

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

ANNUAL FINANCIAL REPORT

For the financial year ended 31 December 2020

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

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For the financial year ended 31 December 2020

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NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

STATEMENT BY COUNCIL MEMBERS

For the financial year ended 31 December 2020

In the opinion of the council members,

- (a) the financial statements as set out on pages 5 to 29 are drawn up in accordance with the regulations enacted under the provisions of the Societies Act, Chapter 311 ("the Societies Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the state of affairs of the National Youth Achievement Award Association ("Association") at 31 December 2020 and of the results, changes in funds and cash flows of the Association for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

On behalf of the council members



Ting Kang Chung John
Chairman



Ong Kian Pin
Honorary Treasurer

24 June 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION (Registered under the Societies Act, Cap. 311)

Report on the Audit of the Financial Statements

Our Opinion

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

What we have audited

The financial statements of the Association comprise:

- the statement of comprehensive income for the year ended 31 December 2020;
- the statement of financial position as at 31 December 2020;
- the statement of changes in funds for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Association 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.

Other Information

Council members are responsible for the other information. The other information comprises the Council members' Statement and Detailed Income and Expenditure Statement but does not include the financial statements and our auditor's report thereon.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION (Registered under the Societies Act, Cap. 311)
(continued)

Other Information (continued)

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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Council Members for the Financial Statements

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

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

The Council members' responsibilities include overseeing the Association'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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL YOUTH
ACHIEVEMENT AWARD ASSOCIATION (Registered under the Societies Act, Cap. 311)**
(continued)

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Council members 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 to be kept by the Association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations.

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

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



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 24 June 2021

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION**STATEMENT OF COMPREHENSIVE INCOME***For the financial year ended 31 December 2020*

	Note	2020 \$	2019 \$
Income			
Donations (Non tax-deductible)		500,000	33,328
Donations (Tax-deductible)		13,133	586,584
Revenue	3 (a)	211,379	279,645
Other income	3 (b)	105,531	9,830
		830,043	909,387
Expenses			
Depreciation of investment property and property, plant and equipment		(137,854)	(139,226)
Employee compensation	4	(467,100)	(560,304)
Insurance		(25,680)	(48,150)
Project related expenses		(66,557)	(142,292)
Interest expense – bank		(39,458)	(31,882)
Interest expense – lease		(11,957)	(18,171)
Other operating expenses		(134,477)	(139,402)
		(883,083)	(1,079,427)
Deficit for the financial year		(53,040)	(170,040)

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

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION**STATEMENT OF FINANCIAL POSITION***As at 31 December 2020*

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and bank deposits	5	324,032	360,899
Other current assets	6	39,001	5,468
		<u>363,033</u>	<u>366,367</u>
Non-current assets			
Investment property	7	261,993	273,383
Property, plant and equipment	8	168,325	293,311
Intangible assets	9	59,860	-
Deposits		36,338	36,338
		<u>526,516</u>	<u>603,032</u>
Total assets		<u>889,549</u>	<u>969,399</u>
LIABILITIES			
Current liabilities			
Other payables	12	145,402	70,533
Borrowings	13	922,993	776,465
Amount due to director	14	100,000	220,000
		<u>1,168,395</u>	<u>1,066,998</u>
Non-current liabilities			
Borrowings	13	44,250	172,457
		<u>44,250</u>	<u>172,457</u>
Total liabilities		<u>1,212,645</u>	<u>1,239,455</u>
NET LIABILITIES		<u>(323,096)</u>	<u>(270,056)</u>
Represented by:			
Accumulated (deficit) fund		(623,096)	(570,056)
Endowment fund	15	300,000	300,000
		<u>(323,096)</u>	<u>(270,056)</u>

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

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION**STATEMENT OF CHANGES IN FUNDS***As at 31 December 2020*

	<u>Endowment fund</u> \$	<u>Accumulated deficit fund</u> \$	<u>Total</u> \$
2020			
Beginning of financial year	300,000	(570,056)	(270,056)
Deficit for the financial year	-	(53,040)	(53,040)
End of financial year	<u>300,000</u>	<u>(623,096)</u>	<u>(323,096)</u>
2019			
Beginning of financial year	300,000	(400,016)	(100,016)
Deficit for the financial year	-	(170,040)	(170,040)
End of financial year	<u>300,000</u>	<u>(570,056)</u>	<u>(270,056)</u>

