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HUG Community Services Limited

Registration No. 201430532E

Registered office: 200 Toa Payoh North #01-1033
Singapore 310200

Annual Report for the Year Ended 31 December 2019

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DIRECTORS' STATEMENT

The Directors are pleased to present their statement to the members together with the audited financial statements of HUG Community Services Ltd (the "Company") for the financial year ended 31 December 2019.

Opinion of the directors

In the opinion of the directors,

(a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Mr. Jeffrey Mak	- Director
Ms. Grace Yeo	- Director

Arrangement to Enable Directors to Acquire Shares and Debentures
Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

All Directors are members of the Company, which is limited by guarantee, so does not issue shares.

Directors' Interests in Contracts
Since the beginning of the financial year, no Director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related company with the Director or with a firm of which he is a member or with a company in which he has substantial financial interest, except as disclosed in the accounts.

Share Options
During the financial year, no options to take up unissued shares of the Company were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company. There were no unissued shares of the Company under option at the end of the financial year.

DIRECTORS' STATEMENT

Auditor

The auditor, S B Tan Audit PAC, has expressed its willingness to accept re-appointment as auditor.

On behalf of The Board of Directors

Jeffrey Mak
Director

Grace Yeo
Director

Singapore
18 MAR 2020

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUG COMMUNITY SERVICES LIMITED

Report on the Audit of the Financial Statements

Opinion
We have audited the financial statements of **HUG Community Services Limited** (the "Company"), which comprises the statement of financial position as at 31 December 2019, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Charities Act, Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards ("FRS") so as to give a true and fair view of the financial position of the Company as at 31 December 2019 and of the financial performance, changes in funds and cash flows of the Company for the year ended on that date.

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

Other information
Management is responsible for the other information. The other information comprises the Directors' Statement on pages 1 to 2. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statement or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Charities Act ("Act") and Singapore Financial Reporting Standards ("FRS"), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorized and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUG COMMUNITY SERVICES LIMITED

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 Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
HUG COMMUNITY SERVICES LIMITED

Report on Other Legal and Regulatory Requirements
In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Yong Seet Lee.

S B TAN AUDIT PAC
Public Accountants &
Chartered Accountants
Singapore
18 MAR 2020

Statement of Financial Position
As at 31 December 2019

	Note	2019 $	2018 $
Non-Current Assets			
Property, plant and equipment	3	5,617	-
Current Assets			
Trade receivables		100	850
Prepayments		195	-
Cash and cash equivalents		17,545	25,270
		17,840	26,120
Current Liabilities			
Other payables	4	1,150	1,950
		1,150	1,950
Net Current Assets		16,690	24,170
Net Assets		22,307	24,170
Representing:			
Accumulated Funds		22,307	24,170
		22,307	24,170

The accompanying notes form part of the financial statements

Statement of Comprehensive Income
For the year ended 31 December 2019

	Note	2019 $	2018 $
Revenue	5	21,382	30,459
Other income		2,400	-
		23,782	30,459
Less Expenses			
Community Service Expenses		3,554	-
Depreciation of property, plant and equipment	3	1,007	-
Entertainment and refreshment		1,157	1,733
Professional fees		750	1,950
Rent		6,210	1,500
Training programme		1,740	-
Telecommunication		333	238
Travelling expenses		3,300	1,670
Other operating expenses		7,594	2,636
		(25,645)	(9,727)
(Deficit)/ Surplus before taxation		(1,863)	20,732
Taxation	6	-	-
(Deficit)/ Surplus before taxation		(1,863)	20,732
Other comprehensive		-	-
Total (Deficit)/ Surplus for the year		(1,863)	20,732

Statement of Changes in Fund
For the year ended 31 December 2019

	2019 $	2018 $
Accumulated Fund		
Balance at beginning of year	24,170	3,438
(Deficit)/ Surplus after taxation	(1,863)	20,732
Balance at end of year	22,307	24,170
Total Funds	22,307	24,170

The accompanying notes form part of the financial statements

Statement of Cash Flows
For the year ended 31 December 2019

	Note	2019 $	2018 $
Cash Flows From Operating Activities:			
(Deficit)/ Surplus before taxation		(1,863)	20,732
Adjustments for:			
Depreciation of property, plant and equipment	3	1,007	-
Operating cash flow before working capital changes		(856)	20,732
Change in operating assets and liabilities:			
Prepayments		(195)	59
Trade receivables		750	(850)
Other payables		(800)	(231)
Net cash (used in)/ generated from operating activities		(1,101)	19,710
Cash Flows From Investing Activities:			
Purchase of property, plant and equipment	3	(6,624)	-
Net cash used in investing activities		(6,624)	-
Net (decrease)/ increase in cash and cash equivalents		(7,725)	19,710
Cash and cash equivalents at beginning of year		25,270	5,560
Cash and cash equivalents at end of year		17,545	25,270

The accompanying notes form part of the financial statements

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

1 General

HUG Community Services Limited (the "Company") is incorporated in the Republic of Singapore and has its registered office and principal place of business at 200 Toa Payoh North #01-1033, Singapore 310200. The Company was registered as a charity on 1 December 2017.

