

SINGAPORE ANTI-NARCOTICS ASSOCIATION

UNIQUE ENTITY NUMBER: S72SS0018H

CHARITY REG. NO.: 00039

IPC NO.: 000452

**STATEMENT BY BOARD OF MANAGEMENT
AND FINANCIAL STATEMENTS**

For the financial year ended 31 December 2019

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司



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SINGAPORE ANTI-NARCOTICS ASSOCIATION

BOARD OF MANAGEMENT

<u>Name</u>	<u>Designation</u>
Dr Phek Hui Jade Kua	President
Dr Ismail Muhamad Hanif	Vice-President
Mr Lim Hock Chuan	Vice-President
Mr Kaka Singh s/o Dalip Singh	Vice-President
Mr Teo Kian Teck	Vice-President
Mr Balwinder Singh Bagary	Vice-President
Mr S B Viknesan	Honorary Secretary
Mr Kelvin Wong Weng Wah	Honorary Treasurer
Mr Mohamad Saiful Saroni	Member
Mr Patrick Kho Chuan Thye	Member
Mr Andrew John da Roza	Member
Ms Phua Puay Li	Member
Mr Jonathan James Yong Ze Ng	Member
Dr Sandor Heng Weiqiang	Member
Mr Muhammad Imran Bin Abdul Rahim	Member
Mr Khairul Ashraf Bin Khairul Anwar	Member

SINGAPORE ANTI-NARCOTICS ASSOCIATION

Statement by Board of Management

In our opinion, the financial statements set out on pages 6 to 20 are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311, the Charities Act, Cap. 37 and Charities Accounting Standard so as to present fairly, in all material respects, the financial position of Singapore Anti-Narcotics Association ("the Association") as at 31 December 2019 and the financial performance and cash flows of the Association for the year ended on that date.

The Board of Management has on the date of this statement, authorised the issue of these financial statements.

On behalf of the Board of Management,



Dr Phek Hui Jade Kua
President



Mr Kelvin Wong Weng Wah
Honorary Treasurer

Singapore, 31 March 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Anti-Narcotics Association (the "Association") set out on pages 6 to 20, which comprise the balance sheet as at 31 December 2019, and the statement of financial activities and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311 (the "Societies Act"), the Charities Act, Cap. 37 and Charities Accounting Standard (CAS) so as to present fairly, in all material respects, the financial position of the Association as at 31 December 2019 and of the financial performance and cash flows of the Association 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 Association in accordance with the Accounting and Corporate Regulatory Authority 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 information on the Board of Management, the Statement by the Board of Management and other sections of the annual report but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 that we 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.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and CAS, and for such internal control as management 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, management is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

Continued

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 Association'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 Association'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 Association 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 Board of Management 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:


- (a) the accounting and other records required to be kept by the Association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) the fundraising appeals held during the financial year have 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 fundraising-appeals.

Continued

Report on Other Legal and Regulatory Requirements (Continued)

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

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



LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

Singapore, 31 March 2020

SINGAPORE ANTI-NARCOTICS ASSOCIATION

Statement of Financial Activities for the year ended 31 December 2019

	<u>Unrestricted Funds</u>				
	<u>Notes</u>	<u>General fund</u>	<u>Designated funds</u>	<u>Total</u>	<u>Total</u>
		<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>
		\$	\$	\$	\$
<u>INCOME</u>					
Income from generated funds:					
- Voluntary income		2,113,715	-	2,113,715	1,990,751
- Activities for generated funds		219,426	-	219,426	447,767
- Investment income		14,352	-	14,352	3,023
Income from charitable activities		<u>1,326,058</u>	-	<u>1,326,058</u>	<u>1,330,762</u>
Total income	3	<u>3,673,551</u>	-	<u>3,673,551</u>	<u>3,772,303</u>
<u>EXPENDITURE</u>					
Costs of generating funds					
- Costs of generating voluntary income		188,980	-	188,980	202,069
- Costs of fundraising activities		53,389	-	53,389	148,468
Expenditure on charitable activities		2,821,432	32,340	2,853,772	2,730,113
Governance costs		<u>434,678</u>	-	<u>434,678</u>	<u>418,997</u>
Total Expenditure	4	<u>3,498,479</u>	<u>32,340</u>	<u>3,530,819</u>	<u>3,499,647</u>
Surplus/(deficit) for the year		175,072	(32,340)	142,732	272,656
Total funds brought forward		<u>2,199,994</u>	<u>97,586</u>	<u>2,297,580</u>	<u>2,024,924</u>
Total funds carried forward		<u>2,375,066</u>	<u>65,246</u>	<u>2,440,312</u>	<u>2,297,580</u>

