

LAW SOCIETY PRO BONO SERVICES
(Co. Reg. No. 201700430E)

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2020**

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LAW SOCIETY PRO BONO SERVICES

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 March 2020.

In the opinion of the directors:

- (i) the financial statements as set out on pages 5 to 35 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in accumulated funds and cash flows of the Company for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore; and
- (ii) 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 in office at the date of this statement are:

Gregory Vijayendran Ganesamoorthy
Wong Weng Wah Kelvin
Dinesh Singh Dhillon
Arfat Beebee Binte Noor Mohamed Abdul Latiff Mrs Arfat Selvam
Tan Gim Hai Adrian
Seah Zhen Wei Paul

Kang Yu Hsien Derek
Narayanan Sreenivasan
Tan Cheow Hung
Thio Shen Yi
Sunil Sudheesan (Appointed
on 1 February 2020)

Arrangement to enable directors to acquire benefits

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 any other body corporate.

Other matters


As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors


Gregory Vijayendran Ganesamoorthy
Chairman


Dinesh Singh Dhillon
Treasurer

6 August 2020

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
LAW SOCIETY PRO BONO SERVICES****Report on the Audit of the Financial Statements*****Opinion***

We have audited the accompanying financial statements of Law Society Pro Bono Services (the "Company") as set out on pages 5 to 35, which comprise the balance sheet as at 31 March 2020, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Company as at 31 March 2020 and of the financial performance, changes in accumulated funds and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 obtained at the date of the auditor's report is the Directors' Statement as set out on page 1 and the Annual Report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF LAW SOCIETY PRO BONO SERVICES (cont'd)

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

Responsibilities of the Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Act, Charities Act and Regulations and FRSs, and for such internal control as the 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 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.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
LAW SOCIETY PRO BONO SERVICES (cont'd)**

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

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

- Conclude on the appropriateness of 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.

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 Act.

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

- (i) the Company 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 Company has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.


Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

6 August 2020

LAW SOCIETY PRO BONO SERVICES

BALANCE SHEET As at 31 March 2020

	Note	2020 \$	2019 \$
ASSETS			
Non-current assets			
Property, plant and equipment	3	144,716	123,809
Intangible assets	4	133,459	166,562
Right-of-use asset	5	524,475	–
		<u>802,650</u>	<u>290,371</u>
Current assets			
Amount due from The Law Society of Singapore	11	514	–
Receivables	6	306,506	384,402
Cash and cash equivalents	7	3,940,421	4,191,177
Deferred expenditure	8	93,116	37,888
Contract assets	9	194,020	187,020
		<u>4,534,577</u>	<u>4,800,487</u>
Total assets		<u>5,337,227</u>	<u>5,090,858</u>
LIABILITIES			
Non-current liability			
Deferred grants	8	–	130
Lease liabilities	10	410,756	–
		<u>410,756</u>	<u>130</u>
Current liabilities			
Amount due to The Law Society of Singapore	11	–	1,527
Payables	12	584,562	655,320
Deferred grants	8	262,014	316,005
Lease liabilities	10	117,366	–
		<u>963,942</u>	<u>972,852</u>
Total liabilities		<u>1,374,698</u>	<u>972,982</u>
Net assets		<u>3,962,529</u>	<u>4,117,876</u>
Funds			
Accumulated Funds	13	3,962,529	4,117,876

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

LAW SOCIETY PRO BONO SERVICES

STATEMENT OF COMPREHENSIVE INCOME For the financial year ended 31 March 2020

	Note	General Funds \$	Restricted Funds \$	Total 2020 \$	Total 2019 \$
Income					
Contributions and grants	14	1,543,850	1,459,805	3,003,655	3,957,794
CLAS Training Programme fee		—	8,865	8,865	11,640
CLAS Co-Payment collection		—	69,979	69,979	102,812
Conference fee		—	—	—	14,733
Interest income		52,099	20	52,119	41,886
Other income	14	21,191	150,470	171,661	981,557
Amortisation of deferred capital grant	8	191,834	3,648	195,482	225,490
		<u>1,808,974</u>	<u>1,692,787</u>	<u>3,501,761</u>	<u>5,335,912</u>
Less expenditure					
Interest on lease liabilities	10	11,550	—	11,550	—
Committee activities and projects	15	29,706	488,212	517,918	1,569,477
Administrative expenses	16	478,868	138,303	617,171	570,250
Personnel costs	17	1,024,292	1,486,177	2,510,469	2,457,152
		<u>1,544,416</u>	<u>2,112,692</u>	<u>3,657,108</u>	<u>4,596,879</u>
Total (deficit)/surplus and total comprehensive (loss)/income for the financial year		<u>264,558</u>	<u>(419,905)</u>	<u>(155,347)</u>	<u>739,033</u>

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

LAW SOCIETY PRO BONO SERVICES

STATEMENT OF CHANGES IN ACCUMULATED FUNDS For the financial year ended 31 March 2020

		← Restricted funds →			
	General Fund	Criminal Legal Aid Scheme	Law Awareness Fund	Bar Memorial Scholarship Fund	Total Funds
	\$	\$	\$	\$	\$
Balance at 31 March 2018	4,028,701	(719,737)	29,748	40,131	3,378,843
Total (deficit)/surplus and total comprehensive (loss)/income for the financial year	554,148	205,609	(5,912)	(14,812)	739,033
Transfer of funds	(595,132)	600,593	(6,461)	1,000	—
Balance as 31 March 2019	3,987,717	86,465	17,375	26,319	4,117,876
Total (deficit)/surplus and total comprehensive (loss)/income for the financial year	264,558	(398,844)	(6,080)	(14,981)	(155,347)
Transfer of funds	(852,035)	854,662	(2,627)	—	—
Balance as 31 March 2020	3,400,240	542,283	8,668	11,338	3,962,529

