

TABUNG AMAL AIDILFITRI TRUST FUND

(UEN: T06CC1974E)

(Constituted under a Trust Deed in the Republic of Singapore)

**AUDITED FINANCIAL STATEMENTS
For the financial year ended 31 March 2020**

**MSA & PARTNERS PAC
Public Accountants and Chartered Accountants
Singapore**

TABUNG AMAL AIDILFITRI TRUST FUND
(Reg. No.T06CC1974E)

Financial Statements - 31 March 2020

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**UNIQUE ENTITY
NUMBER**

T06CC1974E

**DATE OF
REGISTRATION**

30 June 2006

**REGISTERED
ADDRESS**

845 Geylang Road Tanjong Katong Complex #04-16
Singapore 400845

**COUNTRY OF
REGISTRATION**

Singapore

**FUNCTIONAL
CURRENCY**

Singapore Dollar

**PRESENTATION
CURRENCY**

Singapore Dollar

TABUNG AMAL AIDILFITRI TRUST FUND
(Reg. No. T06CC1974E)

Statement by the Executive Committee

In the opinion of the Executive Committee, the accompanying financial statements together with the notes to the financial statements set out on pages 5 to 25 are properly drawn up so as to give a true and fair view of the state of affairs of **Tabung Amal Aidilfitri Trust Fund** as at **31 March 2020** and of the results of its financial activities, changes in funds and cash flows for the financial year ended on that date. And at the date of this statement there are reasonable grounds to believe that Tabung Amal Aidilfitri Trust Fund will be able to pay its debts as and when they fall due.

On behalf of the Executive Committee



Hj Farihullah S/O Abdul Wahab Safiullah
Head of the Executive Committee



Mohd Najib Jasin Amin Sahib
Member

Singapore

5 August 2020

**INDEPENDENT AUDITORS' REPORT TO THE TRUSTEES OF
TABUNG AMAL AIDILFITRI TRUST FUND**

(Registered as a Trust in Singapore)

Report on the audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Tabung Amal Aidilfitri Trust Fund (the "Fund"), which comprise the statement of financial position as at 31 March 2020, the statement of financial activities and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Singapore Charities Act (Chapter 37) ("the Act") and Charities Accounting Standards (CAS) so as to give a true and fair view of the state of affairs of the Fund as at 31 March 2020 and of the results of the financial activities, changes in fund and cash flows of the Fund for the financial year then ended.

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 Fund 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.

Responsibilities of Executive Committee for the Financial Statements

The Executive Committee is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Charities Act (Chapter 37) ("the Act") and Charities Accounting Standards (CAS), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Executive Committee is responsible for assessing the Fund'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 Executive Committee either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

The Executive Committee's responsibilities include overseeing the Fund's financial reporting process.

Auditors' Responsibilities for the audit of the Financial Statements

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

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

- a) 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;
- b) 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 Fund's internal control;
- c) evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee;
- d) conclude on the appropriateness of Executive Committee' 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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Fund to cease to continue as a going concern; and
- e) 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 Executive Committee 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 by the regulations under the Charities Act Chapter 37 to be kept by the Fund have been properly kept in accordance with the provisions of those regulations; and

- (b) the fund-raising events conducted by the Fund during the year ended 31 March 2020 have been carried out in accordance with the requirements of the Charities (Institution of a Public Character) Regulations and proper accounts and other records have been kept of the fund-raising appeals.

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

- (a) The use of the donation moneys was not in accordance with the objective of the Fund as required under regulation 11 of the Charities (Institutions of Public Character) Regulations; and
- (b) The Fund has not complied with the requirements of regulation 15 (Fund raising expenses) of the Charities (Institutions of Public Character) Regulations.

Basis for Opinion

We conducted our audit in accordance with SSAs. Our responsibilities under those standards are further described in the Auditors' Responsibility for the Compliance section of our report. We are independent of the Fund in accordance with the 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 on management's compliance.

Executive Committee's Responsibility for compliance with Legal and Regulatory requirements

The Executive Committee is responsible for ensuring that the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the acts. This responsibility includes implementing accounting and internal controls as Executive Committee determines are necessary to enable compliance with the provisions of the regulations.