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

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION**STATEMENT OF CASH FLOWS***For the financial year ended 31 December 2020*

	Note	2020 \$	2019 \$
Cash flows from operating activities			
Deficit for the financial year		(53,040)	(170,040)
Adjustments for:			
- Depreciation		137,854	139,226
- Interest income		(338)	(451)
- Interest expense		39,458	31,882
- Interest expense on lease liabilities		11,957	18,171
		<u>135,891</u>	<u>18,788</u>
Changes in working capital			
- Other current assets		(33,533)	500,468
- Other payables		74,869	(168,080)
Net cash provided by operating activities		<u>177,227</u>	<u>351,176</u>
Cash flows from investing activities			
Additions to property, plant and equipment		(1,478)	(4,696)
Additions to intangible assets		(59,860)	-
Interest received		338	451
Net cash used in investing activities		<u>(61,000)</u>	<u>(4,245)</u>
Cash flows from financing activities			
Principal repayment of lease liabilities		(121,664)	(116,180)
Interest paid for lease liabilities		(11,957)	(18,171)
Loan received from director		100,000	-
Repayment of loan to director		(220,000)	-
Interest paid		(39,458)	(31,882)
Net cash used in financing activities		<u>(293,079)</u>	<u>(166,233)</u>
Net (decrease)/increase in cash and cash equivalents			
		(176,852)	180,698
Cash and cash equivalents at beginning of financial year	5	<u>(593,902)</u>	<u>(774,600)</u>
Cash and cash equivalents at end of financial year	5	<u>(770,754)</u>	<u>(593,902)</u>

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

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

1. General information

The National Youth Achievement Award Association ("Association") is registered under the Societies Act since 12 September 1991. The address of the Association's registered office is 151 Lorong Chuan #06-01B Lobby A New Tech Park, Singapore 556741.

The Association is registered as a charity under the Charities Act since 12 October 1991 and granted Institution of a Public Character ("IPC") status since 1 April 1992. The Association is exempted from income tax.

The Association is principally engaged in activities aimed at motivating young people to maximise their potential and build on their physical and mental abilities through a non-competitive award programme.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Association's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. There are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements.

Interpretations and amendments to published standards effective in 2020

On 1 January 2020, the Association adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for the financial year. Changes to the Association's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The adoption of the above new or amended FRS and INT FRS did not result in any substantial change to the Association's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

2. Significant accounting policies (continued)

2.2 Revenue

(a) Registration fees

This comprises of registration fees received from participants when they register for the Gold, Silver or Bronze levels of the Association's programme. Revenue is recognised at a point in time upon the registration of the participants.

(b) Project income

This comprises of participation fees for events organised by the Association. Revenue is recognised at a point in time upon the sign up of the participants for the event.

(c) Rental income

This comprises of rental generated from the leasing of space of the investment property owned by the Association. Revenue is recognised over time, on a straight line basis over the lease term.

2.3 Donations and other income

Donations, voluntary contributions and other income are recognised when received or pledged as receivables. Interest income is recognised using the effective interest method.

2.4 Property, plant and equipment

Property, plant and equipment are recognised at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to Property, plant and equipment that has 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 Association and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit and loss when incurred.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Office space	3 years
Office equipment	3 years
Leasehold improvements	4 years
Furniture and fittings	5 years

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

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 the income and expenditure statement when the changes arise.

On disposal of an item of Property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the income and expenditure statement.

2.5 Borrowing costs

Borrowing costs are recognised in the income and expenditure statement using the effective interest method.

2.6 Investment property

Investment property comprises office space held for long term rental yields and/or for capital appreciation.

Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful life of 50 years. The residual values, useful life and depreciation method of investment property are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are included in the income and expenditure statement when the changes arise.

Investment property is subject to valuation by independent professional valuers on the market comparison method and the valuation is disclosed in Note 7.