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

LAW SOCIETY PRO BONO SERVICES

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2020

	2020 \$	2019 \$
Cash flows from operating activities		
(Deficit)/Surplus for the financial year	(155,347)	739,033
Adjustments for:		
Depreciation of property, plant and equipment	45,220	101,732
Depreciation of right-of-use assets	123,704	–
Amortisation of deferred grant	(195,482)	(225,490)
Amortisation of deferred expenditure	8,998	21,998
Amortisation of intangible assets	148,695	146,769
Property, plant and equipment written off	61,061	375
Interest income	(52,119)	(41,886)
Interest on lease liabilities	11,550	–
Waiver of honorariums and disbursements charged by lawyers	(150,470)	(945,500)
Grant income for State Courts rental	(30,230)	–
Operating cash flows before working capital changes	(184,420)	(202,969)
Changes in operating assets and liabilities		
Receivables	70,896	132,012
Deferred expenditure	(64,226)	(8,998)
Amount due to The Law Society of Singapore (trade)	(1,878)	(177,979)
Payables	60,024	504,451
Deferred grants	141,361	17,378
Net cash from operating activities	21,757	263,895
Cash flows from investing activities		
Purchase of property, plant and equipment	(127,188)	(21,153)
Purchase of intangible assets	(115,592)	–
Interest received	52,119	41,886
Net cash (used in)/from investing activities	(190,661)	20,733
Cash flows from financing activities		
Repayments of lease liabilities	(70,139)	–
Interest on lease liabilities	(11,550)	–
Advances from The Law Society of Singapore	–	802,179
Repayments to The Law Society of Singapore	(163)	(1,316,643)
Net cash used in financing activities	(81,852)	(514,464)
Net decrease in cash and cash equivalents	(250,756)	(229,836)
Cash and cash equivalents at the beginning of financial year	4,191,177	4,421,013
Cash and cash equivalents at the end of financial year	3,940,421	4,191,177

Cash and cash equivalents comprise fixed deposits, bank and cash balances as presented on the balance sheet (Note 7).

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

LAW SOCIETY PRO BONO SERVICES

NOTES TO THE 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

Law Society Pro Bono Services (the “Company”) (Co. Reg. No. 201700430E) was incorporated on 4 January 2017 to take over the operations of Pro Bono, Learning and Support Services, a division of The Law Society of Singapore (the “Division”) with charity status as a going concern. The Division was deregistered as a charity with effect from 23rd May 2018.

The Company is registered under the Singapore Charities Act and has been conferred the status of an approved Institution of a Public Character from 31 March 2017 to 31 March 2022. It is exempted from income tax and its donors are granted tax deductions for the donations made to the Company. Its principal place of activities was at 17 Phillip Street, #08-00 Grand Building, Singapore 048695 and its current principal place of activities and registered office is located at 1 Havelock Square, #B1-18 State Courts, Singapore 059724.

The Company is limited by guarantee and the liability of its member in the event of the Company being wound up will not exceed \$10 per member.

The Company’s sole member is The Law Society of Singapore (the “Law Society”) whose members are lawyers in Singapore.

The principal activities of the Company is to coordinate and administer all pro bono initiatives of the Law Society, including the Company’s General fund (“General Fund”), Criminal Legal Aid Scheme (“CLAS”), Law Awareness Fund and Bar Memorial Scholarship Fund (“BMSF”). The purpose of the Company is to implement the Law Society’s vision and initiatives as to the provision of pro bono legal services in Singapore.

2 Summary of significant accounting policies

(a) Basis of preparation

The financial statements, expressed in Singapore dollar (“\$”), which is the Company’s functional currency, have been prepared in accordance with the provisions of the Companies Act, Chapter 50, Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore (“FRSs”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. There were no significant judgments and estimates made during the financial year.

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

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards

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

The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Company except as disclosed below.

FRS 116 Leases

When the Company is the lessee

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

On adoption of FRS 116, the Company recognised lease liabilities in relation to leases which had previously been classified as "Operating Leases" under FRS 17 *Leases*. These liabilities were measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at 1 April 2019. The lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2019 was 5% per annum.

	2020
	\$
Operating lease commitments disclosed as at 31 March 2019	144,076
Less:	
Discounted using the lessee's incremental borrowing rate	(358)
Short-term lease recognised on a straight-line basis as an expense	(39,590)
	<hr/>
Lease liabilities recognised as at 1 April 2019	104,128 <hr/>

The associated right-of-use assets were measured at the amount equal to the lease liability (adjusted for any prepaid or accrued lease payment) on adoption. Arising from the adoption of FRS 116, rights-of-use asset and lease liabilities of \$123,816 and \$104,128 respectively were recognised on the balance sheet of the Company on 1 April 2019.

In applying FRS 116 for the first time, the Company has used of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

2 Summary of significant accounting policies (cont'd)

(a) Basis of preparation (cont'd)

New and revised standards (cont'd)

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

(b) Income recognition

Income is recognised when the service is performed and completed for the customer at the amount of promised consideration to which the Company is expected to be entitled, excluding those amounts collected on behalf of third parties.

Income is recognised on the following basis:

Over time

CLAS Fellowship sponsorships - over the period the sponsorship relates

CLAS Co-Payment collection - when service is rendered

Fund-raising event, conference fees and CLAS Training programme fees - when the event is held

Interest income - on a time proportion basis using the effective interest method

At a point in time

Donations - when received in cash or the right to receive payment is established

(c) Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised in deferred grant on the balance sheet and amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant related to expenditure item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the expenditure that it is intended to compensate.

(d) Employee benefits

Defined contribution plans

The Company makes contributions to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. The Company's contributions to CPF are charged to profit or loss in the period in which the related service is performed.

Employee leave entitlement

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

2 Summary of significant accounting policies (cont'd)

(e) Leases

The accounting policy for leases before 1 April 2019 is as follows:

When an entity is the lessee:

Operating leases

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

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

The accounting policy for leases after 1 April 2019 is as follows:

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.

