

ANNUAL REPORT

20
20



VISION

Strong Families, Resilient Living, Beautiful Minds



MISSION

To reach out in Christian love, by providing quality programmes and services to all children, youths, parents and their families, of all language, race and religion, and nurturing each family member in body, mind and spirit.



OBJECTIVES

To help children, youths and parents of all language, race and religion, especially from dysfunctional, disadvantaged and needy families, to:

- Develop to their fullest potential;
- Enjoy a balanced family life;
- Become responsible and caring family members; and,
- Become useful members of society.



ABOUT US

Epworth Community Services is the former MCYC Community Services Society. We are a Social Service Agency (SSA) which helps at-risk children and youths in their educational, social, emotional and moral development. This Annual Report captures the organisation's milestone developments and progress for the financial year from 1 Aug 2019 to 31 Jul 2020.

Registered with the Registry of Societies on 6 Jun 2008, we are a full member of the National Council of Social Service (NCSS) and also an Institution of Public Character (IPC) since 1 Oct 2008.

The organisation is affiliated with Barker Road Methodist Church (BRMC). The church strongly supports our work in the community, benefitting the disadvantaged and those in need.

Apart from BRMC, the organisation is funded mainly by direct donations from individual donors, government grants and programme fees. As an IPC, all local donations to Epworth Community Services qualify for tax exemption benefits.

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FY19/20



Chairman's Message

This year has been a particularly challenging one of Epworth Community Services. The impact of COVID-19 on the organisation and our stakeholders cannot be understated. The need to continue providing essential services alongside the very stringent health safety measures exacted a physical and psychological toll on all our stakeholders, team members and clients alike. The financial repercussions were no less severe as not only were we unable to continue with our planned fundraising initiatives but direct donations too were affected as the consequences of the financial slowdown caused by the pandemic resulted in Singaporeans losing their jobs or having their businesses affected.

We are indeed thankful for all those who have stood by us. Our team members proved themselves to be adaptable in these challenging times and were quick to devise innovative solutions to deliver our programmes and services. Adoption of technology was a game changer as our team members had to adapt very quickly to using technology in their work. We will continue to explore and adopt more technological solutions that are relevant to our programmes and services and are thankful for the Invictus Fund that is facilitating our digitalisation process.

We were also deeply moved by the ardent supporters of our work who came forward with their contributions which helped to narrow the financial gap. The Singapore government through its various agencies played no small role through various support schemes and grants which have been significant in helping us tide us through this difficult period.

As part of our initiative to further improve our governance and processes, we continued with the second instalment of our planned 3-year internal audit exercise. In Jan 2020, Epworth Community Services started operating a school-based student care centre at Anglo-Chinese School (Junior). Epworth Literacy started operating from our new centre at Jurong West Street 41. Unfortunately, we were not able to officially launch the new centre because of the pandemic.

Under Phase 1 of the Organisation Development Transformation (ODT) process, the consultant appointed by the National Council of Social Services (NCSS), KPMG Services Pte Ltd, has recognised Epworth Community Services for its expertise in Trauma Care and has recommended that we continue developing our capabilities in this area so that we will be better able to serve our clients and empower other organisations in this field. Other key recommendations include the digitalisation of our work processes and improving staff engagement. As we move into Phase 2 of the ODT process, we will continue to carefully review and implement these recommendations.

As a testament to our organisation's experience and good record of work done at the Youth Court, the Ministry of Social and Family Development awarded us a contract to run Pre- Family Guidance Order programmes and services.

We are also very proud of our Executive Director, Mr Tan Khye Suan, who was appointed as a Social Service Fellow by NCSS in recognition of his contributions to the social service sector. This is a strong testament of significant work done by Epworth Community Services in the social service sector.

We are thankful to God who has made all things possible, sustaining our organisation in this difficult period. We are also thankful for our staff members, volunteers, donors, partners and supporters, all of whom are important and integral to our efforts to serve the community. In view of the challenges ahead, we ask for your continued support and prayers as we move into the new financial year in faith with the hope of new and good things to come.

In His Service

Chow Kok Kin Christopher
Chairman
Epworth Community Services

— Executive Director's Message —

The reporting year was a challenging one as the impact of Covid-19 escalated and disrupted much of our programmes and services from March to July 2020. As part of the very stringent safety management measures to stop the spread of the virus, staff had to work from home during the two-month long Circuit Breaker period which started in early-April 2020. We were also unable to have face-to-face contacts with our clients. These were very trying times and brought about much stress to our staff members.

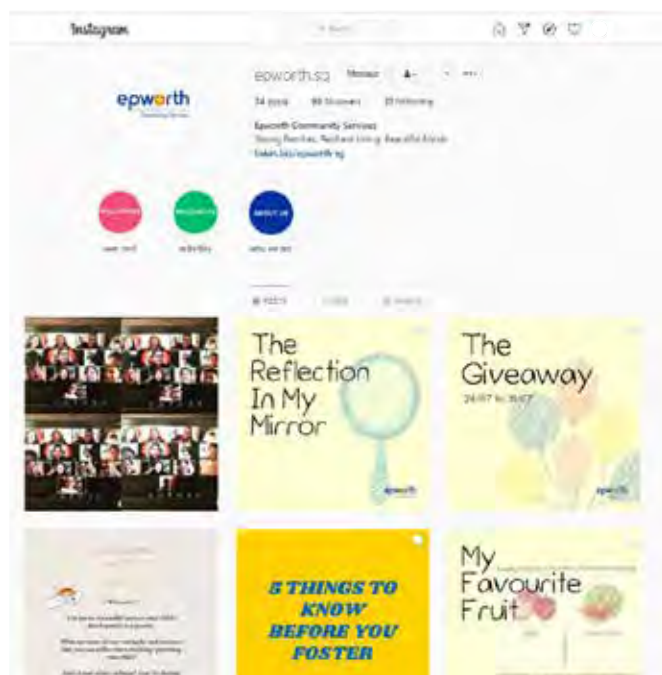
During the Circuit Breaker period, surveys were done to better understand the impact of Covid-19 on our staff members, especially their mental well-being. It was found that our staff members were generally doing well, although there were concerns about their employment. A heart-warming quality of our staff members also came to light: they have hearts of compassion. Many of our staff members expressed deep concern for the well-being of their clients.

Staff members gave feedback that they had sufficient information and reassurance from the management team. They were generally confident that Epworth Community Services would be able to ride out the 'storm'. Staff members also gave feedback that while they were working from home, there was generally adequate supervision; their work was sufficiently scoped and defined; and, there was sufficient communication and support from their supervisors.



We were heartened by the responses from staff members.

During this period of time, there was rapid adoption of technology to ensure that the good work of Epworth Community Services continued. All meetings, whether internal or external, were held using online platforms. We had to engage our clients virtually. By end-April, Epworth Literacy began teaching their clients using online means. Staff members from Epworth Foster Care were also 'visiting' foster families and foster children using online means. The residents of Epworth HomeSweetHome had to use computers to access home-based learning (HBL) curriculum from their schools. Even volunteer-driven programmes moved online! Volunteer tutors taught their tutees through virtual means.



We are glad that staff members had been very adaptable and were able to assimilate new technology. Hence, the transition to new ways of working was generally smooth. There were challenges, but these were overcome with team effort! In fact, the camaraderie spirit was strengthened during this time of crisis.

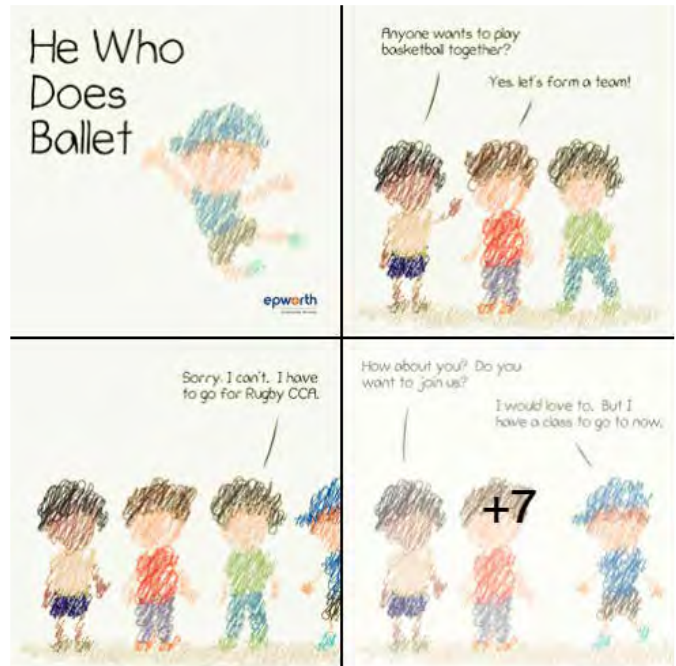
In the reporting year, we started an official Instagram page in April 2020. We also revamped our official website and this was relaunched in May 2020. In the same month, Epworth Community Services also launched a web-comics series entitled 'Be Yourself', posted on our Instagram and Facebook pages. It is our initial foray into mental well-being for children to address self-identity, self-acceptance and learning to embrace differences in others. This was very well received. We will continue to grow this programme in the new financial year.

Moving forward, we will look into further digitalisation of our work processes. This is not just to address the safety management measures and limit face-to-face interactions; but also with a view to achieve greater efficiency and effectiveness in our work.

We will also be planning for more staff engagement through regular town hall meetings; inter-department interactions and exchanges; and, arrangements for career development through inter-department transfers and job expansion. When the situation permits, we will plan for more activities in informal settings for staff members just to have fun together.

Two years ago, when we established the vision: strong families, resilient living, beautiful minds, we determined that Epworth Community Services will focus on the mental well-being of children, youths and their families. Phase 1 of the Organisation Development Transformation (ODT) process helped sharpen this focus to trauma care. This focus is absolutely relevant to our modern, fast-paced and stressful world, as children, youths and their families face many challenges in their lives which are daunting, overwhelming and, in many situations, traumatic.

Hence, for Phase 2 of the ODT, we will give priority to establish Epworth Community Services as an organisation specialising in trauma care in the coming year. Leveraging on our existing programmes and services that focused on trauma care, the organisation will strategize; strengthen its processes, and plan its resources towards this goal.