2.7 Intangible assets

Intangible assets are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the shorter of their estimated useful lives and periods of contractual rights.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

2. Significant accounting policies (continued)

2.8 Impairment of non-financial assets

Property, plant and equipment, right-of-use assets, investment property and intangible assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of assets, recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset or (CGU) is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss.

An impairment loss for an asset is reversed only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss.

2.9 Borrowings

Borrowings are presented as current liabilities unless the Association has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at their fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and their redemption values is recognised in the income and expenditure statement over the period of the borrowings using the effective interest method.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

2. Significant accounting policies (continued)

2.10 Leases

(i) When the Association is the lessee

At the inception of the contract, the Association assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

- Right-of-use assets

The Association recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use assets (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

- Lease liabilities

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a change in the Association's assessment of whether it will exercise an extension option; or
- There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in the income and expenditure statement if the carrying amount of the right-of-use asset has been reduced to zero.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

2. Significant accounting policies (continued)

2.10 Leases (continued)

(i) When the Association is the lessee (continued)

- Short-term and low-value leases

The Association has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases. Lease payments relating to these leases are expensed to profit or loss on a straight-line basis over the lease term.

- Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Association shall recognise those lease payments in the income and expenditure statement in the periods that triggered those lease payments.

(ii) When the Association is the lessor:

The accounting policy applicable to the Association as a lessor in the comparative period were the same under FRS 116.

2.11 Financial assets

The Association classifies all its financial assets at amortised cost.

The classification of debt instruments depends on the Association's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Association reclassifies debt instruments when and only when its business model for managing those assets changes.

(i) At initial recognition

At initial recognition, the Association measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial assets.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

2. Significant accounting policies (continued)

2.11 Financial assets (continued)

(ii) At subsequent measurement

Debt instrument

Debt instruments of the Association mainly comprise of cash and bank deposits, deposits and other current assets excluding prepayments.

The Association managed these group of financial assets by collecting the contractual cash flow and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the income and expenditure statement when the asset is derecognised or impaired.

The Association assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For receivables, the Association applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and bank deposits, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.12 Other payables

Other payables represent liabilities for goods and services provided to the Association prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

2.13 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION**NOTES TO THE FINANCIAL STATEMENT**

For the financial year ended 31 December 2020

2. Significant accounting policies (continued)**2.14 Income taxes**

The Association is an Institution of a Public Character ("IPC") under the Charities Unit of the Ministry of Culture, Community and Youth. Under this scheme, the income of the Association is exempt from tax under Section 13M(2)(b) of the Income Tax Act.

2.15 Employee compensation

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

(a) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Association pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Association has no further payment obligations once the contributions have been paid.

(b) *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.

2.16 Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Association will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis

2.17 Currency translation

The financial statements are presented in Singapore dollars, which is the functional currency of the Association.

Transactions in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the statement of comprehensive income.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

2. Significant accounting policies (continued)

2.18 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

3. Income

(a) Revenue

	2020 \$	2019 \$
Registration fees	188,979	244,474
Project income	-	8,171
Rental income – operating lease (Note 7)	22,400	27,000
	211,379	279,645

(b) Other income

	2020 \$	2019 \$
Government grant income	79,110	-
Rental waiver	22,270	-
Others	4,151	9,830
	105,531	9,830

Grant income of \$79,110 (2019: Nil) was recognised during the financial year under the Jobs Support Scheme (the "JSS"). The JSS is a temporary scheme introduced in the Singapore Budget 2020 to help enterprises retain local employees. Under the JSS, employers will receive cash grants in relation to the gross monthly wages of eligible employees.

4. Employee compensation

	2020 \$	2019 \$
Wages and salaries	436,201	511,898
Employer's contribution to Central Provident Fund	28,687	44,803
Others	2,212	3,603
	467,100	560,304

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

5. Cash and bank deposits

	2020 \$	2019 \$
Cash at bank and on hand	24,032	60,899
Short-term bank deposits	300,000	300,000
	324,032	360,899

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

	2020 \$	2019 \$
Cash and bank deposits (as above)	324,032	360,899
Less: Fixed deposits pledged to a financial institution	(300,000)	(300,000)
Less: Bank overdraft	(794,786)	(654,801)
Cash and cash equivalents per statement of cash flows	(770,754)	(593,902)

- (a) The fixed deposit with a financial institution matures within 3 (2019: 3 months) from the financial year end. The weighted average effective interest rate of this deposit as at 31 December 2020 was 0.15% (2019: 0.15%) per annum.
- (b) The bank overdraft facility (Note 13) is secured over the Association's fixed deposit with the bank and the investment property (Note 7). This facility bears interest at 5.25% (2019: 5.25%) per annum.