When an entity is the lessee

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

Lease liabilities

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

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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

2 Summary of significant accounting policies (cont'd)

(e) Leases (cont'd)

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

When an entity is the lessee (cont'd)

Lease liabilities (cont'd)

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

Right-of-use assets

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

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

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

The right-of use assets are presented as a separate line in the balance sheet and comprise the leases of office premises. Right-of-use assets are depreciated over the lease periods of 3 years to 5 years.

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

As a practical expedient, FRS 116 Leases permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Company has applied this practical expedient to its leases of \$104,128 as at 1 April 2019.

(f) Taxation

The Company is a registered charity under the Singapore Charities Act and is exempted from income tax.

2 Summary of significant accounting policies (cont'd)

(g) Property, plant and equipment

Property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

Depreciation is calculated on a straight-line basis to write off the depreciable amounts of property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Computer equipment	5
Office equipment	5
Renovation	3 to 5
Air-conditioners	3 to 5

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

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

(h) Intangible assets

Computer software development costs are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct expenditure, which enhances or extends the performance of computer software beyond its original specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software development costs and acquired computer software licences are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives of 5 years.

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

2 Summary of significant accounting policies (cont'd)

(i) Impairment of non-financial assets

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

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

(j) Financial assets

Recognition and derecognition

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

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

Classification and measurement

The Company's financial assets are subsequently measured in their entirety at amortised cost.

Subsequent measurement

Debt instruments include receivables and cash and cash equivalents.

The Company measures its financial assets at amortised cost if both of the following conditions are met:

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

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

2 Summary of significant accounting policies (cont'd)

(j) Financial assets (cont'd)

Impairment

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

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

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

The Company recognises the impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

Offset

Financial assets and liabilities are offset and the net amount presented on the balance sheet when, and only when the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

(k) Financial liabilities

Financial liabilities include lease liabilities, payables (excluding donations received in advance and grants received in advance) and amount due to The Law Society of Singapore. Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

(l) Provisions

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

(m) Funds

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

2 Summary of significant accounting policies (cont'd)

(n) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 Property, plant and equipment

	Computer equipment \$	Office equipment \$	Renovation \$	Air- conditioners \$	Total \$
2020					
Cost					
At 1 April 2019	97,160	25,521	319,510	70,538	512,729
Additions	41,530	–	85,658	–	127,188
Written off	(17,564)	–	(307,695)	(70,538)	(395,797)
At 31 March 2020	121,126	25,521	97,473	–	244,120
Accumulated depreciation					
At 1 April 2019	87,249	11,380	234,358	55,933	388,920
Depreciation charge	5,394	3,932	31,722	4,172	45,220
Written off	(17,564)	–	(257,067)	(60,105)	(334,736)
At 31 March 2020	75,079	15,312	9,013	–	99,404
Net carrying value					
At 31 March 2020	46,047	10,209	88,460	–	144,716
Comprises:					
General Fund	45,036	5,568	88,460	–	139,064
CLAS	1,011	4,641	–	–	5,652
	46,047	10,209	88,460	–	144,716
2019					
Cost					
At 1 April 2018	90,447	22,484	314,909	70,538	498,378
Additions	9,757	6,795	4,601	–	21,153
Written off	(3,044)	(3,758)	–	–	(6,802)
At 31 March 2019	97,160	25,521	319,510	70,538	512,729
Accumulated depreciation					
At 1 April 2018	79,259	10,309	163,474	40,573	293,615
Depreciation charge	11,034	4,454	70,884	15,360	101,732
Written off	(3,044)	(3,383)	–	–	(6,427)
At 31 March 2019	87,249	11,380	234,358	55,933	388,920
Net carrying value					
At 31 March 2019	9,911	14,141	85,152	14,605	123,809
Comprises:					
General Fund	7,889	7,804	81,471	14,605	111,769
CLAS	2,022	6,337	3,681	–	12,040
	9,911	14,141	85,152	14,605	123,809

4 Intangible assets

	Computer software development costs \$	Computer software \$	Total \$
2020			
Cost			
At 1 April 2019	685,750	48,094	733,844
Additions	115,592	–	115,592
At 31 March 2020	801,342	48,094	849,436
Accumulated amortisation			
At 1 April 2019	548,044	19,238	567,282
Amortisation charge	139,076	9,619	148,695
At 31 March 2020	687,120	28,857	715,977
Net carrying value			
At 31 March 2020	114,222	19,237	133,459
Comprises:			
General Fund	556	–	556
CLAS	113,666	19,237	132,903
	114,222	19,237	133,459
2019			
Cost			
At 1 April 2018 and 31 March 2019	685,750	48,094	733,844
Accumulated amortisation			
At 1 April 2018	410,894	9,619	420,513
Amortisation charge	137,150	9,619	146,769
At 31 March 2019	548,044	19,238	567,282
Net carrying value			
At 31 March 2019	137,706	28,856	166,562
Comprises:			
General Fund	137,706	–	137,706
CLAS	–	28,856	28,856
	137,706	28,856	166,562

The computer software development costs were mainly incurred for computerisation of General Pro Bono Services Office's workflows for implementation of a customer relationship management system.