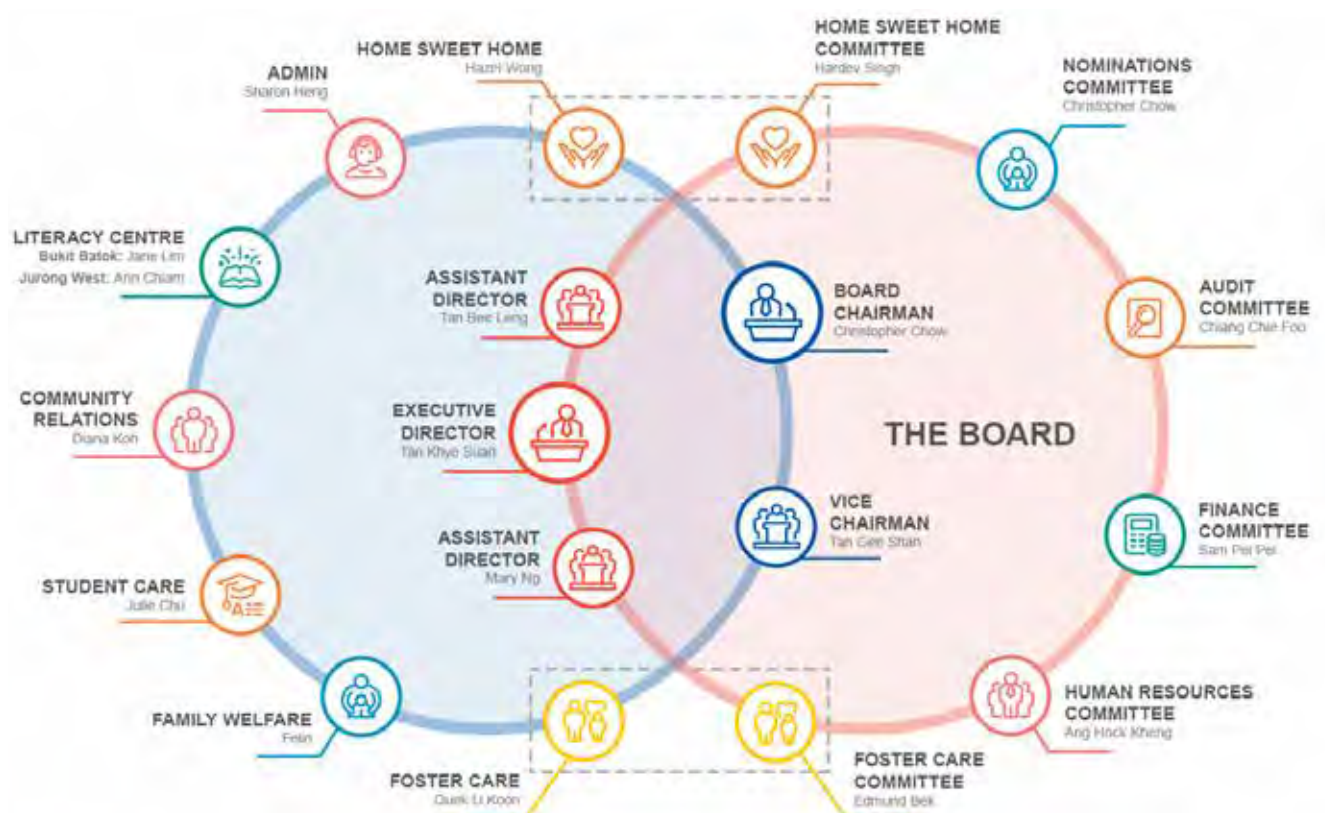
We will continue to be guided by our vision; and, working on meaningful programmes and services that support children, youths and their families in Singapore. In this way, we also reinforce our mission, that is: "To reach out in Christian love, by providing quality programmes and services to all children, youths, parents and their families, of all language, race and religion, and nurturing each family member in body, mind and spirit."

To God be the glory!

Tan Khye Suan
Executive Director
Epworth Community Services

Organisational Structure

The Board and Executive Director are responsible for the administration and operations of the Society. They are supported by a number of Committees and a management team of senior staff members.



Audit Committee
Mr Chiang Chie Foo, Chairman
Ms Chuang Sheue Ling
Mr Lee Soo Chye

Finance Committee
Ms Sam Pei Pei, Chairman
Mr Low Tze Hwa Melvyn
Mr Chee Weng Yan Mike

Human Resources Committee
Mr Ang Hock Kheng, Chairman
Ms Lian Ying Ying
Mr Aaron Chong

Nominations Committee
Mr Chow Kok Kin Christopher, Chairman
Mr Robert Lim Hui Beng
Mr Tan Gee Shan

Epworth HomeSweetHome Committee
Mr Hardev Singh Sidhu, Chairman
Mr Pang Tit Keong, Vice-Chairman
Prof Loy Wee Loon, Secretary
Mr Low Tze Hwa Melvyn, Treasurer
Ms Era Cheong
Mr Chee Weng Yan Mike

Epworth Foster Care Committee
Mr Bek Wei Da Edmund, Chairman
Mr Aaron Chong, Secretary
Mr Chee Weng Yan Mike, Treasurer
Mr Zhennan Low
Ms Lin Huiying

Professional Staff in Epworth

Roles	Full time	Part time
Administrative & Support Staff	22	-
Counselors / Case Workers	10	-
Social Workers	14	-
Psychologists	2	-
Teaching Staff	19	1
Programme Support Staff	12	-
Residential Care Workers	13	-
Total	92	2

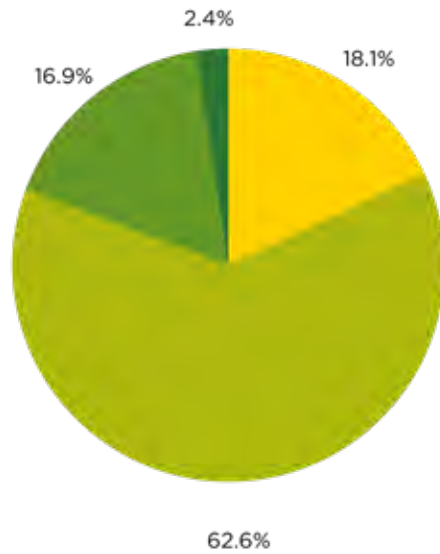
Corporate Information

Unique Entity Number T08SS0123D Trustees
Dr Edwin Tan
Mr Benjamin BC Tan

External Auditor Baker Tilly TFW LLP Internal Auditor RSM Risk Advisory Pte Ltd

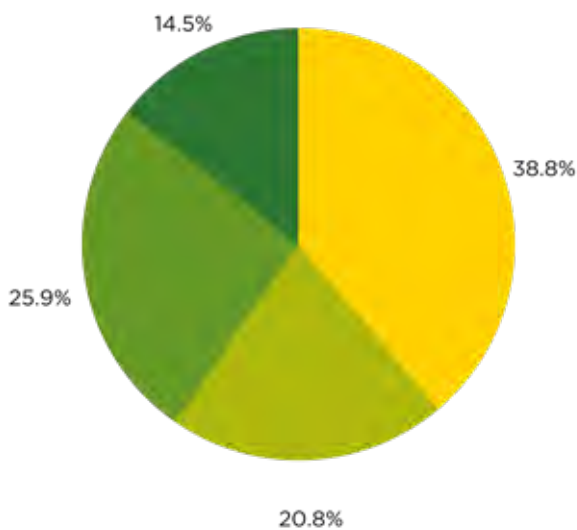
Registered Address Blk 106 Bukit Batok Central #01-217 Singapore 650106 Banker
DBS Bank Ltd
Standard Chartered Bank

Transparency Chart



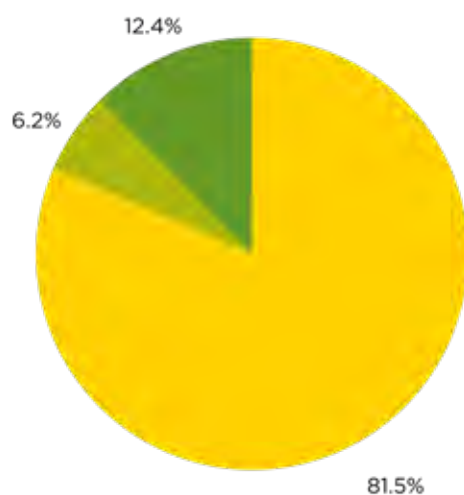
2020 source of income

Donations	\$1,213,301
Government Funding	\$4,206,930
Programme Income	\$1,136,857
Sundry Income	\$160,794



2020 distribution of expenditure

Children & Youth	\$2,616,524
Fostering	\$1,399,514
HomeSweetHome	\$1,743,566
Family	\$975,657



2020 Breakdown of Charity Dollar

Charitable Activities	\$5,486,502
Community Relations	\$415,932
Admin	\$832,827

The Board



MR CHOW KOK KIN CHRISTOPHER CHAIRMAN

Mr Christopher Chow has a strong passion for youth work and community service. He has served with the Boys' Brigade as a volunteer officer as well as Chairman for its BB CARES community service programme. In 2008, he initiated the Green Shoots life skills programme with the Singapore Armed Forces (SAF) Detention Barracks which saw volunteers from all walks of life come forward to equip detainees with the skills they need to reintegrate back into society.

He is currently heading the International Trading Institute@SMU, the first trading institute in the world to be set up within a university and Singapore's premier industry platform for thought leadership and talent development in the arena of international trading.



MR TAN GEE SHAN VICE-CHAIRMAN

Mr Tan Gee Shan is a veteran commercial banker for over 30 years. He spent most of his career in Standard Chartered Bank and has held numerous positions in operations, sales and risk functions. They include Chief Risk Officer in Standard Chartered Bank Thailand and Group Head of Medium Enterprise Risk based in Singapore.

Gee Shan is currently Chief Risk Officer in the Singapore branch of Emirates NBD bank.



MR ANG HOCK KHENG SECRETARY

Mr Ang Hock Kheng runs an executive search company as well as provides human resource consultancy and training services to corporate clients. He has more than 20 years of human resource experience in the aviation, IT, accounting and finance, property development and hospitality industries, as well as the public sector, at IDA and HSA.

Companies that he has worked for include Singapore Airlines Ltd, United Overseas Land Ltd, Pacific Internet Ltd and Ernst & Young LLP. He has also served as a member of the Staff Committee at YMCA Singapore, and is currently serving as a member of the Committee of Human Resource Management at the Methodist Church in Singapore.



Ms SAM PEI PEI TREASURER

Ms Sam Pei Pei is currently a Director in the Finance Department at Nanyang Technological University. She is also a Chartered Accountant with the Institute of Singapore Chartered Accountants and holds a Master in Business Administration. She started her career with an accounting firm as an auditor and also has experience working with MNCs in the IT industry.



MR ROBERT LIM HUI BENG VICE-TREASURER

Mr Robert Lim, having worked for over 25 years in the waste management industry, is now semi-retired and working part-time with NSL OilChem Waste Management Pte Ltd, a subsidiary of NSL Ltd, a Singapore listed company.



MR CHIANG CHIE FOO MEMBER

Mr Chiang Chie Foo joined the Management Committee in September 2017. He is currently holding non-executive positions in the Central Provident Fund Board, PUB - Singapore's National Water Agency, Ascendas Property Fund Trustee Pte Ltd, AETOS Holdings Pte Ltd, ComfortDelGro Corporation Limited, Valencia Football Club, Lee Kuan Yew Exchange Fellowship and APB Foundation. He is also the Senior Advisor in the Ministry of Defence.

Chie Foo retired from the Civil Service in 2013. Positions held during his 32 years in the Civil Service included Permanent Secretary in the Ministry of Education (MOE), Defence and Prime Minister's Office.