SINGAPORE ANTI-NARCOTICS ASSOCIATION

Balance Sheet as at 31 December 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		\$	\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property, plant and equipment	10	<u>71,056</u>	<u>177,227</u>
		<u>71,056</u>	<u>177,227</u>
<u>Current Assets</u>			
Receivables	11	1,452,337	928,710
Fixed deposits with financial institutions	12	1,080,006	844,593
Cash and bank balances		<u>32,976</u>	<u>488,673</u>
		<u>2,565,319</u>	<u>2,261,976</u>
Total Assets		<u><u>2,636,375</u></u>	<u><u>2,439,203</u></u>
<u>FUNDS AND LIABILITIES</u>			
<u>Funds</u>			
General fund	13	2,375,066	2,199,994
Designated funds	14	<u>65,246</u>	<u>97,586</u>
Total Funds		<u>2,440,312</u>	<u>2,297,580</u>
<u>Current Liabilities</u>			
Payables	15	<u>196,063</u>	<u>141,623</u>
		<u>196,063</u>	<u>141,623</u>
Total Funds and Liabilities		<u><u>2,636,375</u></u>	<u><u>2,439,203</u></u>

The accompanying notes form an integral part of these financial statements

SINGAPORE ANTI-NARCOTICS ASSOCIATION

Statement of Cash Flows for the year ended 31 December 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Surplus for the year		142,732	272,656
Adjustments for:			
Depreciation of property, plant and equipment	10	186,855	348,708
Interest income		(14,352)	(3,023)
		172,503	345,685
Operating surplus before working capital changes		315,235	618,341
Increase in receivables		(523,627)	(515,802)
Increase/(Decrease) in payables		54,440	(75,179)
Changes in working capital		(469,187)	(590,981)
Net cash (used in)/from operating activities		(153,952)	27,360
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Purchase of property, plant and equipment	10	(80,684)	(51,807)
Increase in fixed deposits with maturity more than 3 months		(235,413)	(802,899)
Interest received		14,352	3,023
Net cash used in investing activities		(301,745)	(851,683)
Net decrease in cash and cash equivalents		(455,697)	(824,323)
Cash and cash equivalents at beginning of the year		488,673	1,312,996
Cash and cash equivalents at end of the year	16	32,976	488,673

The accompanying notes form an integral part of these financial statements

SINGAPORE ANTI-NARCOTICS ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS - 31 December 2019

The following notes form an integral part of the financial statements.

1. GENERAL

Singapore Anti-Narcotics Association (“the Association”) is a society registered in Singapore under the Societies Act, Chapter 311, on 19 August 1972. Its registered office is located at 2 Sengkang Square, #05-01 Sengkang Community Hub, Singapore 545025.

The Association advocates programmes and services for ex-drug-offenders and their families. It also runs an aftercare programme which offers support, casework and counselling to ex-offenders and their families to help them re-integrate back into the society and Step-Up Centres to enable recovering drug addicts to intentionally “step up” to the challenges faced in their recovery and “step out” into society with renewed confidence. The Association collaborates with businesses and corporate organisations on initiatives to help ex-offenders gain skills and experiences in industry-specific areas such as beauty and grooming, culinary, hospitality, renovation and construction.

The Association is a charity registered under the Charities Act, Chapter 37, with approved Institution of a Public Character (IPC) status, and is a member of the National Council of Social Service. The renewed IPC status is for a period of three years with effect from 1 November 2019.

The constitution of the Association restricts the use of fund monies to purposes that are for the furtherance of the objects of the Association. It prohibits the payment of dividends to members. The Association has no share capital.

The financial statements were approved and authorised for issue on the date indicated in the Statement by the Board of Management.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Association presents its financial statements in Singapore Dollar, which is also its functional currency.