5 Right-of-use assets

The Company's leasing activities comprise the following:

- i) The Company leases office premises and copier equipment from non-related parties. The leases have an average tenure of between three to five years; and
- ii) In addition, the Company leases certain office equipment with remaining contractual terms of less than one year. These leases are short-term. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

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

	2020 \$
Cost	
At 1 April 2019	—
Recognition of right-of-use assets on initial application of FRS 116	123,816
At 1 April 2019, restated	123,816
Additions	524,363
At 31 March 2020	<u>648,179</u>
Accumulated depreciation	
At 1 April 2019	—
Depreciation charge	123,704
At 31 March 2020	<u>123,704</u>
Carrying amount	
At 31 March 2020	<u>524,475</u>

6 Receivables

	General Fund \$	CLAS \$	BMSF \$	Total \$
2020				
Receivables (trade) from contracts with MinLaw	—	98,000	—	98,000
Sundry deposits	22,703	200	—	22,903
Interest receivables	26,287	—	—	26,287
Prepayments	11,141	4,137	—	15,278
Government grant receivable for Job Support Scheme	144,038	—	—	144,038
	<u>204,169</u>	<u>102,337</u>	<u>—</u>	<u>306,506</u>
2019				
Receivables (trade) from contracts with MinLaw	—	187,000	—	187,000
Sundry receivables - Others	74,016	71,250	—	145,266
Sundry deposits	19,330	1,440	—	20,770
Interest receivables	20,775	—	102	20,877
Prepayments	5,656	4,833	—	10,489
	<u>119,777</u>	<u>264,523</u>	<u>102</u>	<u>384,402</u>

7 Cash and cash equivalents

	Fixed deposits \$	Bank and cash balances \$	Total \$
2020			
General Fund	2,774,606	543,241	3,317,847
CLAS	–	602,252	602,252
Law Awareness Fund	–	8,984	8,984
BMSF	–	11,338	11,338
Total	2,774,606	1,165,815	3,940,421
2019			
General Fund	3,004,406	961,169	3,965,575
CLAS	–	182,591	182,591
Law Awareness Fund	–	16,794	16,794
BMSF	16,092	10,125	26,217
Total	3,020,498	1,170,679	4,191,177

The fixed deposits' interest rates as at 31 March 2020 are fixed and ranged between 1.7% to 2.0% (2019: 1.4% to 1.5%) per annum. The fixed deposits mature within 1 to 4 months (2019: 1 to 4 months) after the balance sheet date.

8 Deferred grants and deferred expenditure

	General Fund \$	Law Awareness Fund \$	Total \$
2020			
<i>Deferred grants</i>			
Balance at 1 April 2019	316,135	–	316,135
Grant received from National Arts Council	–	3,648	3,648
Grant received from NCSS	996	–	996
Grant refundable to Singapore Tote Board	(7,321)	–	(7,321)
Addition – government grant for Job Support Scheme	144,038	–	144,038
Amortisation	(191,834)	(3,648)	(195,482)
Balance at 31 March 2020	262,014	–	262,014
Grants for project to be completed:			
- Within 12 months - Current	262,014	–	262,014
<i>Deferred expenditure</i>			
Balance at 1 April 2019	34,240	3,648	37,888
Addition – NCSS projects	5,350	–	5,350
Addition – Just Laugh 2020	58,876	–	58,876
Amortisation	(5,350)	(3,648)	(8,998)
Balance at 31 March 2020	93,116	–	93,116
Just Laugh 2020	58,876	–	58,876
NCSS projects	34,240	–	34,240
	93,116	–	93,116
Deferred expenditure for projects to be completed:			
- Within 12 months - Current	93,116	–	93,116

8 Deferred grants and deferred expenditure (cont'd)

	General Fund \$	Law Awareness Fund \$	Total \$
2019			
<i>Deferred grants</i>			
Balance at 1 April 2018	514,860	15,000	529,860
Grant received from National Arts Council	–	6,966	6,966
Grant received from NCSS	10,412	–	10,412
Grant refundable to Ministry of Law	(5,613)	–	(5,613)
	<u>519,659</u>	<u>21,966</u>	<u>541,625</u>
Amortisation	(203,524)	(21,966)	(225,490)
Balance at 31 March 2019	<u>316,135</u>	<u>–</u>	<u>316,135</u>
Grants for project to be completed:			
- Within 12 months - Current	316,005	–	316,005
- More than 12 months - Non-current	130	–	130
	<u>316,135</u>	<u>–</u>	<u>316,135</u>
<i>Deferred expenditure</i>			
Balance at 1 April 2018	34,240	21,998	56,238
Addition - National Arts Council project	–	3,648	3,648
Amortisation	–	(21,998)	(21,998)
Balance at 31 March 2019	<u>34,240</u>	<u>3,648</u>	<u>37,888</u>
National Arts Council project	–	3,648	3,648
NCSS projects	<u>34,240</u>	<u>–</u>	<u>34,240</u>
	<u>34,240</u>	<u>3,648</u>	<u>37,888</u>
Deferred expenditure for projects to be completed:			
- Within 12 months - Current	<u>34,240</u>	<u>3,648</u>	<u>37,888</u>

Deferred grants are grants received from various statutory bodies for the implementation of the various projects undertaken by the Company. Such grants which have been received are not recognised in profit or loss as the projects have not been completed and the terms and conditions relating to the grants have not been met. Similarly, expenses incurred for such uncompleted projects are deferred and not recognised in profit or loss.

When the projects are completed and the terms and conditions have been satisfied, the deferred grants received and deferred expenditure will be recognised in profit or loss.

9 Contract assets

Contract assets relate to the Company's rights to consideration for services performed for CLAS cases not billed at the reporting date.

The following table provides information about contract assets from contracts with customers.

	2020 \$	2019 \$	1.4.2019 \$
Trade receivables from contracts with customers	98,000	187,000	–
Contract assets	<u>194,020</u>	<u>187,020</u>	<u>–</u>

9 Contract assets (cont'd)

Significant changes in the contract assets balances during the financial year are as follows:

	Contract assets	
	2020	2019
	\$	\$
Contract assets reclassified to trade receivables	125,000	–
Services performed but not billed	134,000	127,000

10 Lease liabilities

	2020	2019
	\$	\$
Current	117,366	–
Non-current	410,756	–
	528,122	–

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

	2020
	\$
At 1 April 2019	–
Recognition of lease liability on initial application of FRS 116	104,128
At 1 April 2019, restated	104,128
Additions to right-of-use assets	
- office premises	482,121
- office equipment	42,242
Changes from financing cash flows:	
- repayments	(81,689)
Non-cash changes:	
<u>Income</u>	
- grant income for State Courts rental	(30,230)
<u>Expenses</u>	
- interest expense	11,550
Balance at 31 March 2020	528,122
<u>Lease expense not included in the measurement of lease liabilities</u>	
Lease expense - short term leases (Note 13(b))	9,630

As at 31 March 2020, the Company does not have any commitments for short-term leases.