Auditors' Responsibility for the compliance audit

Our responsibility is to express an opinion on Executive Committee's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipts, expenditure, investment of moneys and the acquisition and disposal of assets, are in accordance with the provisions of the Acts.

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipts, expenditure, investment of moneys and the acquisition and disposal of assets; and assessing the risks of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Because of the inherent limitations in any accounting and internal control system, non-compliances may nevertheless occur and not be detected.

TABUNG AMAL AIDILFITRI TRUST FUND
(Reg. No. T06CC1974E)

Statement of Financial Position
As at 31 March 2020

	Notes	2020 \$	2019 \$
ASSETS			
Non-current asset			
Plant and equipment	4	32,227	23,991
Current assets			
Fixed deposits	5	887,000	1,450,000
Other receivables	6	126,567	149,517
Cash and cash equivalents	7	2,343,403	1,529,169
		<u>3,356,970</u>	<u>3,128,686</u>
Total assets		<u><u>3,389,197</u></u>	<u><u>3,152,677</u></u>
LIABILITY AND FUNDS			
Current liability			
Other payables	8	31,021	33,585
Funds			
Unrestricted fund			
General fund - unrestricted	9	3,350,723	3,104,904
Restricted fund			
Zakat fund - restricted	9	7,453	14,188
Total funds		<u>3,358,176</u>	<u>3,119,092</u>
Total liability and funds		<u><u>3,389,197</u></u>	<u><u>3,152,677</u></u>

The accompanying notes form an integral part of these financial statements

TABUNG AMAL AIDILFITRI TRUST FUND
(Reg. No. T06CC1974E)

Statement of Financial Activities
For the financial year ended 31 March 2020

	Notes	<u>Unrestricted</u> General Fund \$	<u>Restricted</u> Zakat Fund \$	<u>2020</u> Total \$	<u>2019</u> Total \$
INCOME					
Income from Generated Funds					
<u>Voluntary income (Non-Campaign)</u>					
Donations from individuals and organisations					
		1,641	-	1,641	961
		17,740	-	17,740	45,565
		215	-	215	4,311
		61,200	-	61,200	339,872
	11	80,796	-	80,796	390,709
		-	7,453	7,453	14,188
		80,796	7,453	88,249	404,897
<u>Fundraising activities for generating funds</u>					
Ramadan Charity Campaign					
		17,049	-	17,049	-
		106,839	-	106,839	-
		1,400	-	1,400	-
		134,289	-	134,289	-
	13	462,853	-	462,853	443,993
		482,566	-	482,566	304,704
	12	1,204,996	-	1,204,996	748,697
		856,206	-	856,206	815,728
	14	856,206	-	856,206	815,728
	15	2,061,202	-	2,061,202	1,564,425
<u>Grants and other income</u>					
		3,176	-	3,176	4,924
<u>Income from Financing Activities</u>					
		28,664	-	28,664	44,133
		123	-	123	108
		28,787	-	28,787	44,241
TOTAL INCOME		2,173,961	7,453	2,181,414	2,018,487

The accompanying notes form an integral part of these financial statements

TABUNG AMAL AIDILFITRI TRUST FUND
(Reg. No. T06CC1974E)

Statement of Financial Activities
For the financial year ended 31 March 2020

	Notes	<u>Unrestricted</u> General Fund \$	<u>Restricted</u> Zakat Fund \$	<u>2020</u> Total \$	<u>2019</u> Total \$
EXPENDITURE					
Cost of generating funds					
<u>Cost of voluntary income (Non-Campaign)</u>					
Giving.sg transaction fees		6,652	-	6,652	5,070
eNets transaction fees		5	-	5	14
Digital marketing		286	-	286	125
Other costs		2,950	-	2,950	4,044
Total cost of voluntary income		9,893	-	9,893	9,253
<u>Fundraising activities</u>					
Ramadan Charity Campaign					
Street to Street Collection		41,267	-	41,267	26,322
Talian Amal TAA		69,475	-	69,475	67,956
	12	110,742	-	110,742	94,278
Sinaran Hati Charity Campaign					
Sinaran Hati Campaign Expenses					
Sinaran Hati TV Charity Show	14	286,169	-	286,169	265,729
Other fundraising expenses		1,123	-	1,123	4,142
Total cost of fundraising activities	15	398,034	-	398,034	364,149
Total cost of generating funds		407,927	-	407,927	373,402
Charitable activities					
Cost of disbursement		3,242	-	3,242	5,273
Employee benefit costs					
Employer's CPF Contributions		980	-	980	2,101
Salaries and Bonuses		5,745	-	5,745	12,741
	17	6,725	-	6,725	14,842
Financial assistance					
Dana Darurat		1,000	-	1,000	-
Financial assistance to beneficiaries		1,086,962	14,188	1,101,150	836,565
Financial assistance to organisations		80,000	-	80,000	20,000
	16	1,167,962	14,188	1,182,150	856,565
Total cost of charitable activities		1,177,929	14,188	1,192,117	876,680