The financial statements have been prepared in accordance with the historical cost convention and comply with Singapore Charities Accounting Standard (CAS).

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

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

2.2 Income Recognition

(i) Income from donations and sponsorships

Revenue from donations and sponsorships are accounted for when received, except for committed donations and sponsorships that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations and sponsorships. Revenue from fundraising event is recognised when the event has occurred.

(ii) Interest Income

Interest on fixed deposit is recognised on a time-proportion basis.

SINGAPORE ANTI-NARCOTICS ASSOCIATION

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Income Recognition (continued)

(iii) Gifts / Donations in kind

Gifts / donations in kind that are material in amount and can be estimated with sufficient reliability are recognised as income in the reporting year in which the donation in kind is receivable. Donations in kind are included in the statement of financial activities at a reasonable estimate of their value determined by the management or the amount actually realised.

(iv) Grants

A grant is recognised as income in the statement of financial activities when there is reasonable assurance that the conditions attaching to it will be met and that the grant will be received.

Grants for funding property, plant and equipment are recognised as income in the statement of financial activities when entitlement to the grant is established.

(v) Deferred Income

Resources received that do not meet the criteria for recognition as income due to insufficient evidence of entitlement to the income are accounted for as deferred income and recognised as a liability in the statement of financial position. The income is recognised in the statement of financial activities in the period when there is sufficient evidence of entitlement.

2.3 Expenditure

Expenditures have been classified under headings that aggregate all costs related to a specific activity. Expenditure items that contribute directly to an activity are classified under that activity. Common expenses, which contribute to the output of more than one activity, are apportioned on a reasonable basis to the relevant activities based on a method most suitable to that common expense.

Costs of Generating Funds

Costs of generating funds are costs associated with generating income for the Association, other than those costs incurred in undertaking charitable activities in the furtherance of the Association's objectives.

The total costs of each activity includes an apportionment of support costs allocated based on time spent by staff involved in the respective activities.

Expenditure on Charitable Activities

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objectives of the Association. The total costs of each activity includes an apportionment of support costs allocated based on time spent by staff involved in the respective activities.

Governance Costs

Governance costs include the costs of governance arrangements which relate to the general running of the Association, including direct and related support costs associated with constitutional and statutory requirements, apportioned manpower costs and general costs in supporting the governance activities. The total costs of each activity includes an apportionment of support costs allocated based on time spent by staff involved in functions related to the governance of the Association.

SINGAPORE ANTI-NARCOTICS ASSOCIATION

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Employee Benefits

Contributions to the state provident fund (Central Provident Fund) are recorded as an expense as they fall due. For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences.

2.5 Income Taxes

The Association is a registered charity under the Charities Act and is exempted from income tax under Section 13(1)(zm) of the Income Tax Act, Cap 134.

2.6 Property, Plant and Equipment

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

Property, plant and equipment are stated at cost less accumulated depreciation.

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

Depreciation is calculated on the straight line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives as follows:

Furniture and fixtures	3 years
Office equipment	3 years
Renovations	3 years

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

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year-end. The effects of any revisions are recognised in the statement of financial activities for the financial year in which the changes arise.

2.7 Receivables

Receivables are initially recognised at their transaction price, excluding transaction costs, if any, and subsequently, measured at cost less any accumulated impairment losses.

When there is objective evidence that the Association will not be able to collect all amounts due according to the original terms of the receivables, an impairment loss is recognised.

If, in a subsequent period, the amount of the impairment loss decreases and if the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. The amount of the reversal shall be recognised in the statement of financial activities.

2.8 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and at bank which are subject to insignificant risks of changes in value.

SINGAPORE ANTI-NARCOTICS ASSOCIATION

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.9 Funds

Unrestricted funds comprise general fund and designated funds. General funds are available for use at the discretion of the management for the furtherance of the Association's objectives. Designated funds are used for designated programmes.

Restricted funds are those donated for a particular cause or project, the use of which is restricted to that cause or project.

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

2.10 Payables

Payables are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement.

2.11 Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.12 Leases

Operating Leases

Leases whereby the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases.

When the Association is the lessor, income arising from such operating lease is recognised on a straight line basis over the lease term.

When the Association is the lessee, operating lease payments are recognised as an expense on a straight line basis over the lease term.