Total cash flows for leases of the Company amounted to \$91,319.

11 Amount due to/(from) The Law Society of Singapore

	General Fund \$	CLAS \$	2020 Total \$	2019 Total \$
<i>Trade</i>				
Balance at 1 April	658	706	1,364	179,343
Repayments	(13,091)	(2,540)	(15,631)	(217,024)
Purchases	11,364	2,389	13,753	39,045
Balance at 31 March	(1,069)	555	(514)	1,364
<i>Non-trade</i>				
Balance at 1 April	–	163	163	514,627
Repayments	–	(163)	(163)	(1,316,643)
Advances received	–	–	–	802,179
Balance at 31 March	–	–	–	163
Total carrying amount at 31 March	(1,069)	555	(514)	1,527

The trade amounts with The Law Society of Singapore represents fees for services rendered to/by The Law Society of Singapore during the financial year.

The non-trade amounts comprise mostly net amount payments of the Company's operating expenses and the receipts of contributions by The Law Society of Singapore on behalf of the Company.

12 Payables

	General Fund \$	CLAS \$	Law Awareness Fund \$	Total \$
2020				
Accrued operating expenses	62,167	284,952	316	347,435
Sundry payables	27,753	38,124	–	65,877
Donations received in advance from law firms under CLAS Fellowship Scheme	–	171,250	–	171,250
	89,920	494,326	316	584,562
2019				
Accrued operating expenses	33,137	443,313	–	476,450
Sundry payables	31,420	49,383	3,067	83,870
Donations received in advance from law firms under CLAS Fellowship Scheme	–	95,000	–	95,000
	64,557	587,696	3,067	655,320

13 Accumulated Funds

(a) The respective funds are represented by the following assets and liabilities:

			← Restricted Law Awareness Fund →			
	Note	General Fund \$	CLAS \$	Fund \$	BMSF \$	2020 \$
ASSETS						
Non-current assets						
Property, plant and equipment	3	139,064	5,652	—	—	144,716
Intangible assets	4	556	132,903	—	—	133,459
Right-of-use assets	5	524,475	—	—	—	524,475
		664,095	138,555	—	—	802,650
Current assets						
Amount due from The Law Society of Singapore	11	1,069	(555)	—	—	514
Receivables	6	204,169	102,337	—	—	306,506
Fixed deposits, bank and cash balances	7	3,317,847	602,252	8,984	11,338	3,940,421
Deferred expenditure	8	93,116	—	—	—	93,116
Contract assets	9	—	194,020	—	—	194,020
		3,616,201	898,054	8,984	11,338	4,534,577
Total assets		4,280,296	1,036,609	8,984	11,338	5,337,227
LIABILITIES						
Non-current liability						
Lease liabilities	10	410,756	—	—	—	410,756
		410,756	—	—	—	410,756
Current liabilities						
Payables	12	89,920	494,326	316	—	584,562
Deferred grants	8	262,014	—	—	—	262,014
Lease liabilities	10	117,366	—	—	—	117,366
		469,300	494,326	316	—	963,942
Total liabilities		880,056	494,326	316	—	1,374,698
Net assets		3,400,240	542,283	8,668	11,338	3,962,529

13 Accumulated Funds (cont'd)

(a) The respective funds are represented by the following assets and liabilities (cont'd):

			<div> <div>←</div> <div>Restricted Law Awareness Fund</div> <div>→</div> </div>			
Note	General Fund \$	CLAS \$	Fund \$	BMSF \$	2019 \$	
ASSETS						
Non-current assets						
Property, plant and equipment	3	111,769	12,040	—	—	123,809
Intangible assets	4	137,706	28,856	—	—	166,562
		249,475	40,896	—	—	290,371
Current assets						
Receivables	6	119,777	264,523	—	102	384,402
Fixed deposits, bank and cash balances	7	3,965,575	182,591	16,794	26,217	4,191,177
Deferred expenditure	8	34,240	—	3,648	—	37,888
Contract assets	9	—	187,020	—	—	187,020
		4,119,592	634,134	20,442	26,319	4,800,487
Total assets		4,369,067	675,030	20,442	26,319	5,090,858
LIABILITIES						
Non-current liability						
Deferred grants	8	130	—	—	—	130
Current liabilities						
Amount due to/(from) The Law Society of Singapore	11	658	869	—	—	1,527
Payables	12	64,557	587,696	3,067	—	655,320
Deferred grants	8	316,005	—	—	—	316,005
		381,220	588,565	3,067	—	972,852
Total liabilities		381,350	588,565	3,067	—	972,982
Net assets		3,987,717	86,465	17,375	26,319	4,117,876

The deficit in CLAS fund is funded by General Fund.