6. Other current assets

	2020 \$	2019 \$
Prepayments	14,160	5,468
Other receivables	24,841	-
	39,001	5,468

The other receivables from non-related parties were unsecured, interest-free and repayable on demand.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 December 2020***7. Investment property**

The investment property is pledged to secure overdraft facility with the bank (Note 13).

	2020	2019
	\$	\$
<i>Cost</i>		
Beginning and end of financial year	569,523	569,523
<i>Accumulated depreciation</i>		
Beginning of financial year	296,140	284,750
Depreciation	11,390	11,390
End of financial year	307,530	296,140
Net book value		
End of financial year	261,993	273,383

The following amounts are derived from investment property and recognized in the income and expenditure statement:

	2020	2019
	\$	\$
Rental income – operating lease (Note 3)	22,400	27,000
Direct operating expenses arising from investment property that generate rental income	(1,804)	(2,770)
	20,596	24,230

As at balance sheet date, the details of the investment property as at year end are as follows:

<u>Location</u>	<u>Description</u>	<u>Tenure</u>	Lettable Area (<u>square metre</u>)
20 Kramat Lane #04-12	1 unit on fourth floor of a 5 level commercial development	Freehold	66

The fair value of the investment property as at 31 December 2020 based on a valuation performed by an independent professional valuer is \$1,600,000 (2019: \$1,600,000).

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

8. Property, plant and equipment

	<u>Office space</u> \$	<u>Leasehold improvements</u> \$	<u>Office equipment</u> \$	<u>Furniture and fittings</u> \$	<u>Total</u> \$
<i>Cost</i>					
At 1 January 2020	410,301	40,315	176,959	135,427	763,002
Additions	-	-	1,478	-	1,478
At 31 December 2020	<u>410,301</u>	<u>40,315</u>	<u>178,437</u>	<u>135,427</u>	<u>764,480</u>
<i>Accumulated depreciation</i>					
At 1 January 2020	123,090	40,315	171,946	134,340	469,691
Depreciation charge	123,090	-	2,482	892	126,464
At 31 December 2020	<u>246,180</u>	<u>40,315</u>	<u>174,428</u>	<u>135,232</u>	<u>596,155</u>
Net book value					
At 31 December 2020	<u>164,121</u>	<u>-</u>	<u>4,009</u>	<u>195</u>	<u>168,325</u>
<i>Cost</i>					
At 1 January 2019	-	40,315	172,263	135,427	348,005
Adoption of FRS 116	410,301	-	-	-	410,301
Additions	-	-	4,696	-	4,696
At 31 December 2019	<u>410,301</u>	<u>40,315</u>	<u>176,959</u>	<u>135,427</u>	<u>763,002</u>
<i>Accumulated depreciation</i>					
At 1 January 2019	-	40,315	168,349	133,191	341,855
Depreciation charge	123,090	-	3,597	1,149	127,836
At 31 December 2019	<u>123,090</u>	<u>40,315</u>	<u>171,946</u>	<u>134,340</u>	<u>469,691</u>
Net book value					
At 31 December 2019	<u>287,211</u>	<u>-</u>	<u>5,013</u>	<u>1,087</u>	<u>293,311</u>

9. Intangible assets

	<u>NYAA Applications</u> \$
2020	
<i>Cost</i>	
At 1 January 2020	-
Additions	59,860
At 31 December 2020	<u>59,860</u>
<i>Accumulated amortisation</i>	
At 1 January/31 December 2020	-
Net book value	
At 31 December 2020	<u>59,860</u>

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 December 2020*

10. Leases – The Association as a lesseeNature of the Association's leasing activities**Property**

The Association leases office space for the purposes of office operations.