Mr Gan Eng Khoon MEMBER

Mr Gan Eng Khoon presently holds the position of Deputy Director at the National University of Singapore, and has previously worked at the Ministry of Defence and Ministry of Transport in policy development and operations.



Ms CHUANG SHEUE LING

MEMBER (retired on 31 Jul 2020)

Ms Chuang Sheue Ling is a Chartered Accountant and holds a Bachelor of Accountancy degree from the National University of Singapore.

She has over 30 year of experience with corporate secretarial services and is currently Consultant at BSL Corporate Services Pte Ltd.



Mr LEE SOO CHYE

MEMBER

Mr Lee Soo Chye is a senior partner at Wee Swee Teow LLP. He has been in practice since 1990. He serves on the boards of various non-profit organisations.



Mr DAVID PHUA PUAY HENG

MEMBER

Mr David Phua is currently a Financial Consultant with Promiseland Independent Pte Ltd, one of the leading Independent Financial Adviser (IFA) companies in Singapore. David is a Chartered Accountant with an MBA from the University of Strathclyde (UK). David also holds the following designations:

FCA S'pore - Fellow member of The Institute of Singapore Chartered Accountants

FCMA - Fellow member of The Chartered Institute of Management Accountants (UK)

CGMA - Chartered Global Management Accountant, a professional body jointly formed by CIMA (UK) and AICPA (USA).

He has over 40 years of regional financial management experience in various industries in MNCs & SMEs and co-Chaired a sub-group in fine-tuning the Code of Governance for Charities while acting as sector administrator with People's Association.



Mr HARDEV SINGH SIDHU

MEMBER

Mr Hardev Singh is a teacher in the Singapore Teaching Service. He has been teaching for 20 years in a secondary school and is currently serving as a Head of Department. Hardev has been a member of the Committee overseeing Epworth HomeSweetHome since its inception in Jul 2013.



MR EDMUND BEK

MEMBER

Mr Edmund Bek started his banking career more than 10 years ago with Morgan Stanley. He has rotated across various functions within the bank and has been with his current role at the Private Wealth Management Division since 2012.



DR. HUCK P. POH

MEMBER

Dr Huck P. Poh is an independent senior business consultant-advisory with more than 30 years prior experience in the Oil & Energy industry.



MS CHRISTINA CHENG

MEMBER

Ms Christina Cheng is the Singapore director for Theory of Constraints (TOC) for Education, focusing on disadvantaged and under-served audiences outside the traditional schools' framework since 2005. Prior to this, she was involved in fund management covering Asian private equity investments since 1992.



MR TAN KHYE SUAN

EXECUTIVE DIRECTOR

Mr Tan Khye Suan has been Executive Director of the organisation since April 2002. Khye Suan was a Town Planner with the Housing Development Board for 15 years before embarking on a three-year stint in the real estate and construction industries.

The National Council of Social Service has awarded the Social Service Fellowship (from 1 July 2020 – 30 June 2023) to Khye Suan in recognition of his past contributions to the social service sector. As a Social Service Fellow, he continues to contribute on various aspect of leadership, development and practices in the sector.

PROGRAMMES & SERVICES

Literacy Centre

Epworth Literacy runs an aggregate of intervention programmes and services to help children with learning challenges and disability so that they can cope with formal education. In this way, children will not be left behind in their education, and enjoy better mental well-being in their growing years. As in previous years, we continued to receive referral cases for both the Literacy Intervention and STAR Programmes from schools and hospitals.



The department encountered many new experiences and challenges in the past months.

In Oct 2019, four of our staff members were transferred to our new centre at Jurong West to begin the pioneering work there. Through their commitment and effort, operations at Jurong West started in Jan 2020. The expansion meant having new staff members. These new staff members also brought along new skills, knowledge and ideas that are beneficial to the department. With two centres, Epworth Literacy is now able to serve more children in the Bukit Batok and Jurong West vicinity.

However, in Apr 2020, we had to stop centre-based operations because of the COVID-19 pandemic. A team was quickly formed to explore and create online lessons so that our children could continue to benefit from our programmes. We were happy that by end-Apr 2020, we were able to roll out our very first online lessons.

We are grateful for individual and corporate volunteers who organised various activities for the Kidsclub and school holiday events through the last financial year. Their contributions provided enriching experiences to our children.



EPWORTH LITERACY IN NUMBERS:

8

Children and youths assessed and screened by our psychologists and therapists this financial year.



66

Students screened over **66 hours** by psychologists using standardised normed tests to monitor Literacy Intervention progress.



207

Students taught by our teaching staff under our Literacy Intervention Programme in FY19/20



23

Graduates from our Literacy Intervention Programme this financial year.

139

Students enrolled in our Literacy Intervention Programme as at 31 July 2020.

46

Children and families helped by our STAR programme this financial year.



25

Children still enrolled in the STAR programme.



25

Volunteers in KidsREAD and Kids Club. Volunteers help in individual or corporate capacities.



147

Number of participants who attended Kids Club and KidsREAD



Developing Online Classes



With the unprecedented circumstances brought about by the COVID-19 pandemic, our teachers bravely ventured into “uncharted waters” and took on the challenge of bringing intervention lessons online. A team was formed to identify suitable platforms, modify resources and help all teachers get use to the new medium of teaching. They took into consideration cost of operations; ease of access for parents; technical features such as video call and PowerPoint presentations; as well as best practices to mitigate risks associated with online learning. After setting up the online platform and digital lesson plan, trials were conducted with the students. Feedback was gathered to improve these online lessons. Easy-to-read manuals were also created to help both teachers and parents to have a smooth on-boarding experience. Although we have returned to classroom teaching with “new normal” practices, some students have chosen to continue with online classes.

Children's day - Snow City (Sep 2019)

In partnership with the volunteers from Ho Bee Land, a fun-filled outing was organised to Snow City to celebrate Children’s Day with the children from the Literacy Intervention and STAR Programmes. The children had an exciting time playing in the snow and sliding down a 3-storey high snow slope. It was a winter wonderland as they built snowmen, had snow fights, romping freely on the snow-filled ground. One highlight of the event was the ice-cream making workshop, which brought science lessons to life. The children saw how liquid nitrogen instantly froze flowers, contracted air inside balloons and turned cream into ice-cream. The workshop ended with the children enjoying their own hand-made ice-cream.



Christmas Party (Nov 2019)



In Nov 2019, together with volunteers from OMS Oilfield Services Ptd Ltd a Christmas Party was organised for the children of Epworth Literacy at Jurong West. Children explored Christmas-related themes, like hope and peace, through stories, craftwork and games. At the end of the party, they watched a video on the Christmas story and had some light snacks. With the contributions from donors and volunteers, the event brought much love, joy and the message of Christmas to the children and their families.

Student Care



Our Student Care Centres operate in schools. We provide a caring, safe and conducive environment for children whose parents are unable to look after them during the day because of work commitments. Creating a stable home-away-from-home environment at each centre is important as students can spend their time meaningfully and be positively nurtured in their mental well-being. Such stable home-like environment also provides opportunities for these students to develop socially, morally, emotionally and intellectually. We also encourage active and positive participation from parents.

In 2020, Epworth Student Care operated two Student Care Centres. We started operating a new Student Care Centre at Anglo-Chinese School (Junior) with an enrolment of 71 students. Rev Dr William Sam, the Pastor-in-

charge of Cairnhill Methodist Church, conducted a site blessing. This occasion was attended by senior management of the school and Epworth Community Services.

The Student Care Centre at Anglo-Chinese School (Primary) started 2020 with an enrolment of 136 students. Thirty-eight were new students.

Impact of COVID-19

With the onset of the Covid-19 pandemic, our staff members were able to adapt well to the safety measures and guidelines from the Ministry of Education (MOE) and the Ministry of Social and Family Development (MSF). During the Circuit Breaker, our two Student Care Centres continued to operate for children whose parents provided essential services.

As the situation improved and stringent restrictions gradually relaxed, the operations of the two centres resumed. Our staff members were flexible, adaptable and creative. They continued to plan and conducted programmes that were interesting and creative; at the same time, observing safety management measures.



Covid-19 brought about much concerns, anxiety and worries. Although our staff members were also affected, the strong team spirit at each centre helped them to manage the challenges during this period of time. They continued to work enthusiastically, encouraging each other with love and care.

The enrolment of students at both centres was also affected by the Covid-19 pandemic. There were several withdrawals as parents were worried for their children's well-being. However, with the pandemic situation stabilising, and with good safety management measures, we are optimistic that the enrolment will increase in the next calendar.

Family Welfare

In our effort to promote mental well-being, Epworth Family Welfare provides programmes and services that aimed to address at-risk behaviours in children and youths. These programmes and services are designed to mend and build stronger relationships between family members, in particular children and youths and their parents.

Beyond Parental Control (BPC)

BPC order is a complaint taken by parents against their child or young person, who is below the age of 16, to be placed in a rehabilitative environment that addresses their disciplinary problems. The department conducts the investigation and makes recommendations to the Youth Court. Between Aug 2019 to Jul 2020, staff from the department conducted investigations for 42 cases.

Functional Family Therapy (FFT)

FFT is a short-term (4 to 6 months) intensive counselling service provided for the probationers and their family. Developed in the United States, it is an empirically supported and highly successful family intervention for youths referred for behavioural and emotional problems by the juvenile justice, mental health and child welfare systems. In this reporting period, the department served six families under this programme.

Pre-Family Guidance Order (FGO) Services

From Jul 2020, the BPC order was replaced by the FGO order. This change reflects the shift in focus from solely the behaviour of the child or young person, to the role of the family. Parents are now mandated to attend the programme after a screening interview, and before filling an FGO in the Youth Court. Epworth Community Services is one of the two organisations appointed to deliver the Pre-FGO services in Singapore. To date, there were 17 enquiries and 10 screenings were conducted.

Project Dawn

Project Dawn is a programme that targets students who exhibit difficulty to manage behaviours which place them at-risk of delinquent behaviours in and out of school. The department conducted Project Dawn at Anglo-Chinese School (Barker Road) from Aug 2019 to Jul 2020. The programme served 44 students over 19 sessions; and, eight parents over three sessions.

Supervised Access

In this reporting financial year, the department provided supervised access services to 40 families totalling 695 sessions or 1,392 hours. This service allows children who are not living with their natural families to maintain contact with them in a safe environment. This helps to build attachment and facilitate positive interaction between the children and their families, with the hope of them eventually returning to their family.