SINGAPORE ANTI-NARCOTICS ASSOCIATION

3. TOTAL INCOME

The details of the income items in the statement of financial activities are as follows:

	<u>Income from generated funds</u>			<u>Income from charitable activities</u>	<u>Total</u>	<u>Total</u>
	<u>Voluntary income</u>	<u>Activities for generating funds</u>	<u>Investment income</u>			
	<u>2019</u>	<u>2019</u>	<u>2019</u>			
	\$	\$	\$	\$	\$	\$
Donations and sponsorships	736,193	-	-	-	736,193	887,203
Fundraising income						
- Charity Golf	-	175,440	-	-	175,440	254,670
- Charity campaign	-	-	-	-	-	80,203
- Donation Draw	-	43,986	-	-	43,986	109,964
- Flag Day	-	-	-	-	-	2,930
	-	219,426	-	-	219,426	447,767
Government grants						
- MHA CNB grant	154,000	-	-	-	154,000	154,000
- MHA rental and building maintenance grants (note 9)	460,400	-	-	-	460,400	553,767
- Care and Share Matching grant	582,269	-	-	-	582,269	-
- Tote Board Funding	124,614	-	-	-	124,614	328,550
- Others	55,439	-	-	-	55,439	66,931
	1,376,722	-	-	-	1,376,722	1,103,248
Interest income	-	-	14,352	-	14,352	3,023
Programme fundings						
- Aftercare programme	-	-	-	741,700	741,700	829,166
- Preventive drug education	-	-	-	11,226	11,226	11,140
- Yellow Ribbon Community project	-	-	-	475,400	475,400	440,200
Rental of SANA facilities	-	-	-	40,250	40,250	39,680
SANA membership subscriptions	800	-	-	-	800	300
Miscellaneous income	-	-	-	57,482	57,482	10,576
	<u>2,113,715</u>	<u>219,426</u>	<u>14,352</u>	<u>1,326,058</u>	<u>3,673,551</u>	<u>3,772,303</u>

SINGAPORE ANTI-NARCOTICS ASSOCIATION

4. TOTAL EXPENDITURE

The details of the expenditure items in the statement of financial activities are as follows:

<u>Cost of generating funds</u>							
	<u>Notes</u>	Costs of generating voluntary <u>income</u>	Costs of fundraising <u>activities</u>	Expenditure on charitable <u>activities</u>	Governance <u>costs</u>	<u>Total</u>	<u>Total</u>
		<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2019</u>	<u>2018</u>
		\$	\$	\$	\$	\$	\$
<u>EXPENDITURE</u>							
Corporate communication expenses	5	44,140	-	-	-	44,140	38,624
Depreciation on property, plant and equipment	10	8,221	-	153,595	25,039	186,855	348,708
Direct costs of fundraising events	6	-	53,389	-	-	53,389	76,944
Employee benefits expense	7	88,892	-	1,854,378	328,185	2,271,455	2,014,686
Programme expenses	8	-	-	325,591	-	325,591	329,783
Other operating expenses	9	47,727	-	520,208	81,454	649,389	690,902
		<u>188,980</u>	<u>53,389</u>	<u>2,853,772</u>	<u>434,678</u>	<u>3,530,819</u>	<u>3,499,647</u>

SINGAPORE ANTI-NARCOTICS ASSOCIATION

5. CORPORATE COMMUNICATION EXPENSES

	<u>2019</u>	<u>2018</u>
	\$	\$
Corporate Community Outreach	29,757	24,772
Corporate gifts	-	1,070
Corporate publications	7,428	5,632
Donor management system	6,955	7,150
	<u>44,140</u>	<u>38,624</u>

6. DIRECT COSTS OF FUNDRAISING EVENTS

	<u>2019</u>	<u>2018</u>
	\$	\$
Charity campaign	24,506	19,114
Charity golf	28,883	38,234
Donation draw	-	18,766
Others	-	830
	<u>53,389</u>	<u>76,944</u>

7. EMPLOYEE BENEFITS EXPENSE

(i) Employee benefits expense comprises short-term employee benefits as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Salaries and related costs	1,811,886	1,644,683
Employer's contributions to Central Provident Fund	282,458	269,537
Other benefits	177,111	100,466
	<u>2,271,455</u>	<u>2,014,686</u>

(ii) The total key management personnel compensation included in employee benefits expense are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Key Management Personnel Compensation:		
Salaries and related costs	126,188	121,440
Employer's contributions to Central Provident Fund	14,265	15,481
	<u>140,453</u>	<u>136,921</u>

The above key management personnel compensation excludes the remuneration of the Chief Executive Officer whose remuneration is borne by the Singapore Prison Service.