The accompanying notes form an integral part of these financial statements

TABUNG AMAL AIDILFITRI TRUST FUND
(Reg. No. T06CC1974E)

Statement of Financial Activities
For the financial year ended 31 March 2020

	Notes	Unrestricted General Fund \$	Restricted Zakat Fund \$	2020 Total \$	2019 Total \$
EXPENDITURE (Continued)					
Governance costs					
Accountancy fee		3,190	-	3,190	3,000
Audit fee		4,200	-	4,200	4,700
Bank charges		176	-	176	270
Depreciation	4	9,731	-	9,731	7,179
Employee benefit costs	17	238,229	-	238,229	205,837
General expenses		509	-	509	294
Gifts and donations		-	-	-	93
Honorarium	20	8,424	-	8,424	8,424
Insurance		4,846	-	4,846	4,638
Membership and subscription		139	-	139	-
Printing, postage and stationery		8,260	-	8,260	7,573
Refreshments and entertainment		1,111	-	1,111	2,001
Relocation cost		-	-	-	1,510
Rental of equipment		1,965	-	1,965	1,990
Rental of office premises - TKC		45,068	-	45,068	42,154
Rental of office premises - WGS		9,758	-	9,758	3,253
Repair and maintenance		446	-	446	-
Small assets		209	-	209	-
Stamp duties		36	-	36	548
Staff training		193	-	193	268
Salary system		-	-	-	2,500
Telephone and internet		2,870	-	2,870	2,750
Transport		36	-	36	75
Travel (retreat)		-	-	-	4,834
Utilities		640	-	640	899
Website maintenance		2,250	-	2,250	6,243
Total governance costs		342,286	-	342,286	311,033
TOTAL EXPENDITURE		1,928,142	14,188	1,942,330	1,561,115
Net income	9	245,819	(6,735)	239,084	457,372
Reconciliation of funds					
Total fund brought forward	9	3,104,904	14,188	3,119,092	2,661,720
Total fund carried forward	9	3,350,723	7,453	3,358,176	3,119,092

The accompanying notes form an integral part of these financial statements

TABUNG AMAL AIDILFITRI TRUST FUND
(Reg. No. T06CC1974E)

Statement of Cash Flows
For the financial year ended 31 March 2020

	Notes	2020 \$	2019 \$
Cash flows from operating activities			
Net income		239,084	457,372
<u>Adjustments for:</u>			
Depreciation	4	9,731	7,179
Profit income from term deposits		<u>(28,787)</u>	<u>(44,241)</u>
Operating cash flow before changes in working capital		220,028	420,310
<u>Changes in working capital:</u>			
Other receivables		22,950	207,936
Other payables		(2,564)	14,834
		<u>20,386</u>	<u>222,770</u>
Net cash generated from operating activities		240,414	643,080
Cash flows from investing activities			
Placement of short-term fixed deposits		563,000	(50,000)
Purchase of plant and equipment	4	(17,967)	(18,671)
Profit income from term deposits		28,787	44,241
Net cash generated from / (used in) investing activities		573,820	(24,430)
Net increase in cash & cash equivalents		814,234	618,650
Cash and cash equivalents at the beginning of year		<u>1,529,169</u>	<u>910,519</u>
Cash and cash equivalents at the end of year	7	2,343,403	1,529,169

The accompanying notes form an integral part of these financial statements

TABUNG AMAL AIDILFITRI TRUST FUND
(Reg. No. T06CC1974E)

Notes to Financial Statements
For the financial year ended 31 March 2020

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

1. GENERAL INFORMATION

Tabung Amal Aidilfitri Trust Fund (“the Fund”) is constituted under a trust deed drawn and registered and domiciled in the Republic of Singapore. The Fund is a registered charity under the Charities Act, Chapter 37 since 30 June 2006. Its Unique Entity number (UEN) is with Co. Reg. No T06CC1974E.