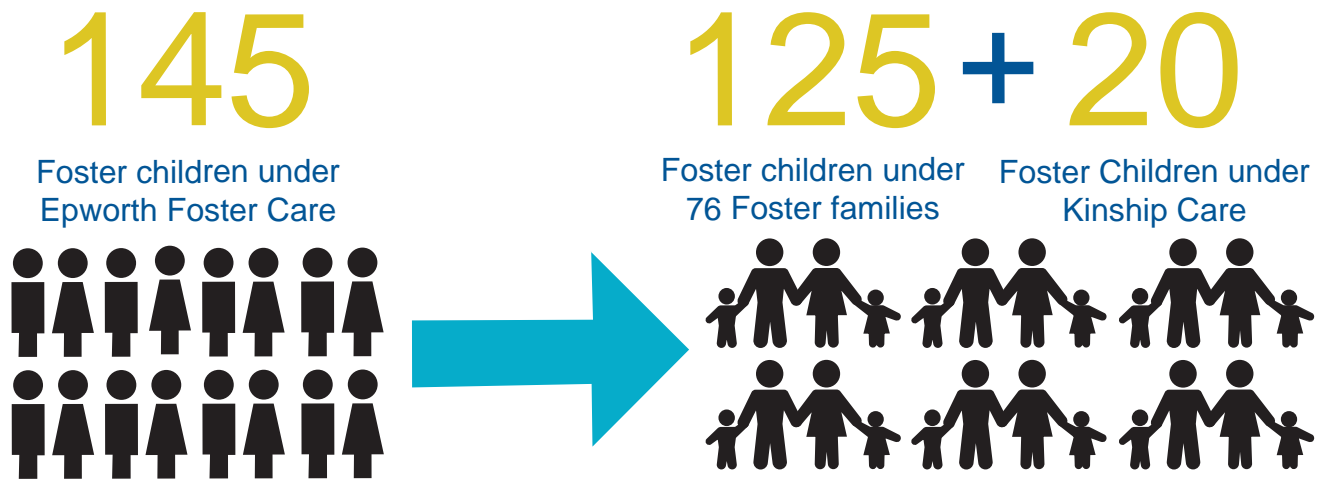
Therapeutic and Parenting Unit

Between Aug 2019 to Jul 2020, the department provided trauma-informed care to children and young persons and their caregivers from five foster families, so as to effectively minimise the effects of trauma; and, without causing more trauma. One foster family was provided trauma-focused therapy for the children and young person experiencing emotional and psychological difficulties arising from past traumatic experiences. This was done jointly with their caregivers. In the reporting period, the Therapeutic and Parenting Unit has also counselled 13 individuals and families.

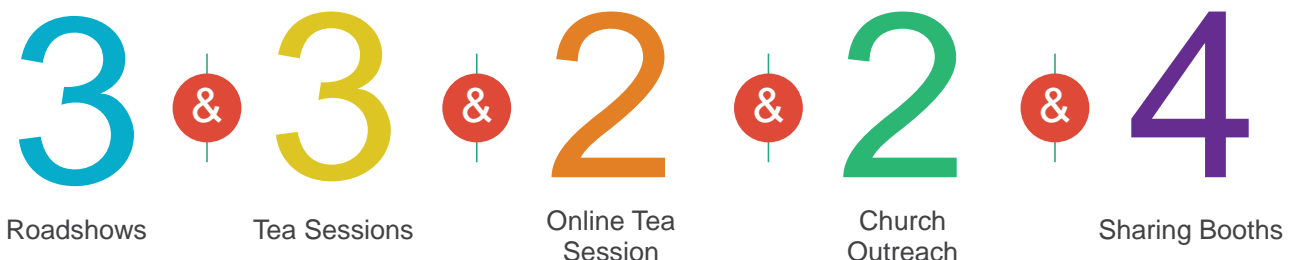
Foster Care

At Epworth Foster Care, our mission is to provide quality care and support to foster parents; and connecting them to a wider network of resources. While the reintegration of foster children with their natural families are in progress, foster families are equipped with resources to ensure the well-being and holistic development of foster children in a safe, nurturing and caring family environment.

Due to the impact of Covid-19 pandemic and safety management measures, recruitment efforts were stepped up on social media instead, using Facebook, Target Media and Admail to reach out to more people in the community.



RECRUITMENT EFFORTS



Applicants interested in becoming foster parents

Applicants interested in becoming foster volunteers



Roadshow @Clementi Mall



Roadshow @Marina Square



Roadshow @NEX

Programmes and Activities

Various programmes and activities were organised for the foster children and foster families throughout the year. These included a sponsored trip to Gardens by the Bay on 7 Sep 2019 with free admission to Cloud Forest and Flower Dome.

On 16 Nov 2019, Epworth Foster Care celebrated its 4th Anniversary by hosting a dinner party for our foster families at Lagun Sari (Bukit Timah Plaza). Since the theme of the event was "Magical Garden", guests dressed up in various cartoon or fictional characters. Beside fun activity booths before the start of the event, foster families were also entertained by a magic show and live music.

Despite the challenges brought about by COVID-19, the team was able to organise a parenting workshop online for foster parents on 28 May 2020.



"Magical Garden" Epworth Foster Care 4th Anniversary



Care Package to stay safe during COVID-19



Online Workshop during Circuit Breaker

HomeSweetHome



Epworth Community Services has been running HomeSweetHome (HSH) in partnership with the Ministry of Social and Family Development (MSF) since Jul 2013. The facility has a maximum capacity for 15 residents. This Therapeutic Group Home (TGH) works with boys between the ages of 7 to 12 years-old who have experienced trauma; physical, sexual, emotional and severe neglect. HSH uses Trauma Systems Therapy (TST) as its treatment modality to help these boys recover from complex trauma, attachment issues and severe behavioural issues.

The goal of HSH is to help the boys to recover from trauma and eventually to reintegrate them with their families, community and society. In order to achieve these goals, HSH engages people in the boys' eco-system: parents, alternative caregivers, schools, social service professionals, psychiatrist and doctors. With the support from various stakeholders, many of our residents progressed well in their treatment.

To date, 27 boys had completed treatment and were discharged from HSH. While some of them have returned to their natural families, others were placed in alternative care arrangements. Currently, there are seven residents undergoing treatment in HSH.

Over the years, the Home had the unwavering commitment and support of several faithful and kind-hearted drivers. On a daily basis, they helped to fetch our residents to and from their schools despite the rush hours and inconvenient locations. To date, we have four 'transporters' helping the Home. Without them, our residents would not be able to get to school punctually and safely.



During the school holidays in Sep 2019, HSH was invited by VivaKids to participate in a Touch-Rugby and Football Sports Clinic. In collaboration with Singapore Rugby Union, Real Madrid Football Academy and Balestier Khalsa FC, VivaKids brought in professional athletes to conduct the sports clinic for HSH residents. Besides sports skills, the residents also learnt teamwork and developed their self-worth through the activities and interactions with these athletes.

HSH partnered with Project Dignity to conduct baking workshop for the residents during end of year school holidays in 2019. Project Dignity is a social enterprise that provides vocational training for the differently abled and disadvantaged persons. With the assistance of talented bakers from Project Dignity, the residents made cookies from scratch. The cookies were then given to HSH staff members as gifts of appreciation. The staff members were touched by this gesture and were also proud of the resident's new-found skill in baking.

This is the fourth year that Michelin Asia Pacific Pte Ltd has partnered with the Home to organise the annual outing for the residents. In Dec 2019, staff from Michelin brought the residents to Singapore Science Centre. The residents were also treated to a hearty meal at MacDonald. Apart from the sponsored outing, Michelin also made a generous donation to HSH.



On 18 Dec 2020, HSH celebrated its 6th Anniversary. HSH was honoured to have an all-time high turnout for the anniversary celebration. Over 30 stakeholders and partners from MSF, other Children Homes, schools, business community, regular donors and volunteers attended this joyous occasion. The residents prepared delicate artworks as door gifts for the guests. They also performed a upbeat dance routine that enthralled the guests.

In the past year, HSH signed up for the 'Shop & Donate' Programme with NTUC FairPrice Co-operative Ltd. 'Shop & Donate' is an online giving platform hosted on the NTUC FairPrice website where kind-hearted persons from the community can donate items listed in the HSH groceries wish-list. The programme ended in Feb 2020. HSH is grateful to NTUC FairPrice for their support.

When COVID-19 struck the nation in early-2020, HSH worked closely with MSF to safeguard our residents and staff from the risk of infection. Staff members and residents had to adhering to the strict guidelines stipulated by MSF, with stringent safety measures being implemented within the premise. Despite the trying time, many donors and volunteers continued to stay in touch and offered invaluable support to HSH. The Home receive donations of reusable masks, surgical masks, hand sanitizers and personal protection equipment (PPE) from the donors and partners. During the Circuit Breaker period, HSH received laptops and IT accessories to aid our residents in their home-based learning (HBL). The Home also received sponsorship of packed lunches every Saturday for our residents and staff.



In May 2020, during the pandemic, a licensing audit was carried out by MSF. Despite difficulties, staff members worked hard to make all necessary submissions to MSF. HSH passed the audit and was awarded with a 2-year license to operate the Home.

The accomplishments of the Home are only possible because of good teamwork by staff members and the generosity of the donors and volunteers. We look forward to having more partners, volunteers and donors to join us in this meaningful work. No contribution is too small or insignificant. Every kind act and positive interaction with the residents is a step towards their recovery from trauma.

The image displays a collection of 24 posters for National Foster Care Week 2021, arranged in a 4x6 grid. Each poster has a unique design and theme, often featuring illustrations of children, families, and foster care-related symbols. The themes include:

- Row 1:**
 - "The Girl In A Black Dress" (Rainbow background)
 - "WE CARE" (Circular collage of people)
 - "The Reflection In My Mirror" (Mirror illustration)
 - "The Photocopy Machine" (Photocopy illustration)
 - "HAPPY HARI RAYA celebrations" (Green background with yellow text)
 - "MAD LIBS FATHER'S DAY SPECIAL!" (Yellow background with green text)
- Row 2:**
 - "The Giveaway" (Yellow background with text)
 - "3 THINGS TO KNOW BEFORE YOU FOSTER" (Yellow background with text)
 - "MAD LIBS FATHER'S DAY SPECIAL!" (Yellow background with green text)
 - "THE CHAIR WITH WHEELS" (Yellow background with a chair illustration)
 - "My Favourite Fruit" (Yellow background with fruit illustrations)
 - "He Who Does Boile" (Yellow background with a boy illustration)
- Row 3:**
 - "We are going online!" (Yellow background with a lightbulb illustration)
 - "The Chair With Wheels" (Yellow background with a chair illustration)
 - "My Favourite Fruit" (Yellow background with fruit illustrations)
 - "He Who Does Boile" (Yellow background with a boy illustration)
 - "Thank you!" (Yellow background with a girl illustration)
 - "SCATTERED EART" (Yellow background with a house illustration)
- Row 4:**
 - "HAPPY BIRTHDAY TO FOSTER CARE" (Yellow background with a girl illustration)
 - "THE CHAIR WITH WHEELS" (Yellow background with a chair illustration)
 - "My Favourite Fruit" (Yellow background with fruit illustrations)
 - "He Who Does Boile" (Yellow background with a boy illustration)
 - "Thank you!" (Yellow background with a girl illustration)
 - "SCATTERED EART" (Yellow background with a house illustration)

epworth
Community Services

Home Programs & Services Epworth's Hierarchy Donate Contact

**STRONG FAMILIES
RESILIENT LIVING
BEAUTIFUL MINDS**

The new Epworth website was launched in May 2020. Not only is the website mobile responsive, it comes with improved info-graphics and a concise transparency chart. This brought about an increased site traffic and enquires on our programmes and services.

