Actual and significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of the debtors in the company and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is disappearance of an active market for that financial asset because of financial difficulty

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

The company's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

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 of credit risk.

**NOTES TO THE FINANCIAL STATEMENTS****12. FINANCIAL RISK MANAGEMENT (CONTINUED)****Credit risk (Continued)**Other financial assets at amortised cost

The company measured credit loss exposure for the other financial assets at amortised cost using 12-month expected credit loss ("ECL"). The company assessed the latest financial performance and financial position of the respective counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of these financial assets. Accordingly, the company determined that the ECL is insignificant and no loss allowance is required at the balance sheet date.

Credit risk exposure for cash and bank balances are limited and insignificant and no credit loss allowance is required at the balance sheet date.

**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 following tables detail the remaining contractual maturity for financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

	On demand or not later than 1 year	Later than 1 year but not later than 5 years
	\$	\$
<b>2020</b>		
Lease liability	8,250	-
Other payables	10,515	-
	<u>18,765</u>	<u>-</u>
<b>2019</b>		
Lease liability	39,600	8,250
Other payables	6,182	-
	<u>45,782</u>	<u>8,250</u>

**NOTES TO THE FINANCIAL STATEMENTS****12. FINANCIAL RISK MANAGEMENT (CONTINUED)****Financial instruments by category**

The carrying amount of the different categories of financial instruments as at 31 December is as follows:

	<u>2020</u>	<u>2019</u>
	\$	\$
Financial assets at amortised cost	129,417	152,776
Financial liabilities at amortised cost	<u>18,705</u>	<u>52,553</u>

**13. FAIR VALUE OF FINANCIAL INSTRUMENTS****Fair value of financial instruments that are carried at fair value**

The company had no financial assets or liabilities carried at fair value in 2020 and 2019.

**Fair value of other financial instruments**

The carrying amounts of cash and bank balances, other receivables, other payables, and lease liability (current) are reasonable approximation of fair value due to their short term nature.

The carrying amount of lease liability (non-current) approximate its fair values as it is subject to interest rates close to market rates of interest for similar arrangements with financial institutions.



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