The principal activities of the Company is to provide social services without accomodation for children, youth and families.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 18 March 2020.

2 Significant Accounting Policies

2.1 *Basis of Preparation*

The financial statements, expressed in Singapore dollars, are prepared under the historical cost convention and in accordance with Singapore Financial Reporting Standards ("FRS") and Singapore Companies' Act.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised, and in any future periods affected. Judgements made by management in the application of FRS that have a significant effect on the financial statements and in arriving at estimates with a significant risk of material adjustment in the following year are discussed in subsequent note to accounts.

2.2 *Adoption of New and Amended Standards and Interpretations*

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

<u>*FRS 116 Leases*</u>

FRS 116 supersedes FRS 17 *Leases*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

FRS 116 requires lessees to recognise most lease on balance sheets. The standard included two recognition exemptions for lessees - leases of "low value" asset and short-term lease. FRS 116 is effective for annual periods beginning on or after 1 January 2019. The accounting policy is disclosed in Note 2.11. At commencement date of lease, a lessee will recognise a liability to make lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e.the right-of-use asset). Leasees will be required to seperately recognise the interest expense on the lease liability and the depreciation expenses on the right-of-use asset.

On the adoption of FRS116 using the modified restropective method, the Company adopted on a lease-by-lease basis, to measure the right-of-use asset at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately.

2.2 ***Adoption of New and Amended Standards and Interpretations (cont'd)***

In addition, the Company also applied the available practical expedients:

- Not to reassess whether a contract is, or contain a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases.

- To apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends with 12 months as of 31 July 2019.

- To apply a single discount rate to a portfolio of lease with reasonably similar characteristics.

2.3 ***Revenue Recognition***

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

Rendering of services

Revenue from rendering of services is recognised at a point in time when the services are rendered.

2.4 ***Property, plant and equipment and Depreciation***

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

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated on the straight line method to write off the cost of the assets over their estimated useful lives as follows:

	Number of years
Computer equipment	5

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect of these assets.

2.5 ***Foreign Currencies***

Items included in the financial statements of the Company are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity. The functional currency of the Company is the Singapore dollar. The financial statements of the Company are presented in Singapore dollars. Foreign currency transactions are translated into Singapore dollars at rates of exchange approximating those ruling at transaction dates. Foreign currency monetary assets and liabilities are translated at the rates ruling at the year-end. The resulting profits and losses on exchange are dealt with through the profit and loss account.

2.6 ***Cash and Cash Equivalents***

Cash and cash equivalents comprise cash at bank and on hand are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value.

2.7 ***Provisions***

Provisions are recognised when the Company has a present obligation (legal or constructive) where, as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each balance sheet date and adjusted to reflect the currect best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

2.8 ***Impairment of Financial Assets***

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss (FVPL). ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

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

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 ***Impairment of Non-Financial Assets***

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

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

Impairment losses are recognised in profit or loss.

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

2.10 ***Financial instruments***

(a) Financial Assets

i) Initial recognition and measurement

Financial assets are recognised on the institute's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

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

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

ii) Subsequent measurement

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and contractual cash flow characteristic of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

iii) Derecognition

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

(b) Financial Liabilities

i) Initial recognition and measurement

Financial liabilities are recognised on the Company's statement of financial position when the company becomes a party to the contractual provisions of the instrument. The Company determines the classification of its financial liabilities at initial recognition.

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

ii) Subsequent measurement

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

iii) Derecognition

The Institute derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired. On derecognition, the difference between the carrying amounts and the consideration paid is recognised to profit or loss.

2.11 ***Leases***

Leases of assets in which the Company assumes substantially the risks and rewards of ownership are classified as finance leases. Property, plant and equipment acquired through finance leases are capitalised at the inception of the lease at the lower of its fair value and the present value of the minimum lease payments. Subsequent to the initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss statement.