Project Lightbulb

A group of approximately 15 people, including students and staff, posing for a photo indoors. Many are making heart shapes with their hands. A clock is visible on the wall in the background.

early-2020, this programme was extended to needy primary school students living in Bukit Batok. However, the programme was temporary suspended in April because of the COVID-19 pandemic. In order for the children to continue benefitting from this programme, Project Lightbulb was moved online in May 2020 to support the students in their learning. As of Jul 2020, Project Lightbulb serve 16 students with the help of 13 volunteers.

Fun-at-home Activity Kit Project



Despite the COVID-19 pandemic, volunteer participation did not wane. Rather, there was an increased interest in volunteering opportunities with Epworth. In considering the need for parenting and social support for disadvantaged families under our care, the Fun-at-Home Activity Kit Project was conceived. This project engaged volunteering individuals and groups from schools, higher institutions and businesses in our community to create and assemble activity kits for children from Epworth Literacy and other community programmes. The purpose of these kits is to keep the children gainfully occupied, at the same time, providing

relief to parents from the stress of constant engagement with their children whilst at home. To date, 250 kits have been assembled by volunteers and distributed to the children. This project would continue till the end of 2020.

Volunteer Management

In the reporting period where the COVID-19 pandemic disrupted many of our volunteering plans, we were able to cope with the challenges by adapting our programmes and redeploying volunteers. Many of our regular programmes, such as Project Lightbulb, Royal Rangers as well as Oasis Learning Centre's programmes, have moved online. We have also created contactless volunteering projects, such as Fun-At-Home Activity Kit Project, to meet changing needs and keep up the unwavering volunteering spirit at Epworth.

Apart from individual volunteers and student groups, the department had successfully engaged corporations and deploying them to our respective departments where they have contributed significantly. These include staff members from Ho Bee Land who brought Epworth Literacy students to Snow City; staff members from OMS Oilfield Services Ptd Ltd threw a Christmas celebration for our children; and, personnel from Dignity Kitchen who conducted a baking workshop for the residents of HomeSweetHome.



Between Aug 2019 and Jul 2020, we engaged 600 volunteers, who contributed 7,244 hours to serve the beneficiaries of Epworth. This is equivalent the work of three and half persons in full-time employment. We are grateful for the contributions of our volunteers.

Royal Rangers



It has been two years since we first launched Royal Rangers at Epworth Community Services. Our vision to promote good character, life skills and leadership to the community kids continues to be the main motivation behind our weekly programme.

In the reporting period, we taught the children about history, all our Presidents in Singapore; "explored" space; and, learnt how we can practise courage and enthusiasm in our day-to-day interactions.



Despite the challenge of not meeting in-person in the recent months due to the pandemic, we have quickly adapted and pulled together resources so that we were able to resume meeting with our children online.

We are especially thankful for a group of dedicated volunteers who have stepped up over the course of the year, to lead alongside with the staff members in the planning and running the activities. Having volunteers is an important aspect of providing mentorship, imparting values and skills through nurture and encouragement.

It remains an absolute joy to see both the kids and volunteers enjoy their time with us, learning and contributing in very meaningful ways!

Programme Statistics

Programme	No. of Clients	No. of sessions / programmes	Total service hours	Volunteer Participation
Epworth Literacy	498	10,003	9,995	55
Epworth Student Care	168	-	131,040	8
Epworth Family Welfare	404	1,095	2,410	0
Epworth Foster Care	137	1,399	2,098	16
Epworth HomeSweetHome	7	24/7 care	61,362	22
Community Relations	34	900	1,134	482
Total	1,248	13,397	208,039	600

Administration

Board Composition

As at the end of the financial year, our Board comprises 14 members who are independent members not paid by the organisation. The Board will be refreshed progressively over time which enables the Board to draw upon the experience of longer-serving members while at the same time tap into new perspectives and insights from more recent appointees. The independence of every Board member ensures greater transparency and accountability in overseeing the operations, financial performance and long-term goals of the organisation.

Management of Conflict of Interest

There are documented policies and procedures for Board members to address conflict of interest issues to ensure that Epworth's financial and operational integrity are governed by transparency and equity in the best traditions of a well-run social service agency. A Code of Conduct has been drawn up to guide Board members.

Board members are required to declare any conflict of interest upon appointment and thereafter annually at the start of each calendar year.

They are also required to immediately declare, if such situation arises, any conflict of interest in relation to any matter and recuse themselves from participating in any discussion or decision where there is a conflict of interest. They are expected to take necessary mitigating steps to avoid any conflict of interest with their roles as independent Board members.

There is one staff member related to a Board member whose total remuneration was \$58,436 in the financial year.

Whistle Blowing Policy

Our "Whistle Blowing Policy" details procedures on reporting possible improprieties, irregularities or acts of fraud, as well as the independent investigation of such matters, and follow-up actions to be taken. Complaints or suspicions of impropriety can be made by employees, clients/beneficiaries, suppliers or other persons in the form of emails, letters, phone calls or written/verbal reports.

A dedicated email address and hotline is maintained by an external service provider to receive such complaints or reports.

Email: epworth@rsmsingapore.sg
Phone: 6705 7189

Anonymous complaints may be considered, taking into account factors such as the clarity of information provided, and the likelihood of confirming the allegation during investigation. The external service provider will review all complaints received and report this to the Audit Committee who will delegate investigation of such complaints to any person designated by the Audit Committee Chairman. Should there be any complaint concerning the Audit Committee, this will be escalated to the Board Chairman for further action. All information or concerns raised will be treated with the strictest confidence, and persons who raise such concerns will be protected from punishment or unfair treatment for disclosing information in good faith.

Human Resources

Taking **PRIDE** in what we do



As a SSA, the distinctive strength of our success lies in our people – a team of dedicated staff who bring heart and passion to their respective roles every day. As of Jul 2020, we employed 94 staff to support our various programmes and services in the community.

The Epworth Code of Conduct represents the PRIDE we take in our work, and our commitment to do the best that we can for our clients, beneficiaries, colleagues, partners and the community. It defines how we conduct ourselves, based on our shared values and principles of:

Professionalism

We endeavour to apply the highest professional standards in our respective roles across the organisation, and we do this with competence, compassion and commitment.

Responsibility

We are responsible for the safeguarding and proper use of assets and resources, including the protection of all confidential information in our respective areas of work.

Integrity

We hold ourselves to the highest standards of integrity in our respective roles and in partnership with our key stakeholders, and avoid situations which may influence impartiality or compromise our professional judgement at work.

Discipline

We ensure that we are trained and qualified, performing our work responsibly and ethically, in compliance with all applicable laws and regulatory requirements.

Excellence

We strive for excellence in all that we do, upholding the trust placed in us, and making work decisions in the best interest of the organisation and not for personal benefit. Underpinning our quest for professional and organisational excellence is our belief in fairness, honesty and accountability to our stakeholders.

These principles will continue to guide us as we look forward to the future. It is by doing what is right at all times, doing good in all that we do, and doing as well as we can - with competence, compassion and commitment – that we are able to deliver Epworth's mission of improving lives and building brighter futures for children and youth at-risk in our community.

Learning and Growing

In May 2020, we concluded Phase III of the People Practices Consultancy - an initiative sponsored by NCSS to improve people practices in the social service sector. We have strengthened our career planning and development processes as part of measures to engage our employees and grow our leadership and key talent capabilities for the future.



As we expand, we actively support our people as they develop new skills and capabilities. Learning is one of the most valuable investments we can make whether as individuals or as an organisation. We currently have employees on the Professional Conversion Programme for Social Work, and continuing education sponsorship under the NCSS Professional Capability Grant.

Epworth employees attend conferences, workshops and various specialised courses to build up their skills and competencies and enhance their professional development. Our investment in development opportunities and emphasis on a spirit of continuous learning, enable us to harness the potential of our people and strengthen our organisational capabilities as we grow our services in the community.

Overcoming Unprecedented Challenges

The COVID-19 pandemic has brought unprecedented challenges impacting the world at all levels - nations, communities, families and individuals. Despite challenging personal and family situations, Epworth employees stepped up to maintain business continuity of our essential services during the Circuit Breaker period, and very quickly adapted to new ways of working with safe precautionary measures. We acknowledge the efforts of all Epworth employees – whose commitment and discipline were crucial to ensuring continued provision of services to Epworth beneficiaries where these were much needed at the peak of the crisis.

Although workload at Epworth has not decreased, the severe economic downturn and its potentially long-term impact has necessitated a wage freeze for all employees in 2020. We thank employees for the sacrifices and extra effort made despite overwhelming challenges in these extraordinary times.

Looking Ahead

Our greatest satisfaction lies in knowing that what we do leaves a lasting positive impact in the lives of individuals and the families we work with. We believe that an engaged workforce which is well-trained with the necessary competencies, mindsets that are adaptable to change, and hearts willing to serve, is key to achieving our vision of empowering our community, and enabling Strong Families, Resilient Living and Beautiful Minds.



Finance

Total income and total expenditure for the financial period amounted to \$6,717,882 and \$6,735,261 respectively, resulting in a deficit of \$(17,379).

The accumulated fund stands at \$3,141,220. Also included the restricted funds from Epworth Foster Care for amount \$303,719, Epworth Home Sweet Home for amount \$305,779, Epworth Literacy for amount (\$384,482) and Epworth STAR for amount (\$172,222). Included in the general funds is a Reserved Policy Fund of \$1,500,000.

The audited financial statements for the financial year ended 31 July 2020 are available in the Annexe.

Reserve Policy Fund

In Nov 2013, the Society established a Reserve Policy Fund, the purpose of which is to accumulate over a ten-year period excess funds equivalent to six months operating expenditure so as to provide for unexpected future working capital requirements. As at 31 July 2020 this Reserve Fund is represented by the fixed deposits of \$1,500,000.

Acknowledgment

Epworth Community Services partners with individuals, companies, government ministries, schools and higher learning institutions and other community partners to address the social challenges in Singapore. Besides giving of their time, volunteers contribute ideas, expertise and skills. We are grateful for everyone's effort to build stronger communities.