The Fund has been accorded the status of an Institution of Public Character (IPC) (IPC No. 000602) since 1 August 2007. Its present IPC status is effective from 1 May 2019 to 30 April 2022.

The principal activities of the Fund are those of promoting the relief of poverty, distress and sickness of the community in general in Singapore who may be in need of financial assistance and the promotion of any charitable purposes for the benefit of the Singapore community. There have been no significant changes in the nature of these activities during the financial year.

The registered address of the Fund is at 845 Geylang Road, Tanjong Katong Complex #04-16 Singapore 400845.

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with the Charities Accounting Standards (CAS) issued by the Accounting Standards Council of Singapore. The Fund is also subject to the provisions of the Charities Act, Cap 37.

Basis of Preparation

(i) Functional and presentation currency

The financial statements are expressed in Singapore Dollars (\$), which is the Fund’s functional and presentation currency.

(ii) Basis of measurement

The financial statements have been prepared on historical cost convention except as described in the accounting policies that follow.

In the process of applying the Fund’s accounting policies in the preparation of financial statements in conformity with CAS requires management to exercise its judgements, certain critical accounting estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources and disclosure of contingent assets and liabilities at the reporting date, and the amounts of income and expenses during the financial year. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Although these estimates are based on Executive Committee’s best knowledge of the current events and actions, actual results may ultimately differ from those estimates.

Notes to Financial Statements
For the financial year ended 31 March 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

Revenue Recognition

Income is recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the Fund's net assets. Income is recognised when the following 3 factors are met:

- (i) Entitlement - The Fund has control over the rights or other access to the resource, enabling the Fund to determine its future application.
- (ii) Certainty - It is probable that the income will be received; and
- (iii) Measurement - The amount of the income can be measured by the Fund with sufficient reliability.

Donations and corporate sponsorship

Income from donations from individuals and corporate sponsorship are accounted for when received, except for committed donations and corporate cash sponsorship that are recorded when the commitments are signed.

Grants

Grants including those for the acquisition of property, plant and equipment are recognised as income when there is evidence of entitlement, which will normally exist when the grant is formally expressed in writing. Where entitlement is demonstrable and no conditions are attached, such promises are recognised as income once the criteria of certainty and measurement are met.

Profit from term deposits

Profit from term deposits is recognised on a time proportion basis using the effective profit method.

Plant and equipment

Items of plant and equipment are measured at cost less accumulated depreciation. All items of plant and equipment are initially recorded at cost.

The initial cost of plant and equipment comprises its purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates. It also comprises of any direct attributable costs of bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of plant and equipment.

TABUNG AMAL AIDILFITRI TRUST FUND
(Reg. No. T06CC1974E)

Notes to Financial Statements
For the financial year ended 31 March 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Depreciation is charged so as to allocate the cost of assets less their residual values over their estimated useful lives, using the straight-line method. The following annual rate is used for the depreciation of plant and equipment:

Renovation	5 years
Office equipment	3 – 5 years
Furniture and fittings	5 years

The residual values and useful lives of plant and equipment are reviewed and adjusted as appropriate, at each statement of financial position date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

Fully depreciated assets still in use are retained in the financial statements.

Subsequent expenditure relating to plant and equipment that have already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Fund and the cost of the item can be measured reliably. Cost of day-to-day servicing of an item of plant and equipment such as repairs and maintenance are normally charged to the statement of financial activities in the period in which the costs are incurred.

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of financial activities.

Financial assets

Classifications

The Fund classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the assets were acquired. Management depends the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are classified as current assets, except those expected to be realised later than 12 months after the statement of financial position date which are classified as non-current assets. Loans and receivables comprise of trade and other receivables, fixed deposits and cash and cash equivalents.