13 Accumulated Funds (cont'd)

(b) The income and expenditure of the respective funds are as follows:

	General Fund \$	CLAS \$	Law Awareness Fund \$	BMSF \$	Total \$
2020					
Income					
Amortisation of deferred grant	191,834	—	3,648	—	195,482
Contribution from The Law Society of Singapore (Annual Contribution)	7,500	—	—	—	7,500
Contribution from the Ministry of Law:					
- Operating costs	500,000	—	—	—	500,000
- CLAS cases	—	818,000	—	—	818,000
- CLAS Advocates	—	227,425	—	—	227,425
- Grant for rental at State Courts	30,230	—	—	—	30,230
Contributions/donations received from others	1,006,120	31,880	—	—	1,038,000
CLAS Fellowship	—	382,500	—	—	382,500
CLAS Training Programme	—	8,865	—	—	8,865
CLAS Co-payment Collection	—	69,979	—	—	69,979
Interest income on fixed deposits	52,099	—	—	20	52,119
Other income	21,191	150,470	—	—	171,661
	1,808,974	1,689,119	3,648	20	3,501,761
Less Expenditure					
Ad Hoc Pro Bono Referral Scheme	4,521	—	—	—	4,521
Advocates for the Arts	—	—	3,648	—	3,648
Amortisation of intangible assets	137,150	11,545	—	—	148,695
Amortisation of ROU assets	123,704	—	—	—	123,704
Auditor's remuneration	9,609	—	—	—	9,609
Accounting expenses	509	—	—	—	509
Bank charges	961	825	71	1	1,858
Bar Memorial Scholarship	—	—	—	15,000	15,000
Central Provident Fund and Skills Development Levy	150,644	78,029	—	—	228,673
CLAS Advocates and Fellows Expenses	—	29,457	—	—	29,457
CLAS Advocates and Fellows Salaries with CPF	—	532,242	—	—	532,242
CLAS Training	—	718	—	—	718
Community Legal clinics	1,858	—	—	—	1,858
Conferences/Study Trips	13,424	3,161	—	—	16,585
Corporate secretariat expenses	14,088	—	—	—	14,088
Depreciation of property, plant and equipment	41,899	3,321	—	—	45,220
Disbursement charged by assigned lawyers	—	31,437	—	—	31,437
Disbursement specialist report	—	58,990	—	—	58,990
Enhanced CLAS (Honorariums)	—	368,471	—	—	368,471
Finance charge	11,550	—	—	—	11,550
Fund raising expenses	10,861	—	—	—	10,861
HR Services	4,118	2,530	—	—	6,648
Internal audit	5,350	—	—	—	5,350
Interpretation/translation fee	—	3,083	—	—	3,083
IT Services	37,232	80,822	—	—	118,054
Law Awareness Projects	—	—	6,009	—	6,009
Marketing communications	7,464	431	—	—	7,895
Meeting expenses	2,151	455	—	—	2,606
Moving cost	6,065	—	—	—	6,065
Office insurance	7,620	838	—	—	8,458
Balance carried forward	590,778	1,206,355	9,728	15,001	1,821,862

13 Accumulated Funds (cont'd)

(b) The income and expenditure of the respective funds are as follows (cont'd):

	General Fund \$	CLAS \$	Law Awareness Fund \$	BMSF \$	Total \$
2020					
Balance brought forward	590,778	1,206,355	9,728	15,001	1,821,862
Pantry supplies	924	1,846	—	—	2,770
Photocopier metered charges and paper costs	1,332	1,825	—	—	3,157
Postages	500	708	—	—	1,208
Printing and stationery	1,791	473	—	—	2,264
Property, plant and equipment written off	57,995	3,067	—	—	61,062
Publication	407	—	—	—	407
Rental of equipment	3,852	5,778	—	—	9,630
Repair and maintenance	8,654	5,826	—	—	14,480
Resource library	830	6,789	—	—	7,619
Salaries and bonuses	811,723	818,717	—	—	1,630,440
Security	245	—	—	—	245
Staff allowance and transport	3,309	668	—	—	3,977
Staff medical fees and group hospital insurance	21,907	12,901	—	—	34,808
Staff training	11,732	5,200	—	—	16,932
Staff welfare	7,037	3,273	—	—	10,310
Storage	1,218	340	—	—	1,558
Telephone and fax charges	4,702	6,566	—	—	11,268
Temp Staff	397	—	—	—	397
Utilities	4,768	7,230	—	—	11,998
Volunteer engagement/recognition/training	10,315	401	—	—	10,716
	1,544,416	2,087,963	9,728	15,001	3,657,108
(Deficit)/surplus for the financial year	264,558	(398,844)	(6,080)	(14,981)	(155,347)
Balance at 1 April 2019	3,987,717	86,465	17,375	26,319	4,117,876
Transfer of funds	(852,035)	854,662	(2,627)	—	—
Balance at 31 March 2020	3,400,240	542,283	8,668	11,338	3,962,529

13 Accumulated Funds (cont'd)

(b) The income and expenditure of the respective funds are as follows (cont'd):

	General Fund \$	CLAS \$	Law Awareness Fund \$	BMSF \$	Total \$
2019					
Income					
Amortisation of deferred grant	203,524	—	21,966	—	225,490
Contribution from The Law Society of Singapore (Just Jubilee Project/Annual Contribution)	—	—	—	—	—
Contribution from the Ministry of Law:					
- Operating costs	500,000	—	—	—	500,000
- CLAS cases	—	1,362,000	—	—	1,362,000
- CLAS Advocates	—	231,572	—	—	231,572
Contribution from SINGA	—	—	—	—	—
Contributions/donations received from others	1,349,134	40,088	—	—	1,389,222
CLAS Fellowship	—	475,000	—	—	475,000
Donation from NVPC	—	—	—	—	—
CLAS Training Programme	—	11,640	—	—	11,640
CLAS Co-payment Collection	—	102,812	—	—	102,812
Interest income on fixed deposits	41,663	—	—	223	41,886
Other income	27,488	954,051	18	—	981,557
Conference	14,733	—	—	—	14,733
	<u>2,136,542</u>	<u>3,177,163</u>	<u>21,984</u>	<u>223</u>	<u>5,335,912</u>
Less Expenditure					
Ad Hoc Pro Bono Referral Scheme	—	5,298	—	—	5,298
Advocates for the Arts	—	—	21,998	—	21,998
Amortisation of intangible assets	137,150	9,619	—	—	146,769
Auditor's remuneration	7,920	—	—	—	7,920
Accounting expenses	3,573	—	—	—	3,573
Bank charges	1,272	1,272	1	35	2,580
Bar Memorial Scholarship	—	—	—	15,000	15,000
Central Provident Fund and Skills Development Levy	122,319	101,529	—	—	223,848
CLAS Fellows Expenses	—	18,095	—	—	18,095
Community legal clinics	1,700	—	—	—	1,700
Conferences/Study Trips	5,148	3,028	—	—	8,176
Corporate secretariat expenses	7,242	—	—	—	7,242
Delivery charges	110	—	—	—	110
Depreciation of property, plant and equipment	46,222	55,510	—	—	101,732
Disbursement charged by assigned lawyers	—	241,678	—	—	241,678
Disbursement specialist report	—	102,958	—	—	102,958
Enhanced CLAS (Honorariums)	—	1,045,057	—	—	1,045,057
Fund raising expenses	117,228	—	—	—	117,228
HR Services	7,982	5,133	—	—	13,115
Internal audit	5,350	—	—	—	5,350
Interpretation/translation fee	—	3,199	—	—	3,199
IT Services	39,853	85,221	—	—	125,074
Law Awareness Projects	—	—	3,077	—	3,077
Marketing communications	1,070	—	469	—	1,539
Meeting expenses	1,675	470	—	—	2,145
Office insurance	9,593	743	—	—	10,336
Office rental	80,892	—	—	—	80,892
Balance carried forward	<u>596,299</u>	<u>1,678,810</u>	<u>25,545</u>	<u>15,035</u>	<u>2,315,689</u>