Some of our benefactors are listed below:



ANNEXE

Board Attendance

Board Members

Before 21/11/2019

Minutes of Board
Meeting on
23/10/2019

Mr Robert Lim Hui Beng	Chairman	P
Mr Tan Gee Shan	Vice-Chairman	P
Mr Ang Hock Kheng	Secretary	P
Ms Poon Hoh Kam	Treasurer	P
Ms Sam Pei Pei	Asst Treasurer	P
Mr Chiang Chie Foo	Member	A
Mr Chow Kok Kin Christopher	Member	P
Ms Chuang Sheue Ling	Member	P
Mr Gan Eng Khoon	Member	P
Mr Lee Soo Chye	Member	A
Mr Pang Tit Keong	Member	A
Mr David Phua Puay Heng	Member	P
Mr Tham Tong Kong Eddy	Member	A
Mr Hardev Singh Sidhu	Member	P

Legend
P - Present
A - Absent

Board Members

After 21/11/2019

Minutes of Board Meeting on 21/11/2019 Minutes of Board Meeting on 05/02/2020 Minutes of Board Meeting on 29/04/2020 Minutes of Board Meeting on 01/07/2020

Mr Chow Kok Kin Christopher	Chairman	P	P	P	P
Mr Tan Gee Shan	Vice-Chairman	P	P	P	A
Mr Ang Hock Kheng	Secretary	P	P	P	P
Ms Sam Pei Pei	Treasurer	P	P	P	P
Mr Robert Lim Hui Beng	Asst Treasurer	P	P	P	P
Mr Chiang Chie Foo	Member	A	P	P	P
Mr Gan Eng Khoon	Member	P	P	P	P
Ms Chuang Sheue Ling	Member	A	P	P	P
Mr Lee Soo Chye	Member	A	P	A	P
Mr David Phua Puay Heng	Member	P	A	A	P
Mr Hardev Singh	Member	P	P	P	P
Mr Edmund Bek	Member	A	P	P	P
Dr Huck Poc Poh	Member	P	P	P	P
Ms Christina Cheng	Member	P	A	P	P

- Governance Evaluation Checklist -

BOARD GOVERNANCE

Induction and orientation are provided to incoming governing board members upon joining the Board. Complied

Are there governing board members holding staff* appointments? No

The Treasurer of the charity (or any person holding an equivalent position in the charity, e.g. Finance Committee Chairman or a governing board member responsible for overseeing the finances of the charity) can only serve a maximum of 4 consecutive years. If the charity has not appointed any governing board member to oversee its finances, it will be presumed that the Chairman oversees the finances of the charity. Complied

All governing board members must submit themselves for re-nomination and re-appointment, at least once every 3 years. Complied

The Board conducts self evaluation to assess its performance and effectiveness once during its term or every 3 years, whichever is shorter. Complied

Is there any governing board member who has served for more than 10 consecutive years? No

There are documented terms of reference for the Board and each of its committees. Complied

Terms of reference for the Audit committee and the Board are approved.

Terms of reference for some committees are being drafted or re-drafted for Board approval.

CONFLICT OF INTEREST

There are documented procedures for governing board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity. Complied

Governing board members do not vote or participate in decision making on matters where they have a conflict of interest. Complied

STRATEGIC PLANNING

The Board periodically reviews and approves the strategic plan for the charity to ensure that the charity's activities are in line with the charity's objectives. Complied

HUMAN RESOURCE AND VOLUNTEER MANAGEMENT

The Board approves documented human resource policies for staff.	Complied
There is a documented Code of Conduct for governing board members, staff and volunteers (where applicable) which is approved by the Board.	Complied
There are processes for regular supervision, appraisal and professional development of staff.	Complied
Are there volunteers serving in the charity?	Yes
There are volunteer management policies in place for volunteers.	Complied

FINANCIAL MANAGEMENT AND INTERNAL CONTROLS

There is a documented policy to seek the Board's approval for any loans, donations, grants or financial assistance provided by the charity which are not part of the charity's core charitable programmes.	Complied
The Board ensures that internal controls for financial matters in key areas are in place with documented procedures.	Complied
The Board ensures that reviews on the charity's internal controls, processes, key programmes and events are regularly conducted.	Complied
The Board ensures that there is a process to identify, and regularly monitor and review the charity's key risks.	Complied
The Board approves an annual budget for the charity's plans and regularly monitors the charity's expenditure.	Complied
Does the charity invest its reserves (e.g. in fixed deposits)?	Yes
The charity has a documented investment policy approved by the Board.	Complied

FUNDRAISING PRACTICES

Did the charity receive cash donations (solicited or unsolicited) during the financial year?	Yes
All collections received (solicited or unsolicited) are properly accounted for and promptly deposited by the charity.	Complied
Did the charity receive donations in kind during the financial year?	No

DISCLOSURE AND TRANSPARENCY

The charity discloses in its annual report - (a) the number of Board meetings in the financial year; and (b) the attendance of every governing board member at those meetings. Complied

Are governing board members remunerated for their services to the Board? No

Does the charity employ paid staff? Yes

No staff is involved in setting his own remuneration. Complied

The charity discloses in its annual report - (a) the total annual remuneration for each of its 3 highest paid staff who each has received remuneration (including remuneration received from the charity's subsidiaries) exceeding \$100,000 during the financial year; and (b) whether any of the 3 highest paid staff also serves as a governing board member of the charity. The information relating to the remuneration of the staff must be presented in bands of \$100,000. OR The charity discloses that none of its paid staff receives more than \$100,000 each in annual remuneration. Complied

The charity discloses the number of paid staff who satisfies all of the following criteria: (a) the staff is a close member of the family* belonging to the Executive Head* or a governing board member of the charity; (b) the staff has received remuneration exceeding \$50,000 during the financial year. The information relating to the remuneration of the staff must be presented in bands of \$100,000. OR The charity discloses that there is no paid staff, being a close member of the family* belonging to the Executive Head* or a governing board member of the charity, who has received remuneration exceeding \$50,000 during the financial year. Complied

PUBLIC IMAGE

The charity has a documented communication policy on the release of information about the charity and its activities across all media platforms. Not Complied
Being drafted and
pending approval

<p>Approval by Management:</p> <p>We have reviewed the full set of these draft Financial Statements (FS), and we confirm that:</p> <ul style="list-style-type: none">• accounting policies in the FS are complete and consistent with that adopted in our accounts;• information disclosed in the FS, and key underlying assumptions and judgement disclosed are consistent with our accounts and are as applied by Management in preparation of our accounts;• we have reviewed and approved these financial statements for final issue. <p>On behalf of Management,</p> <p>_____ Name: Designation:</p>

EPWORTH COMMUNITY SERVICES

FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED

31 JULY 2020

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EPWORTH COMMUNITY SERVICES

STATEMENT BY THE BOARD

On behalf of the Board, we, Christopher Chow Kok Kin and Sam Pei Pei, being the Chairman and Treasurer of Epworth Community Services (the “Society”) respectively, do hereby state that in our opinion, the financial statements set out on pages 5 to 27 are properly drawn up in accordance with the Societies Act, Chapter 311, the Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly, in all material respects the financial position of the Society as at 31 July 2020 and of its financial performance, changes in funds and cash flows of the Society for the financial year ended on that date.

Christopher Chow Kok Kin
Chairman

Sam Pei Pei
Treasurer

DATE

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPWORTH COMMUNITY SERVICES

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Epworth Community Services (the "Society") as set out on pages 5 to 27, which comprise the balance sheet as at 31 July 2020, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Society as at 31 July 2020 and of the financial performance, changes in funds and cash flows of the Society for the financial year ended on that date.

Basis for Opinion

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

Other Information

The Board is responsible for the other information. The other information obtained at the date of this auditor's report is the Statement by the Board as set out on page 1 and the Annual Report for the financial year ended 31 July 2020, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPWORTH COMMUNITY SERVICES

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

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

The Board is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Charities Act and Regulations and FRSs, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EPWORTH COMMUNITY SERVICES

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion,

- (i) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (ii) the fund raising appeal held during the financial year ended 31 July 2020 has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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

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

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

DATE

EPWORTH COMMUNITY SERVICES

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 July 2020

	Note	2020 \$	2019 \$
Income			
Donations	5	1,213,301	1,259,864
Government grants	6	3,932,620	3,273,882
Programme income		1,136,857	1,387,422
Sundry income	7	160,794	219,664
Amortisation of capital grants	14	274,310	238,764
Total income		6,717,882	6,379,596
Less expenditure			
Staff costs	8	5,358,544	4,789,495
Depreciation – property, plant and equipment	10	212,467	289,671
Depreciation – right-of use assets	11	300,967	–
Rent of building, equipment and others		34,378	169,926
Other operating expenses	9	828,905	936,729
		6,735,261	6,185,821
Net (deficit)/surplus and total comprehensive (loss)/ income for the financial year		(17,379)	193,775

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

EPWORTH COMMUNITY SERVICES

BALANCE SHEET

At 31 July 2020

	Note	2020 \$	2019 \$
Non-current assets			
Property, plant and equipment	10	770,800	635,170
Right-of-use assets	11	494,246	—
		1,265,046	635,170
Current assets			
Other receivables	12	1,313,232	742,397
Fixed deposits	13	2,101,891	2,070,948
Cash and bank balances		1,843,599	1,819,835
		5,258,722	4,633,180
Total assets		6,523,768	5,268,350
Non-current liabilities			
Capital grants	14	746,493	286,943
Other payables	16	340,000	190,000
Lease liabilities	15	131,927	—
		1,218,420	476,943
Current liabilities			
Lease liabilities	15	124,883	—
Other payables	16	2,039,245	1,632,808
		2,164,128	1,632,808
Total liabilities		3,382,548	2,109,751
Net assets		3,141,220	3,158,599
Fund			
Accumulated funds	17	3,141,220	3,158,599

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

EPWORTH COMMUNITY SERVICES

STATEMENT OF CHANGES IN FUNDS

For the financial year ended 31 July 2020

	Accumulated funds \$
Balance at 1 July 2018	2,964,824
Surplus and total comprehensive income for the financial year	<u>193,775</u>
Balance at 31 July 2019 (Note 17)	3,158,599
Deficit and total comprehensive loss for the financial year	<u>(17,379)</u>
Balance at 31 July 2020 (Note 17)	<u>3,141,220</u>

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

EPWORTH COMMUNITY SERVICES

STATEMENT OF CASH FLOWS

For the financial year ended 31 July 2020

	Note	2020 \$	2019 \$
Cash flows from operating activities			
(Deficit)/surplus for the financial year		(17,379)	193,775
Adjustments for:			
Depreciation – property, plant and equipment	10	212,467	289,671
Depreciation – right-of use assets	11	300,967	–
Interest income		(35,404)	(26,488)
Interest expenses		12,346	–
Amortisation of capital grants		(274,310)	(238,764)
Operating cash flows before working capital changes		198,687	218,194
Receivables		(269,441)	(150,848)
Payables		881,671	(9,992)
Grants		(113,724)	(284,643)
Net cash from/(used in) operating activities		697,193	(227,289)
Cash flows from investing activities			
Purchases of property, plant and equipment	A	(542,409)	(305,409)
Interest received		45,908	31,109
Net cash used in investing activities		(496,501)	(274,300)
Cash flows from financing activities			
Repayment of lease liabilities		(133,639)	–
Interest paid		(12,346)	–
Net cash used in financing activities		(145,985)	–
Net increase/(decrease) in cash and cash equivalents		54,707	(501,589)
Cash and cash equivalents at beginning of financial year		3,890,783	4,392,372
Cash and cash equivalents at end of financial year		3,945,490	3,890,783
Cash and cash equivalents comprise:			
Cash and bank balances		1,843,599	1,819,835
Fixed deposits		2,101,891	2,070,948
		3,945,490	3,890,783

Note A

Property, plant and equipment during the year	10	(602,861)	(411,532)
Provision for reinstatement made during the year	16	–	110,000
Other payables as at 1 August	16	(2,643)	(6,520)
Other payables as at 31 July	16	63,095	2,643
		(542,409)	(305,409)

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

EPWORTH COMMUNITY SERVICES

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 July 2020

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

1 General information

Epworth Community Services (the “Society”) is registered in Singapore under the Singapore Societies Act.