Recognition and de-recognition

Financial assets are recognised when, and only when, the Fund becomes a party to the contractual provisions of the financial instrument. Usual purchases and sales of financial assets are recognised on trade-date – the date on which the Fund commits to purchase or sell the asset.

Notes to Financial Statements
For the financial year ended 31 March 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

A financial asset is derecognised when the contractual rights to receive cash flows from the assets have expired or have been transferred and the Fund has transferred substantially all risks and rewards of ownership.

Measurement

When financial assets are recognised initially, they are measured at the transaction price excluding transaction costs, if any, which shall be recognised as expenditure immediately in the statement of financial activities.

Impairment

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired.

An allowance for impairment of loans and receivables, including other receivables, is recognised when there is objective evidence that the Fund will not be able to collect all amounts due according to the original terms of the receivables and investments. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments is considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities.

If, in subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to any event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed. Any reversal, however, shall not exceed what the carrying amount would have been had the impairment not been recognised previously. The reversed amount shall be recognised in the statement of financial activities immediately.

Other receivables

Other receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

Subsequent to initial recognition, trade and other receivables, excluding prepayments, are measured at cost less any accumulated impairment losses. Prepayments are measured at the amount paid less the economic resources received or consumed during the financial period.

Cash and cash equivalents

Cash and cash equivalent comprise of cash at banks, on hand and short-term deposits, highly liquid investments that are readily convertible to known amount of cash which are subject to insignificant risk of changes in value.

Notes to Financial Statements
For the financial year ended 31 March 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Other payables

Other payables, excluding accruals, are recognised at their transaction price excluding transaction costs, if any, at both initial recognition and subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

Provision for other liabilities and charges

Provisions are recognised when the Fund has a present obligation (legal or constructive) as a result of a past event, it is probable that the Fund will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

Operating lease

Leases are classified as operating leases when the lessor effectively retains substantially all the risks and benefits of ownership of the leased item. Operating lease payments are recognised as an expense in the statement of financial activities on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

Expenditures

Expenditures are recognised in the statement of financial activities once the goods or services have been delivered or rendered. Expenditure on performance-related grants are recognised to the extent the specified services or goods have been provided. Expenditures in the statement of financial activities are classified under the costs of generating funds, cost of charitable activities, and governance costs.

Notes to Financial Statements
For the financial year ended 31 March 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Classification

Cost of generating funds

All cost associated with generating income from all sources other than from undertaking charitable activities are included under cost of generating funds.

Cost of charitable activities

All resources applied in undertaking activities to meet the Fund's charitable objectives are classified under cost of charitable activities.

Governance costs

Costs incurred in respect of governance arrangements which relate to the general running of the Fund, activities that provide the governance infrastructure, which allows the Fund to operate, and to generate the information required for public accountability and costs incurred in relation to strategic planning processes that contribute to future development of the Fund are classified under governance costs.

Allocation of costs

Where appropriate, expenditures which are specifically identifiable to each cost classifications are allocated directly to the type of costs incurred. Where apportionment between each costs classification is necessary, the following apportionment bases are applied:

- Usage;
- Per capita (i.e. on the number of people employed within an activity);
- Floor area occupied by an activity; and
- On time basis.

Where costs cannot be wholly attributable to an activity, they are apportioned on a basis consistent with the uses of the resources.

Employee compensation

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Fund pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual, or voluntary basis. The Fund has no further payment obligations once the contributions have been paid. The Fund's contribution to defined contribution plans are recognised as employee compensation expenses when they are due.

Employment leave entitlement

Employment entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the statement of financial position date.

Notes to Financial Statements
For the financial year ended 31 March 2020

2. BASIS OF PREPARATION AND ACCOUNTING POLICIES (Continued)

Related party

A related party is a person or entity that is related to the Fund:

- (a) A person or a close member of that person's family is related to a Fund if that person:
 - (i) has control or joint control over the Fund;
 - (ii) has significant influence over the Fund; or
 - (iii) is a member of the key management personnel of the Fund or of a parent of the Fund.