(a) Carrying amounts

ROU assets classified within Property, plant and equipment

	2020	2019
	\$	\$
Office space	164,121	287,211

(b) Depreciation charge during the year

	2020	2019
	\$	\$
Office space	123,090	123,090

(c) Interest expense

	2020	2019
	\$	\$
Interest expense on lease liabilities	11,957	18,171

(d) Total cash outflow for all leases in 2020 was \$133,621 (2019: \$134,351).

(e) There was no addition of ROU assets during the financial year ended 2020 (2019: Nil).

11. Leases – The Association as a lessorNature of the Association's leasing activities

The Association has leased out their owned investment property to a third party for monthly lease payments. This lease is classified as an operating lease because the risk and rewards incidental to ownership of the asset is not substantially transferred.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

11. Leases – The Association as a lessor (continued)

Rental income from investment properties are disclosed in Note 7.

Undiscounted lease payments from the operating leases to be received after the reporting date are as follows:

	2020 \$	2019 \$
Less than one year	25,800	24,750
One to two years	23,650	-
Total undiscounted lease payment	<u>49,450</u>	<u>24,750</u>

12. Other payables

	2020 \$	2019 \$
Other payables	89,979	54,463
Accrual for operating expenses	55,423	16,070
	<u>145,402</u>	<u>70,533</u>

13. Borrowings

	2020 \$	2019 \$
<i>Current</i>		
Bank overdraft (Note 5(b))	794,786	654,801
Lease liabilities	128,207	121,664
	<u>922,993</u>	<u>776,465</u>
<i>Non-current</i>		
Lease liabilities	44,250	172,457
	<u>44,250</u>	<u>172,457</u>
Total borrowings	<u>967,243</u>	<u>948,922</u>

Reconciliation of liabilities arising from financing activities

	1 January 2020	Principal and interest payments	Non-cash changes		31 December 2020
			Interest expense		
	\$	\$	\$		\$
Lease liabilities	294,121	(133,621)	11,957		172,457

	1 January 2019	Principal and interest payments	Non-cash changes		31 December 2019
			Adoption of FRS 116	Interest expense	
	\$	\$	\$	\$	\$
Lease liabilities	-	(134,351)	410,301	18,171	294,121

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

14. Amount due to director

The amount due to the executive director was unsecured, interest-free and repayable on demand.

Reconciliation of liabilities arising from financial activities

	1 January \$	Proceeds from borrowings \$	Principal payments \$	31 December \$
Amount due to director				
2020	220,000	100,000	(220,000)	100,000
2019	220,000	-	-	220,000

15. Endowment fund and reserve policy

The endowment fund represents donations received by the Association. The funds are placed in fixed deposits with a bank pending utilisation. Interest income earned is transferred to the Association's operating account. The Association's Reserve Policy is to ensure adequate reserves set aside to provide financial stability and the means for the development of our principal activity. The Reserve Policy is reviewed by the Finance Committee Members once every 4 months to ensure that the Association have adequate funding to fulfil its continuing obligations.

16. Financial risk management

Financial risk factors

The Association's activities expose it to a variety of financial risks: market risk (including currency risk and interest rate risk), credit risk and liquidity risk.

The National Council is responsible for setting the objectives and underlying principles of financial risk management for the Association. The management has the day-to-day task of managing risks and is ultimately responsible for all risk related decisions taken by the Association.

The finance personnel measure actual exposures against the limits set and prepare regular reports for the review of the Council Members. The information presented below is based on information received by the Council Members.

(a) Market risk

(i) *Currency risk*

The Association's operations are not exposed to significant foreign currency risks as it has no significant transactions denominated in foreign currencies.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

16. Financial risk management (continued)

(a) Market risk (continued)

(ii) *Interest rate risk*

The Association is exposed to interest rate risk on its borrowings and bank deposits. The weighted average effective interest rate of total borrowings at the balance sheet date is 5.25% (2019: 5.25%).

The Association's borrowings and bank deposits are denominated in SGD. At 31 December 2020, if the interest rates had increased/ decreased by 100 basis point (2019: 100 basis point) with all other variables including tax rate being held constant, the deficit for the year would have been higher / lower by \$7,948 (2019: \$6,548).