The Society offers programmes and services to help children, youth and their families in the local communities. Services include Epworth Literacy, Epworth Student Care, Epworth Family Welfare, Epworth Foster Care and Epworth HomeSweetHome.

The headquarters is located at Blk 106 Bukit Batok Central #01-217, Singapore 650106.

The principal services of the Society are as follows:

Epworth Literacy

Epworth Literacy is an aggregation of intervention programmes and services to help children overcome learning challenges and disabilities so that they can cope with formal education.

Epworth Student Care

Epworth Student Care provides after-school care for students whose parents are unable to be at home to look after them in the day. The main objectives of Epworth Student Care are: to provide students with general basic care; provide wholesome activities to engage them; and, help them in their studies.

Epworth Family Welfare

Epworth Family Welfare helps at-risk Children and Young Persons (CYPs) with a range programmes and services; at the same time, engaging their family to be part of the intervention process. There is also a Youth Outreach Centre in Bukit Batok to engage youths in the community.

Epworth Foster Care

Epworth Community Services was appointed by the Ministry of Social & Family Development (MSF) in September 2015 to set up the first Fostering Agency in Singapore. The main objectives of Epworth Foster Care are: to raise awareness of the need for fostering; broaden outreach to recruit more foster parents and foster volunteers; and, manage cases of foster children under the care of foster parents.

Epworth HomeSweetHome

Epworth Community Services was appointed by the Ministry of Social & Family Development (MSF) in July 2013 to set up the first Therapeutic Group Home in Singapore. The home, Epworth HomeSweetHome, uses Trauma Systems Therapy as a treatment model to help children who display severe behavioural problems, after having experienced complex trauma and attachment issues.

2 Significant accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollar (“\$”), which is the functional currency of the Society, have been prepared in accordance with the Societies Act, Chapter 311 (the “Societies Act”), Singapore Charities Act, Chapter 37 and other relevant regulations (the “Charities Act and Regulation”) and Financial Reporting Standards in Singapore (“FRSs”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Board’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

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

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 4 to the financial statements.

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

New and revised standards

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

The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial performance or position of the Society, except as disclosed in Note 3.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 July 2020 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society.

2 Significant accounting policies (cont'd)

b) Property, plant and equipment

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

	Years
Computers	3
Furniture and fittings	5
Office equipment	3
Renovation	Over the remaining lease term

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

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

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

No depreciation is provided on renovation-in-progress. Depreciation of renovation-in-progress, on the same basis as other property assets, commences when the assets are ready for their intended use.

c) Income recognition

Programme income

Programme income are recognised over the period of provision of services to clients.

Interest income

Interest income is accrued on a time proportion basis, by reference to the principal outstanding and at the interest rate applicable.

Donation income

Donation income is recognised when received.

d) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred income on the balance sheet and transferred to capital grant on the balance sheet when the grant is utilised. The capital grant is amortised to statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in statement of comprehensive income over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

2 Significant accounting policies (cont'd)

e) Defined contribution plans

The Society contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. The Society's contributions to CPF are charged to the income and expenditure in the year in which the contributions relate.

f) Financial assets

Recognition and derecognition

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

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in statement of comprehensive income.

Classification and measurement

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Society classifies its financial assets at amortised cost. The classification is based on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Society reclassifies financial assets when and only when its business model for managing those assets changes.

Subsequent measurement

The Society's financial assets at amortised cost include other receivables (excluding prepayments and accrued income), fixed deposits and cash and bank balances. The Society measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

2 Significant accounting policies (cont'd)

f) Financial assets (cont'd)

Impairment

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

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

If the Society has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Society measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Society recognises an impairment gain or loss in statement of comprehensive income for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

g) Financial liabilities

Financial liabilities which comprise other payables (excluding GST payable, advance receipts, deferred income, provision for reinstatement, provision for unutilised leave and lease liabilities) are initially measured at fair value plus directly attributable transaction costs and are subsequently measured at amortised cost using the effective interest method.

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

h) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in statement of comprehensive income.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

i) Income tax

The Society is exempt from income tax under the Income Tax Act. As such, no provision for income tax has been made in the financial statements of the Society.

2 Significant accounting policies (cont'd)

j) Provisions

Provisions are recognised when the Society has a legal or constructive obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate of the amount can be made. Where the Society expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

k) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise fixed deposits and cash and bank balances.

l) Leases

The accounting policy for leases before 1 August 2019 are as follows:

When the Society is the lessee

Operating leases

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

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

The accounting policy for leases after 1 August 2019 are as follows:

The Society 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.

When the Society is the lessee

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

Lease liabilities

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

2 Summary of significant accounting policies (cont'd)

1) Leases (cont'd)

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

When the Society is the lessee (cont'd)

Lease liabilities (cont'd)

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Society and payments of penalties for terminating the lease, if the lease term reflects the Society 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.

The lease liability is presented as a separate line in the balance sheet.

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

The Society remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

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

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

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Society at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

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

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

3 Interpretations and amendments to published standards effective in 2020

FRS 116 Leases

When the Society is the lessee

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

At the date of initial application on 1 August 2019, the Society has also elected to measure the right-of-use assets at an amount equal to the lease liability adjusted for any prepaid or accrued lease payments that existed at the date of initial application.

In applying FRS 116 for the first time, the Society has used the following practical expedients permitted by the standard:

- account for operating leases with a remaining lease term of less than 12 months as at 1 August 2019 as short-term leases; and
- use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The effect of adoption of FRS 116 on the Society’s financial statements as at 1 August 2019 are as follows:

	Carrying amount at 31 July 2019 \$	Remeasurement \$	FRS 116 carrying amount at 1 August 2019 \$
Right-of-use assets	–	516,248	516,248
Property, plant and equipment	635,170	(254,764)	380,406
Lease liabilities	–	(261,484)	(261,484)
Total	635,170	–	635,170

On adoption of FRS 116, the Society recognised lease liabilities in relation to leases which had previously been classified as “Operating Leases” under FRS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the Society’s incremental borrowing rate as at 1 August 2019. The weighted average lessee’s incremental borrowing rate applied to the lease liabilities on 1 August 2019 was 4% per annum.

3 Interpretations and amendments to published standards effective in 2020 (cont'd)**FRS 116 Leases (cont'd)***When the Society is the lessee (cont'd)*

	2020 \$
Operating lease commitments disclosed as at 31 July 2019	299,228
Discounted using the weighted average lessee's incremental borrowing rate	(14,697)
Less: adjustments as a result of a different treatment of termination options	(3,498)
Less: contracts re-assessed as service agreements	(19,549)
	<hr/>
Lease liability recognised as at 1 August 2019	261,484
	<hr/>

The associated right-of-use assets were measured at the amount equal to the lease liability on adoption. Arising from the adoption of FRS 116, right-of-use assets and lease liability of \$516,248 and \$261,484 respectively were recognised on the balance sheet on 1 August 2019.

4 Critical accounting judgements and key sources of estimation uncertainty**Critical judgement in applying the entity's accounting policies**

In the process of applying the Society's accounting policies, which are described in Note 2, management has made the following judgement that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in the preceding paragraph).

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not to exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended.

For leases of premises, the following factors are considered to be most relevant:

- If any leasehold improvements are expected to have a significant remaining value, the Society typically includes the extension option in lease liabilities;
- The Society considers other factors including its historical lease periods and the costs and business disruption required to replace the leased asset.

The assessment of reasonable certainty to exercise extension options is only revised if a significant change in circumstances occurs which affects this assessment, and that is within the control of the lessee.

4 Critical accounting judgements and key sources of estimation uncertainty (cont'd)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below.

Estimating the incremental borrowing rate for leases

The Society uses the incremental borrowing rate to measure the lease liabilities because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that a lessee would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what would the Society “would have to pay”, which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Society estimates the incremental borrowing rate using observable inputs such as market interest rates, when available and is required to make certain estimates, such as the Society’s credit rating. Any change in estimation of incremental borrowing rate may have a significant impact to the determination of lease liabilities and right-of-use asset at the date of initial application of FRS 116 and commencement date of new leasing transactions. The carrying amount of lease liabilities and right-of-use assets are disclosed in Notes 15 and 11.

5 Donations

	2020 \$	2019 \$
Tax exempted	515,348	441,870
Non-tax exempted	697,953	817,994
	1,213,301	1,259,864

6 Government grants

	2020 \$	2019 \$
MFS baseline funding	1,909,845	1,827,516
MFS per capita grant	501,701	380,523
NCSS grants	412,878	441,588
MSF reimbursements	258,061	306,348
Care and share grant	164,940	267,559
JSS grant (Note 16)	571,040	—
Others	114,155	50,348
	3,932,620	3,273,882

7 Sundry income

	2020	2019
	\$	\$
President Challenge Fund (Note 16)	34,081	35,919
Others	126,713	183,745
	160,794	219,664

8 Staff costs

	2020	2019
	\$	\$
Salaries and related costs	4,496,425	3,959,870
Central Provident Fund	640,162	624,445
Others	221,957	205,180
	5,358,544	4,789,495

Included in staff costs are remuneration paid to key management personnel as follows:

	2020	2019
	\$	\$
Salaries and related costs	333,226	322,545
CPF	37,812	40,531
	371,038	363,076

Key management personnel comprises Executive Director, Assistant Director and Head of Finance.