SINGAPORE ANTI-NARCOTICS ASSOCIATION

7. EMPLOYEE BENEFITS EXPENSE (continued)

All members of the Board of Management, Chairman of sub-committees and staff of the Association are required to read and understand the Association's conflict of interest policy and make full disclosure of interests and relationships that could potentially result in conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The members of the Board of Management and Standing Committees are volunteers and receive no monetary remuneration for their contributions, except for reimbursement of out-of-pocket expenses, if any claimed.

- (iii) The annual remuneration of the three highest paid staff classified by remuneration bands are as follows:

	<u>2019</u>	<u>2018</u>
Annual remuneration		
- Not exceeding \$100,000	2	2
- \$100,001 to \$200,000	1	1
	3	3

8. PROGRAMME EXPENSES

	<u>2019</u>	<u>2018</u>
	\$	\$
Advocacy	3,878	777
Aftercare programme	69,486	54,734
Counselling services (note 14)	-	40
Event expenses (note 14)	32,340	-
Post aftercare programme	41,088	45,375
Preventive drug education	29,617	33,465
Volunteer management	7,262	5,079
Programmes at Walk-in Centre	78,601	60,537
Yellow Ribbon Community Project	63,319	129,776
	325,591	329,783

SINGAPORE ANTI-NARCOTICS ASSOCIATION

9. OTHER OPERATING EXPENSES

	<u>2019</u>	<u>2018</u>
	\$	\$
Audit fees and related disbursements		
- Statutory audit	11,000	12,408
- Statutory audit under provision	500	-
- Special audit	4,708	3,941
	16,208	16,349
* Building maintenance	75,200	168,567
Equipment and general maintenance	31,299	30,857
IT maintenance	4,566	4,278
Operating lease expenses		
- Lease of equipment	15,434	14,227
* - Rental of premises	405,744	385,200
Staff welfare	5,555	1,645
Utilities	30,707	29,332
Others	64,676	40,447
	649,389	690,902

* Included in rental of premises and building maintenance expenses is an amount totalling \$460,400 (2018: \$553,767) which is funded by the Ministry of Home Affairs (See note 3).

10. PROPERTY, PLANT AND EQUIPMENT

	<u>Furniture and fittings</u>	<u>Office equipment</u>	<u>Renovations</u>	<u>Total</u>
<u>Cost</u>	\$	\$	\$	\$
At 1 January 2018	89,129	441,933	626,898	1,157,960
Additions	6,727	45,080	-	51,807
At 31 December 2018 and 1 January 2019	95,856	487,013	626,898	1,209,767
Additions	80,684	-	-	80,684
At 31 December 2019	176,540	487,013	626,898	1,290,451
<u>Accumulated depreciation</u>				
At 1 January 2018	70,705	282,243	330,884	683,832
Charge for the year	12,639	127,103	208,966	348,708
At 31 December 2018 and 1 January 2019	83,344	409,346	539,850	1,032,540
Charge for the year	89,536	10,271	87,048	186,855
At 31 December 2019	172,880	419,617	626,898	1,219,395
<u>Carrying amount</u>				
At 31 December 2019	3,660	67,396	-	71,056
At 31 December 2018	12,512	77,667	87,048	177,227

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11. RECEIVABLES

	<u>2019</u>	<u>2018</u>
	\$	\$
Deposits	1,600	1,600
Grant receivables	1,290,671	525,550
Reimbursement receivable for case management	155,775	384,115
Other receivables	4,291	15,733
Prepayments	-	1,712
	<u>1,452,337</u>	<u>928,710</u>

The above receivables are neither past due nor impaired.

12. FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS

The fixed deposits mature within one year and bear interest at rates ranging from 0.50% to 1.70% (2018: 1.00% to 1.65%) per annum.