13 Accumulated Funds (cont'd)

(b) The income and expenditure of the respective funds are as follows (cont'd):

	General Fund \$	CLAS \$	Law Awareness Fund \$	BMSF \$	Total \$
2019					
Balance brought forward	596,299	1,678,810	25,545	15,035	2,315,689
Pantry supplies	1,035	1,678	—	—	2,713
Photocopier metered charges and paper costs	2,271	2,839	—	—	5,110
Postages	401	436	—	—	837
Printing and stationery	1,551	1,507	—	—	3,058
Property, plant and equipment written off	—	375	—	—	375
Project schools	—	—	2,325	—	2,325
Publication	407	—	—	—	407
Rental of equipment	5,136	7,704	—	—	12,840
Repair and maintenance	10,311	6,215	—	—	16,526
Resource library	585	5,284	—	—	5,869
Salaries and bonuses	910,768	802,656	—	—	1,713,424
Security	—	971	—	—	971
Staff allowance and transport	1,355	1,145	—	—	2,500
Staff medical fees and group hospital insurance	19,980	12,311	—	—	32,291
Staff on secondment CLAS	—	426,167	—	—	426,167
Staff training	7,663	3,050	—	—	10,713
Staff welfare	5,093	3,730	—	—	8,823
Storage	1,858	62	—	—	1,920
Telephone and fax charges	6,257	6,226	—	—	12,483
Utilities	4,852	9,172	—	—	14,024
Volunteer engagement/recognition/training	6,572	1,216	26	—	7,814
	<u>1,582,394</u>	<u>2,971,554</u>	<u>27,896</u>	<u>15,035</u>	<u>4,596,879</u>
(Deficit)/surplus for the financial year	554,148	205,609	(5,912)	(14,812)	739,033
Balance at 1 April 2018	4,028,701	(719,737)	29,748	40,131	3,378,843
Transfer of funds	(595,132)	600,593	(6,461)	1,000	—
Balance at 31 March 2019	<u>3,987,717</u>	<u>86,465</u>	<u>17,375</u>	<u>26,319</u>	<u>4,117,876</u>

14 Contributions and grants and other income

	2020 \$	2019 \$
<i>Contributions and grants</i>		
Annual pledges from firms	105,000	125,000
CLAS Fellowship	382,500	475,000
Donations received	71,837	37,396
Fund raising event	445,972	496,378
Honorarium donations from others	99,061	108,460
Honorarium donations to CLAS	19,130	36,988
Ministry of Law	1,545,425	2,093,572
Ministry of Law - Grant for rental at State Courts	30,230	—
NCSS Care and Share	297,000	585,000
The Law Society of Singapore (Annual Contribution)	7,500	—
	3,003,655	3,957,794
<i>Other income</i>		
Donations by lawyers of honorariums and expenses	150,470	945,500
Others	21,191	36,057
	171,661	981,557

15 Committee activities and projects

	2020 \$	2019 \$
Ad Hoc Pro Bono Referral scheme	4,521	5,298
Amortisation of expense for advocates for the Arts	3,648	21,998
Bar Memorial Scholarship	15,000	15,000
CLAS Criminal Law Training Programme	718	—
Community legal clinics	1,858	1,700
Disbursement charged by assigned lawyers	31,437	241,678
Disbursement specialist report	58,990	102,958
Enhanced CLAS (Honorariums)	368,471	1,045,057
Fund raising expenses	10,861	117,228
Interpretation/translation fee	3,083	3,199
Law Awareness Projects	6,009	3,077
Meeting expenses	2,606	2,145
Project schools	—	2,325
Volunteer engagement/recognition/training	10,716	7,814
	517,918	1,569,477

16 Administrative expenses

	2020 \$	2019 \$
Amortisation of intangible assets	148,695	146,769
Auditor's remuneration	9,609	7,920
Accounting expenses	509	3,573
Bank charges	1,858	2,580
Corporate secretariat expenses	14,088	7,242
Delivery charges	—	110
Depreciation of property, plant and equipment	45,220	101,732
Depreciation of right-of-use assets	123,704	—
Internal audit	5,350	5,350
IT expenses	118,054	125,074
Marketing communications	7,895	1,539
Moving/relocation costs	6,065	—
Office insurance	8,458	10,336
Office rental	—	80,892
Pantry supplies	2,770	2,713
Photocopier metered charges and paper costs	3,157	5,110
Postages	1,208	837
Printing and stationery	2,264	3,058
Property, plant and equipment written off	61,062	375
Publication	407	407
Rental of equipment	9,630	12,840
Repair and maintenance	14,480	16,526
Resource library	7,619	5,869
Security	245	971
Storage	1,558	1,920
Telephone and facsimile charges	11,268	12,483
Utilities	11,998	14,024
	<u>617,171</u>	<u>570,250</u>