9 Other operating expenses

	2020	2019
	\$	\$
Included in other operating expenses are the following expenses:		
Food and refreshments	97,115	112,452
Transport and travelling	152,046	211,381
Professional fees	178,037	223,159

10 Property, plant and equipment

	Computers \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Renovation- in- progress \$	Total \$
2020						
Cost						
At 1.8.2019	231,018	34,867	94,816	1,697,758	163,093	2,221,552
Reclassified to right- of-use assets (Note 11)	—	—	—	(571,657)	—	(571,657)
As at 1 August 2019, restated	231,018	34,867	94,816	1,126,101	163,093	1,649,895
Additions	51,579	34,374	23,079	493,829	—	602,861
Reclassification	—	—	—	163,093	(163,093)	—
At 31.7.2020	282,597	69,241	117,895	1,783,023	—	2,252,756
Accumulated depreciation						
At 1.8.2019	188,409	31,415	91,196	1,275,362	—	1,586,382
Reclassified to right- of-use assets (Note 11)	—	—	—	(316,893)	—	(316,893)
As at 1 August 2019, restated	188,409	31,415	91,196	958,469	—	1,269,489
Depreciation charge	35,060	4,330	8,270	164,807	—	212,467
At 31.7.2020	223,469	35,745	99,466	1,123,276	—	1,481,956
Net carrying value						
At 31.7.2020	59,128	33,496	18,429	659,747	—	770,800
2019						
Cost						
At 1.8.2018	201,925	31,917	94,816	1,481,362	—	1,810,020
Additions	29,093	2,950	—	216,396	163,093	411,532
At 31.7.2019	231,018	34,867	94,816	1,697,758	163,093	2,221,552

10 Property, plant and equipment (cont'd)

	Computers \$	Furniture and fittings \$	Office equipment \$	Renovation \$	Renovation- in- progress \$	Total \$
Accumulated depreciation						
At 1.8.2018	152,811	30,295	66,299	1,047,306	–	1,296,711
Depreciation charge	35,598	1,120	24,897	228,056	–	289,671
At 31.7.2019	188,409	31,415	91,196	1,275,362	–	1,586,382
Net carrying value						
At 31.7.2019	42,609	3,452	3,620	422,396	163,093	635,170

The Society received capital grants from Ministry of Social and Family Development Service and National Council of Social Service to finance purchase of computers, office equipment and renovation of the Society.

11 Right-of-use assets

	Leasehold premises \$	Renovation \$	Office equipment \$	Total \$
Cost				
Balance at 1 August 2019	–	–	–	–
Recognition of right-of-use asset on initial application of FRS 116	234,602	–	26,882	261,484
Reclassified from property, plant and equipment on initial application of FRS116 (Note 10)	–	571,657	–	571,657
As at 1 August 2019, restated	234,602	571,657	26,882	833,141
Additions	95,995	150,000	32,970	278,965
Balance at 31 July 2020	330,597	721,657	59,852	1,112,106
Accumulated depreciation and impairment				
Balance at 1 August 2019	–	–	–	–
Reclassified from property, plant and equipment on initial application of FRS116 (Note 10)	–	316,893	–	316,893
As at 1 August 2019, restated	–	316,893	–	316,893
Depreciation charge for the financial year	125,882	162,834	12,251	300,967
Balance at 31 July 2020	125,882	479,727	12,251	617,860
Carrying amount				
Balance at 31 July 2020	204,715	241,930	47,601	494,246

12 Other receivables

	2020	2019
	\$	\$
Accrued income	1,114,965	449,086
Sundry receivables	68,910	157,883
Sundry deposits	50,914	71,356
Prepayments	78,443	64,072
	1,313,232	742,397

Included in accrued income is a balance of \$145,625 pertaining to Jobs Support Scheme (“JSS”) (Note 16).

13 Fixed deposits

	2020	2019
	\$	\$
Fixed deposits - Reserve Policy Fund (Note 22)	1,500,000	1,500,000
Fixed deposits - General Fund	601,891	570,948
	2,101,891	2,070,948

Fixed deposits are short term in nature, mature less than 12 months (2019: 12 months) after balance sheet date and earn interests ranging from 0.15% to 2.00% (2019: 0.15% to 2.00%) per annum.

14 Capital grants

	2020	2019
	\$	\$
At beginning of the financial year	286,943	496,067
Grants utilisation	733,860	29,640
Amortisation	(274,310)	(238,764)
At end of the financial year	746,493	286,943
Accumulated amortisation comprises:		
At beginning of the financial year	1,254,926	1,016,162
Amortisation	274,310	238,764
At end of the financial year	1,529,236	1,254,926

The Society received capital grants from Ministry of Social and Family Development, Ministry of Education and National Council of Social Service for the purchase of computers, office equipment and renovation works and the related grants are amortised over the respective assets’ useful life.

15 Lease liabilities

	2020	1.8.2019
	\$	\$
Current	124,883	125,940
Non-current	131,927	135,544
	256,810	261,484

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

	Lease liabilities
	\$
Balance at 1 August 2019	—
Adoption of FRS 116	261,484
Changes from financing cash flows:	
- Repayments	(133,639)
- Interest paid	(12,346)
Non-cash changes:	
- Interest expense	12,346
Additions	128,965
Balance at 31 July 2020	256,810

16 Other payables

	2020	2019
	\$	\$
Provision for reinstatement	340,000	190,000
Sundry payables	135,470	48,790
Accrued operating expenses	1,243,113	846,254
Students' deposits	93,708	68,640
Deferred income	554,463	630,364
President challenge fund	—	34,081
GST payable	12,491	4,679
	2,379,245	1,822,808
Non-current portion – provision for reinstatement	(340,000)	(190,000)
	2,039,245	1,632,808

As at 31 July 2020, included in sundry payables is retention payable of \$63,095 (2019: \$2,643) for the addition of property, plant and equipment.

The Society received president challenge fund from National Council of Social Service (NCSS) in prior financial year amounting to \$70,000. The fund was given in line with the implementation of Project Dawn, an after-school programme which includes counselling services given to the children and youth below 16 years old in need. The programme started in prior financial year of which \$35,919 has been utilised and the remaining of \$34,081 has been utilised during the financial year. Utilisation of fund has been recognised as sundry income in statement of comprehensive income.

16 Other payables (cont'd)

Included in deferred income is deferred grant income of \$358,285 pertaining to Jobs Support Scheme ("JSS") recorded under Government grants (Note 6). JSS was announced at Budget 2020, and further enhanced at Resilience, Solidarity and Fortitude Budgets. Under the JSS, the Government will co-fund between 25% to 75% of the first \$4,600 of gross monthly wages paid to each local employee in a ten-month period through cash subsidies. JSS amounting to \$571,040 was recognised under government grants in the statement of comprehensive income for the financial year ended 31 July 2020.

17 Accumulated funds

	2020	2019
	\$	\$
Restricted funds		
Epworth Foster Care	303,719	106,773
Epworth HomeSweetHome	305,779	97,914
Epworth Literacy	(384,482)	(229,264)
Epworth Star	(172,222)	(116,479)
	52,794	(141,056)
Unrestricted fund	3,088,426	3,299,655
	3,141,220	3,158,599

Funds received by respective divisions specifically for the respective divisions are strictly not transferrable to other divisions and are restricted for the respective division's use only.

Included in the unrestricted fund is a Reserved Policy Fund of \$1,500,000 (2019: \$1,500,000) (Note 22) designated by the Board to provide for unexpected future working capital requirements.

18 Affiliated party transactions

	2020	2019
	\$	\$
Donations received	500,000	600,000

Affiliated parties are Methodist organisations which are affiliated to one another.

19 Commitments**(a) Capital commitments**

Capital commitments not provided for in the financial statements:

	2020	2019
	\$	\$
Capital commitments in respect of property, plant and equipment	—	456,927

19 Commitments (cont'd)**(b) Lease commitments – where the Society is a lessee**

The Society leases premises and office equipment from non-related parties under non-cancellable operating lease arrangements. The leases have an average tenure of between three to six years, varying terms and renewal options.

In 2019, commitments in relation to non-cancellable operating leases contracted for at the balance sheet date, but not recognised as liabilities were as follows:

	2019 \$
Within one year	140,557
Within two to five years	158,671
	<hr/> 299,228 <hr/>

As disclosed in Note 3, the Society has adopted FRS 116 on 1 August 2019. These lease payments have been recognised as right-of-use assets and lease liabilities on the balance sheet as at 1 August 2019.

20 Leases**The Society as a lessee**Nature of the Society's leasing activities

The Society leases premises and office equipment from non-related parties under non-cancellable operating lease agreements. These leases have an average tenure of between one to three years, varying terms, escalation clauses and renewal options.

The maturity analysis of the lease liabilities is disclosed in Note 21(b).

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

Carrying amount of right-of-use assets

The carrying amount and additions of right-of-use assets are disclosed in Note 11.

Amounts recognised in profit or loss

	2020 \$
<u>Lease expense not included in the measurement of lease liabilities</u>	
Lease expense - short term leases	32,775
Lease expense - low value leases	1,603
	<hr/>
Total	34,378 <hr/>

Total cash flow for leases amounted to \$180,363.

As at 31 July 2020, the Society is committed to \$39,049 for short-term leases.

21 Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts at balance sheet date are as follows:

	2020 \$	2019 \$
<i>Financial assets</i>		
At amortised cost	4,065,314	4,120,022
<i>Financial liabilities</i>		
At amortised cost	1,623,764	888,878

b) Financial risk management

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

Foreign exchange risk

The Society's exposure to foreign exchange risk is minimal as nearly all of its transactions are in Singapore dollar.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Society. The Society's exposure to credit risk arises primarily from sundry receivables, sundry deposits and cash and cash equivalents.

The Society places its cash and fixed deposits with reputable banks and financial institutions.

The Society does not have any significant concentration of credit risk exposure. The maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised on the balance sheet. The credit risk exposure in relation to financial assets at amortised costs as at 31 July 2020 and 31 July 2019 is insignificant, and accordingly no credit loss allowance is recognised as at 31 July 2020 and 31 July 2019.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rates. The Society's income and operating cash flows are substantially independent of changes in market interest rates as it does not have significant interest-bearing financial instruments.

Liquidity and cash flow risk

The Board exercises prudent liquidity and cash flow risk management policies and aims at maintaining a sufficient level of liquidity and cash flow at all times.

21 Financial instruments (cont'd)**b) Financial risk management (cont'd)*****Liquidity and cash flow risk (cont'd)***

The table below summarises the maturity profile of the Society's financial liabilities at the end of the reporting period based on contractual undiscounted cash flows:

	Within 1 year \$	1 to 5 years \$	Total \$
2020			
Other payables	1,366,954	—	1,366,954
Lease liabilities	133,104	141,214	274,318
	1,500,058	141,214	1,641,272
2019			
Other payables	888,878	—	888,878

c) Fair values

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements of the Society approximate their fair values due to their short term nature.

22 Fund management

The Society's objective when managing its funds are to safeguard and to maintain adequate working capital to continue as going concern and to develop its principal activities over the longer term through programme income and significant support in the forms of donations.

The Society established a Reserve Policy Fund, the purpose of which is to accumulate over a ten-year period, excess funds equivalent to six months operating expenditure so as to provide for unexpected future working capital requirements. At 31 July 2020, this Reserve Policy Fund is represented by the fixed deposits of \$1,500,000 (2019: \$1,500,000) (Note 13).

There were no changes to the Society's objective, policy or process during the financial years ended 31 July 2019 and 31 July 2020.

23 Impact arising from COVID 19 pandemic outbreak

The outbreak of Coronavirus Disease 2019 in early 2020 has affected economic activities in Singapore to varying degrees. The Society is expected to be impacted for the financial year ending July 2021 and going forward. The ability to meet financial targets remain unclear and its consequential effect on its services and programmes cannot be determined due to the evolving situation.

24 Authorisation of financial statements

The financial statements of the Society for the financial year ended 31 July 2020 were authorised for issue in accordance with a resolution of the Board dated ____.



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Published by Epworth Community Services

Printed by Artboard & Young