- (b) An entity is related to a Fund if any of the following conditions applies:
 - (i) The entity and the Fund are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) The entity is an associate or joint venture of the Fund (or an associate or joint venture of a member of a group of which the Fund is a member) and vice versa.
 - (iii) The entity and the Fund are joint ventures of the same third party.
 - (iv) The entity is a joint venture of a third entity and the Fund is an associate of the third entity and vice versa.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Fund or an entity related to the Fund. If the Fund is itself such a plan, the sponsoring employers are also related to the Fund.
 - (vi) The entity is controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

Events after reporting date

Post year-end events that provide additional information about the Fund's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGMENTS

Estimates, assumptions and judgments 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.

The Executive Committee are of the opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

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Key sources of estimation uncertainty

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

Allowance for impairment of receivables

The Fund reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluate the risks of collection accordingly to the credit standing and collection history of individual customer. If there are indications that the financial position of a customer has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

Estimated useful life of plant and equipment

The Fund reviews annually the estimated useful lives of plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

4. PLANT AND EQUIPMENT

	Furniture & fittings \$	Office Equipment \$	Renovation \$	Total \$
Cost				
At 1 April 2018	16,407	24,386	35,160	75,953
Additions	3,415	1,842	13,414	18,671
At 31 March 2019	19,822	26,228	48,574	94,624
Additions	1,265	16,702	-	17,967
At 31 March 2020	21,087	42,930	48,574	112,591
Accumulated Depreciation				
At 1 April 2018	11,220	18,089	34,145	63,454
Depreciation charge	2,001	2,536	2,642	7,179
At 1 April 2019	13,221	20,625	36,787	70,633
Depreciation charge	2,402	4,646	2,683	9,731
At 31 March 2020	15,623	25,271	39,470	80,364
Carrying amounts				
At 31 March 2020	5,464	17,659	9,104	32,227
At 31 March 2019	6,601	5,603	11,787	23,991

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5. FIXED DEPOSITS

	2020	2019
	\$	\$
Fixed deposits	<u>887,000</u>	<u>1,450,000</u>

The fixed deposits yield fixed and bonus profit payments of 1.40% to 1.85% (2019: 1.20 % to 1.40%) per annum and with a maturity period of 4 to 10 months (2019: 8 to 12 months).

6. OTHER RECEIVABLES

	2020	2019
	\$	\$
Prepayments	21,452	6,079
Deposits	12,920	13,260
Donations receivables	<u>92,195</u>	<u>130,178</u>
	<u><u>126,567</u></u>	<u><u>149,517</u></u>

7. CASH AND CASH EQUIVALENTS

For the purpose of statement of cash flows, the cash and cash equivalents comprise the following:

	2020	2019
	\$	\$
Cash in hand	211	136
Cash at banks	1,743,192	729,033
Short-term fixed deposits	<u>600,000</u>	<u>800,000</u>
	<u><u>2,343,403</u></u>	<u><u>1,529,169</u></u>

The short-term fixed deposits yield fixed and bonus profit payments of 1.91% (2019: 0.60%) per annum and with a maturity period of 1 (2019: 2) month.

8. OTHER PAYABLES

	2020	2019
	\$	\$
Sinaran Hati 2019 Donations received in advance	20,000	16,000
Accruals and other payables	<u>11,021</u>	<u>17,585</u>
	<u><u>31,021</u></u>	<u><u>33,585</u></u>

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9. FUNDS

UNRESTRICTED GENERAL FUND

	2020	2019
	\$	\$
Balance at beginning of the year	3,104,904	2,661,720
Net income	245,819	443,184
Balance at end of the year	<u>3,350,723</u>	<u>3,104,904</u>

Unrestricted general fund is expendable at the discretion of the Executive Committee in furtherance of the Fund's objects.

During the financial year, the Fund disbursed an amount of \$60,000 (2019:Nil), as financial assistance to various institutional organisations which run programme for charitable activities.

RESTRICTED FUND

Restricted fund is fund subjects to specific trusts, which maybe declared by the donor(s) or with their authority or created through legal process, but still within the wider objects of the Fund.

Zakat fund

This represents obligatory contributions received from Muslims. Zakat received is allocated to three asnaf i.e. fakir (poverty stricken), miskin (poor), and gharimin (individual who is in debt and need assistance to meet basic needs).