17 Personnel costs

	2020 \$	2019 \$
Employer's Central Provident Fund contributions ("CPF")	226,089	221,465
Skills development levy	2,584	2,383
CLAS Fellows expenses	29,457	18,095
Conferences/Study Trips	16,585	8,176
HR Services	6,648	13,115
Salaries and bonuses	2,162,682	1,713,424
Staff allowance and transport	3,977	2,500
Staff medical fees and group hospital insurance	34,808	32,291
Staff on secondment CLAS	—	426,167
Staff training	16,932	10,713
Staff welfare	10,310	8,823
Temporary Staff	397	—
	<u>2,510,469</u>	<u>2,457,152</u>

18 Tax-deductible donations

	2020 \$	2019 \$
Tax-deductible donations received from:		
- The Law Society of Singapore	7,500	30,000
- Law firms under the CLA Fellowship scheme	530,000	190,000
- Others	567,243	669,701
	<u>1,104,743</u>	<u>889,701</u>

19 Related party transactions

In addition to related parties transactions disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place during the financial period on terms mutually agreed between the parties concerned:

	2020 \$	2019 \$
The Law Society of Singapore		
- Purchases	<u>13,753</u>	<u>39,044</u>
Directors		
- Professional fees, honoraria and disbursements paid to firms in which certain directors are members	2,884	11,244
- Professional fees, honoraria and disbursements paid to directors	–	–
- Donations received from firms in which certain directors are members	42,175	62,725
- Donations received from directors	<u>5,800</u>	<u>6,900</u>
Key management personnel (“KMP”)		
- Salaries, bonus and benefits	677,558	686,357
- CPF	<u>66,848</u>	<u>68,396</u>
	<u>744,406</u>	<u>754,753</u>

Remuneration bands for 3 highest paid staff who are also KMP

The 3 highest paid staff whose remuneration exceeded \$100,000 in the period were as follows:

	2020 \$	2019 \$
Number of staff in bands:		
\$100,000 to \$199,999	2	2
\$200,000 to \$299,999	<u>1</u>	<u>1</u>

No directors have received remuneration for their services as board members and no directors are staff of the Company.

20 Lease commitments

The Company has operating lease commitments in respect of its office copier and office premise. As at 31 March 2019, commitments in relation to the non-cancellable operating leases contracted for but not recognised as liabilities were payable as follows:

	2019 \$
Not later than one financial year	93,732
Later than one financial year but not later than five financial years	50,344
	<u>144,076</u>

As disclosed in Note 2(a), the Company has adopted FRS 116 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities in the balance sheet as at 1 April 2019.

21 Financial instruments

(a) Categories of financial instruments

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

	2020 \$	2019 \$
<i>Financial assets</i>		
At amortised cost	<u>4,088,125</u>	<u>4,565,090</u>
<i>Financial liabilities</i>		
At amortised cost	<u>941,434</u>	<u>561,847</u>

(b) Financial risk factors

The Company's activities do not expose it to any significant financial risks. Risk management is carried out under policies approved by the Directors. The Directors approves guidelines for overall risk management, as well as policies covering these specific areas.

Foreign exchange risk

The Company has no significant exposure to foreign exchange risk as most of its transactions are in Singapore dollar.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has policies in place to ensure that services are made to customers with appropriate credit history. For cash and cash equivalents, the Company minimises credit risk by dealing exclusively with credit rating counterparties.

The maximum exposure to credit risk is the carrying amount of receivables and fixed deposits, bank and cash balances which are the major classes of financial assets.

21 Financial instruments (cont'd)**(b) Financial risk factors (cont'd)***Credit risk (cont'd)**Receivables from third parties*

The Company assessed the latest performance and financial position of the counterparties and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Financial assets at amortised cost

Financial assets at amortised cost include receivables and cash and cash equivalents.

Credit risk exposure in relation to financial assets at amortised costs as at 31 March 2020 and 31 March 2019 is insignificant, and accordingly no credit loss allowance is recognised as at 31 March 2020 and 31 March 2019.

The Company has no financial assets that are either past due and/or impaired at 31 March 2020 and 31 March 2019.

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates as the Company does not have significant interest-bearing financial liabilities or assets at variable rates at the balance sheet date.

Liquidity risk

The Directors exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

The financial liabilities of the Company as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted repayments obligations.

The table below summarises the maturity profile of the Company's non-derivative financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	1 year or less \$	1 to 5 year \$	Total \$
2020			
Sundry payables and accruals	413,312	–	413,312
Lease liabilities	140,656	453,973	594,629
	<u>553,968</u>	<u>453,973</u>	<u>1,007,941</u>
2019			
Sundry payables and accruals	561,847	–	561,847

21 Financial instruments (cont'd)

(c) Fair values

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements of the Company approximate their fair values due to the relatively short-term maturity of these financial instruments.

22 Fund management

The Company's objectives when managing its funds are to safeguard and maintain adequate working capital to continue as a going concern and to develop its principal activities over the longer term through donations and government grants.

It is the objective of the Company to achieve a reserve that would be able to sustain operations for a three years period in the event of a decline in donations.

The objectives, policies or processes of the Company during the financial year ended 31 March 2020 remain the same as those for the financial year ended 31 March 2019.

23 Subsequent events

Subsequent to the outbreak of the Coronavirus Disease 2019 ("COVID-19"), there has been a drop in donations. We anticipate the trend to continue into the new financial year. The Company is closely monitoring the development of the COVID-19 and its impact on its financials. As the situation relating to the spread remains uncertain, it is currently not possible to ascertain the full financial impact it may have on the financial performance for next financial year.

24 Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the directors dated 6 August 2020.