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

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

The Company applies the short-term lease recognition exemption to its short-term leases of office space (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases is recognised as expense on a straight-line basis over the lease term.

3 Property, Plant and Equipment

	Computer equipment	Total
Cost:	**$**	**$**
At 1 January 2019	-	-
Additions	6,624	6,624
At 31 December 2019	6,624	6,624
Accumulated Depreciation:		
At 1 January 2019	-	-
Charge for the financial year	1,007	1,007
At 31 December 2019	1,007	1,007
Net Book Value:		
At 31 December 2019	5,617	5,617
At 31 December 2018	-	-

4 Other Payables

	2019	2018
	$	**$**
Accruals	1,150	1,950
	1,150	1,950

5 Revenue

This represents case consultation and counselling services for services rendered and billed.

6 Taxation

There is no tax charge for the year as the Company qualifies for tax exemption as a charity under the Income Tax Act from 1 December 2017.

7 Operating Lease Commitments

	2019 $	2018 $
Payable:		
- within one year	13,765	3,000
- within 2 to 5 years	30,830	-
	44,594	3,000

8 Financial Risk Management Objectives and Policies

The main risks arising from the Company's financial instruments are liquidity risk, credit risk and foreign exchange risk. The policies for managing each of these risks are summarised as follows:

Liquidity risk
The Company's financing activities are managed by maintaining an adequate level of cash and cash equivalents to finance the Company's operations.

The maturity profile of the financial liabilities of the Company is as follows. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months approximate their carrying amounts as the impact of discounting is insignificant.

	Within 1 year $	Within 2 to 5 years $	Total $
At 31 December 2019			
Other Payables	1,150	-	1,150

	Within 1 year $	Within 2 to 5 years $	Total $
At 31 December 2018			
Other Payables	1,950	-	1,950

9 Fair Values of Financial Instruments

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

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables
The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables
The carrying amounts of these receivables and payables (including trade balances due from/to holding and related companies) approximate their fair values as they are subject to normal trade credit terms.

Classification of Financial Instruments
Set out below is a comparison by category of carrying amounts of all the Company's financial instruments that are carried in the financial statements;

	2019	**2018**
Financial assets	**$**	**$**
Trade receivables	100	850
Cash and cash equivalents	17,545	25,270
	17,645	26,120
Financial liabilities measured at amortised cost		
Other payables	1,150	1,950
	1,150	1,950

Fair value hierarchy
The Company categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company can access at the measurement date;

- Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

- Level 3 : Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

10 Accounting Estimates and Judgement in Applying Accounting Policies

The Company makes estimates and assumptions that affect the reported amounts of assets and liabilities within the next financial year. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

10 Accounting Estimates and Judgement in Applying Accounting Policies (cont'd)

Key source 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 amount of assets and liabilities within the next financial year are discussed below:

Depreciation of property, plant and equipment

The cost of property, plant and equipment is depreciated on a straight-line basis over their respective useful lives. Management estimates the useful lives of these property, plant and equipment to be within 5 years. The carrying amount of the Company's property, plant and equipment is stated in Note 3. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore future depreciation charges could be revised and impact the profit in future years.

Impairment loss on trade receivables

The Company evaluates whether there is any objective evidence that trade receivables are impaired and determine the amount of impairment loss as a result of the inability of the debtors to make required payments. The Company bases the estimates on the ageing of the trade receivables balance, credit-worthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated.

11 Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its operations. The capital structure of the Company comprises accumulated funds.

The following detailed profit and loss statement is supplementary and does not form part of the audited accounts

Detailed Statement of Comprehensive Income
For the year ended 31 December 2019

	2019 $	2018 $
Revenue		
Case Management	6,050	16,000
Donation	14,828	13,289
Counselling service	500	1,170
Subsidies/Grant	-	-
Other income	2,400	-
Bank Interest	4	-
	23,782	30,459
Less Expenses		
Appreciation in Kind	6,500	-
Advertisement	-	600
Bank charges	140	56
Consultancy fees	-	910
Community Service Expenses	3,554	-
Depreciation of property, plant and equipment	1,007	-
Entertainment and refreshment	1,157	1,733
Festive expenses	-	378
Maintenance	713	74
Professional fees	750	1,950
Printing & stationery	102	468
Rental	6,210	1,500
Subscription	139	150
Training Programme expense	1,740	-
Telecommunication	333	238
Transport expenses	3,300	1,670
	(25,645)	(9,727)
(Deficit)/ Surplus for the year before taxation	(1,863)	20,732