Movements in the zakat fund is as follows:

	2020	2019
	\$	\$
Balance at beginning of the year	14,188	-
Zakat received during the year	7,453	14,188
Disbursement made during the year	<u>(14,188)</u>	<u>-</u>
Balance at end of the year	<u>7,453</u>	<u>14,188</u>

Zakat donations received during the year amounting \$7,453 (2019: \$14,188) was disbursed during the Disbursement Ceremony on May 2020.

10. RESERVE POLICY

The Reserves Policy adopted by the Fund is as follows:

- a) To build and maintain its reserves for 2 years of its annual operating expenditure and 1 year of financial disbursement for the beneficiaries.

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- b) The Board of Trustees reviews regularly the amount of reserves that are required to ensure sufficient funds are available to fulfil TAATF's sustainability.
- c) The reserves shall not be utilized except with the recommendation from the Executive Committee and the approval of the Board of Trustees.

The fund's current reserves as at 31 March 2020 stands at \$1.49 million (2019: \$1.45 million) and will be topped up annually based on the operating and disbursement costs, until the value reaches \$1.8 million.

11. DONATIONS FROM INDIVIDUALS AND ORGANISATIONS

	2020	2019
	\$	\$
Individuals and organisations:		
PayNow	1,641	961
Giving.sg	17,740	45,565
eNets	215	4,311
Cash and Cheque	61,200	339,872
	<u>80,796</u>	<u>390,709</u>

The donations for the financial year 2020 refer to donations received outside of the Campaign periods.

12. RAMADAN CHARITY CAMPAIGN

	2020	2019
	\$	\$
Incoming resources:		
PayNow	17,049	-
Giving.sg	106,839	-
eNets	1,400	-
Cash and Cheque	134,289	-
Donations from donation boxes (note 13)	462,853	443,993
Talian Amal TAA @ Radio Warna	482,566	304,704
	<u>1,204,996</u>	<u>748,697</u>
Cost of generating funds:		
Street to street collections	4,053	5,532
Launch programme	14,135	14,210
Logistics	11,586	-
Ramadan campaign expenses	6,383	-
Other miscellaneous expenses	5,110	6,580
Talian Amal TAA	69,475	67,956
	<u>110,742</u>	<u>94,278</u>
Net Surplus	<u>1,094,254</u>	<u>654,419</u>

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13. DONATIONS RECEIVED VIA DONATION BOXES

	\$	\$
Joo Chiat Complex	118,139	137,008
Mosques	145,242	129,252
Tanjong Katong Complex	54,003	68,843
Geylang Serai Market	21,595	33,493
Wisma Geylang Serai	43,383	-
Bazaars	40,266	60,554
Celebfest	23,633	-
Others	16,592	14,843
	<u>462,853</u>	<u>443,993</u>

14. SINARAN HATI CHARITY CAMPAIGN

	2020 \$	2019 \$
Incoming resources:		
Celebfest	24,120	26,051
Donation boxes	18,707	16,898
Giving.sg	86,365	130,710
Individuals and organisations	216,837	228,369
PayNow	6,941	-
Special project by Iman Kindergarten	75,000	-
Telepoll	376,444	411,960
Ticket sales	1,792	1,740
Grant received	50,000	-
	<u>856,206</u>	<u>815,728</u>
Cost of generating funds:		
Artists fees	11,770	9,000
Celebfest	4,168	4,501
Media production	223,095	203,300
Programme and refreshments	5,354	5,654
Radio campaign and advertisements	37,475	40,320
Special disbursements	2,000	1,669
Others	2,307	1,285
	<u>286,169</u>	<u>265,729</u>
Net Surplus	<u>570,037</u>	<u>549,999</u>

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15. FUND RAISING INCOME AND EXPENSES

	2020	2019
	\$	\$
Gross donations	2,061,202	1,564,425
Direct cost of fundraising expenses	<u>(398,034)</u>	<u>(364,149)</u>
Percentage of direct fundraising expenses over gross donations	<u>19%</u>	<u>23%</u>

The Fund has kept its fund-raising efficiency ratio below 30% in compliance with the 30/70 fundraising rule in accordance with the Charities (IPC) Regulations.