One of the fixed deposits amounting to \$263,928 (2018: \$41,964) has been pledged with a bank to secure a performance guarantee issued in favour of the Ministry of Home Affairs.

13. GENERAL FUND

	<u>2019</u>	<u>2018</u>
	\$	\$
At 1 January	2,199,994	2,007,298
Surplus of income over expenditure	175,072	192,696
At 31 December	<u>2,375,066</u>	<u>2,199,994</u>

Accumulated fund represents cumulative surpluses available for general use of the Association. A large majority of the assets and liabilities are attributable to the general fund. All the assets of the other funds are represented by cash balances.

14. DESIGNATED FUNDS

	<u>2019</u>	<u>2018</u>
	\$	\$
(a) <u>The Margaret Mary Wearne Charitable Trust Fund</u>		
At 1 January	84,725	4,765
Funds received	-	80,000
Funds utilised (note 8)	(32,340)	(40)
At 31 December	<u>52,385</u>	<u>84,725</u>
(b) <u>SANA Peter Lim Study Awards Fund</u>		
At 1 January and 31 December	11,866	11,866
(c) <u>Adventist Community Services Fund</u>		
At 1 January and 31 December	<u>995</u>	<u>995</u>
Total designated funds at 31 December	<u>65,246</u>	<u>97,586</u>

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14. DESIGNATED FUNDS (continued)

The above unrestricted funds are designated for the following purposes:

- (a) The Margaret Mary Wearne Charitable Trust Fund is for support of ex-offenders and ex-drug addicts in helping them re-integrate into families and the society.
- (b) SANA Peter Lim Study Awards Fund is for support of low income children participating in the Association's programme.
- (c) Adventist Community Services Fund is for funding purchase of milk powder and diapers for children in the "Kids Helping Kids" Projects.

15. PAYABLES

	<u>2019</u>	<u>2018</u>
	\$	\$
Accruals	137,357	111,245
Provision for unutilised leave	11,862	11,862
Other payables	<u>46,844</u>	<u>18,516</u>
	<u>196,063</u>	<u>141,623</u>

16. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise cash and cash balances as shown in the balance sheet.

17. OPERATING LEASE COMMITMENTS

The Association leases office premises and office equipment under operating lease agreements.

These leases have average tenure of 3 to 5 years and provide for renewal options.

At the end of the reporting year, the total of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Operating lease payments due		
within 1 year	394,899	374,227
after 1 year but not later than 5 years	<u>826,291</u>	<u>28,456</u>
	<u>1,221,190</u>	<u>402,683</u>

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17. OPERATING LEASE COMMITMENTS (continued)

As at the balance sheet date, the Association has the following lease commitments under non-cancellable operating leases where the Association is the lessor:

	<u>2019</u>	<u>2018</u>
	\$	\$
Lease receivable		
within 1 year	37,200	37,200
after 1 year but not later than 5 years	<u>40,300</u>	<u>77,500</u>
	<u>77,500</u>	<u>114,700</u>

The above operating lease receivable relates to the sublet of the Association's premises.

18. TAX-DEDUCTIBLE DONATIONS

As an Institution of a Public Character (IPC), the Association enjoys a concessionary tax treatment whereby qualifying donors are granted tax deduction for the donations made to the funds of the Association.

During the year, total gross donations received which qualified for tax deduction amounted to \$774,066 (2018: \$975,783).

19. RESERVES POLICY

The primary objective of the Association's reserves management policy is to ensure that it maintains sufficient reserves in order to support its operations and the development of its principal activities.

The management monitors the Association's cash flow and overall liquidity position on a continuous basis, taking into consideration the prevailing and projected operating income and expenditure, and other financial obligations, including projected capital expenditure.

The Association is not subject to externally imposed reserves requirement.

There were no changes to the Association's approach to reserves management since the previous financial year.

20. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Subsequent to the outbreak of Corona Virus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of measures to curb COVID-19 outbreak have been and continues to be implemented in Singapore.

The Association is closely monitoring the development of COVID-19 outbreak and its related impact on the Association's activities. As of the date of these financial statements, the Association is still in the process of assessing the impact of these measures and is currently unable to estimate the financial impact on the Association's results for the year ending 31 December 2020.