16. FINANCIAL ASSISTANCE TO BENEFICIARIES

	Number of beneficiaries		2020	2019
	2020	2019	\$	\$
Financial assistance to individuals				
- @ \$300		2,777		833,100
- @ \$350	3,087		1,080,450	
Ad-hoc disbursements	21	52	6,512	3,465
Special disbursements (Zakat)	40		14,188	-
Dana Durarat			1,000	-
Educational & Public Institutions:	7	1		
- Madrasah Aljunied Al - Islamiah			20,000	20,000
- LBKM			10,000	-
- MKAC Association			10,000	-
- PERTAPIS			10,000	-
- Muhammadiyah Association			10,000	-
- Malay Youth Literary Association			10,000	-
- PPIS			10,000	-
			<u>1,182,150</u>	<u>856,565</u>

The above distribution was in accordance with the objective of the Fund.

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For the financial year ended 31 March 2020

17. EMPLOYEE BENEFIT COSTS

	2020	2019
	\$	\$
<u>Charitable activities</u>		
Short-term employment		
- Staff salaries and bonuses	5,745	12,741
Defined contribution plans		
- Employer's CPF contributions	980	2,101
	6,725	14,842
<u>Governance costs</u>		
Staff benefits		
- Staff salaries and bonuses	203,165	175,420
- Transport allowances	6,284	5,850
- Medical fees	-	50
Defined contribution plans		
- Employer's CPF contributions	28,329	23,736
- SDL	451	781
	238,229	205,837
	244,954	220,679

As at 31 March 2020 the Fund employed 4 (2019: 4) full time employees. There were no employees (2019: Nil) whose remuneration exceeded \$100,000 per annum.

18. RELATED PARTY TRANSACTIONS

Parties are considered related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decisions or vice versa. Parties are also considered to be related party if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

There are no transactions that took place between the Fund and related parties at terms agreed between the parties except for the key management personnel compensation disclosed in Note 20.

19. MANAGEMENT OF CONFLICT OF INTEREST

Upon the appointment, Board of Trustees, Executive Committee members, Employees and Volunteers are required to sign the declarations on the disclosure form of the Conflict of Interest.

At a meeting, where a conflict of interest arises, the member concerned will not participate in any deliberation, voting or decision making. The decision of the transaction, contract or meeting shall be recorded accordingly.

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20. KEY MANAGEMENT PERSONNEL COMPENSATION

None of the Fund's employees has the authority and responsibility for planning, directing and controlling the activities of the Fund, directly or indirectly. Such functions are handled by the Executive Committee who are acting on a voluntary basis and are not remunerated except for one office-bearer who received honorarium during the year.

Key management personnel refer to the Head of the Executive Committee of the Fund. The Honorarium received during the year consists of the following:

	2020	2019
	\$	\$
Short-term benefits		
- Transport allowance	7,200	7,200
Defined contribution plans		
- Employer's CPF contribution	1,224	1,224
	<u>8,424</u>	<u>8,424</u>

21. LOANS

During the financial year, no loans were given to any employee, executive committee member or any other parties.

22. TAX – EXEMPT RECEIPTS

During the financial year, the Fund issued tax-exempt receipts for donations collected amounting to \$527,765 (2019: \$454,532).

23. DONATIONS / GRANTS AND SPONSORSHIP TO OTHER CHARITIES

The Fund did not provide any donations/grants and sponsorship to other charities during the financial year except for those charities disclosed in Note 16.

24. INCOME TAX

The Fund is an approved Trust organisation under the Charities Act, Chapter 37. It is also an IPC under the Income Tax Act, Chapter 134. No provision for taxation has been made in the financial statements as the Fund is exempt from income tax in accordance with the provisions of the Income Tax Act, Chapter 134.

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25. OPERATING LEASE COMMITMENTS

At the end of the financial year, the Fund was committed to making the following lease rental payments under non-cancellable operating leases for office premises:

	2020	2019
	\$	\$
Not later than one year	53,236	53,568
Later than one year but not later than five years	<u>15,024</u>	<u>61,756</u>

26. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Tabung Amal Aidilfitri Trust Fund (the “Fund”) for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Executive Committee on 5 August 2020.