(b) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligation, resulting in financial loss to the Association.

(i) Risk management

The Association adopts the following policy to mitigate the credit risk.

For banks and financial institutions, the Association mitigates its credit risks by transacting only with counterparties with high credit ratings as determined by independent rating agencies.

For other receivables, the Association has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

There are no significant concentration of credit risk, whether through exposure to individual customers, specific industry sectors and/or regions.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

16. Financial risk management (continued)

(b) Credit risk (continued)

(ii) Credit rating

The Association uses the following categories of internal credit risk rating for financial assets which are subject to expected credit losses under the 3-stage general approach. These four categories reflect the respective credit risk and how the loss provision is determined for each of those categories.

Category of internal credit rating	Definition of category	Basis for recognition of expected credit losses
Performing	Debtor have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
Under-performing	Debtor for which there is a significant increase in credit risk; significant increase in credit risk is presumed if interest and/or principal repayment are 30 days past due	Lifetime expected credit losses
Non-performing	Interest and/or principal payment are 90 days past due	Lifetime expected credit losses
Write-off	Interest and/or principal repayments are 120 days past due and there is no reasonable expectation of recovery	Asset is written off

(iii) Impairment of financial assets

The Association has applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for receivables from customers.

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristics and days past due. In calculating the expected credit loss rates, the Association considers historical loss rates for each category of customers, and adjusts for forward-looking macroeconomic data.

Receivables are written off when there is no reasonable expectation of recovery, such as a debtor failing to engage in a repayment plan with the Association. The Association categorises a receivable for write off when a debtor fails to make contractual payment greater than 120 days past due based on historical collection trend. Where receivables have been written off, the Association continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

16. Financial risk management (continued)

(b) Credit risk (continued)

(iii) Impairment of financial assets (continued)

The Association's credit risk exposure in relation to receivables from customers as at 31 December 2020 and 31 December 2019 are set out in the provision matrix as follows:

31 December 2020	← Past due →					Total \$
	Current \$	Within 30 days \$	30 to 60 days \$	60 to 90 days \$	More than 90 days \$	
Expected loss rates	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Loss allowances	-	-	-	-	-	-

31 December 2019	← Past due →					Total \$
	Current \$	Within 30 days \$	30 to 60 days \$	60 to 90 days \$	More than 90 days \$	
Expected loss rates	-	-	-	-	-	-
Receivables	-	-	-	-	-	-
Loss allowances	-	-	-	-	-	-

Other than the above, there are no credit loss allowance for other financial assets at amortised cost as at 31 December 2020 and 31 December 2019.

(iv) Cash and bank deposits

The Association held cash and bank deposits of \$324,032 (2019: \$360,899) with banks which are rated Aa1 and Aa3 (2019: Aa1 and Aa3) based on Moody's ratings and consider to have low credit risk. The cash balances are measured on 12-month expected credit losses and subject to immaterial credit loss.

(c) Liquidity risk

Liquidity is the risk that the Association will encounter difficulty in meeting its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Association manages liquidity risk by having overdraft facilities from a bank and committed donation from donors.

The table below analyses the maturity profile of the Association's financial liabilities based on contractual undiscounted cash flow.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

16. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year \$	Between 1 and 2 years \$	Between 2 and 5 years \$
At 31 December 2020			
Other payables	145,402	-	-
Borrowings (exclude lease liabilities)	794,786	-	-
Lease liabilities	128,207	44,250	-
Amount due to director	100,000	-	-
<hr/>			
At 31 December 2019			
Other payables	70,533	-	-
Borrowings (exclude lease liabilities)	654,801	-	-
Lease liabilities	121,664	172,457	-
Amount due to director	220,000	-	-
<hr/>			

(d) Fair value measurements

The carrying value of current receivables and payables approximate to their fair values. The fair value of current borrowings approximates their carrying amount.

(e) Financial instruments by category

The aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost are as follows:

	2020 \$	2019 \$
Financial assets, at amortised cost	385,211	397,237
Financial liabilities, at amortised cost	<u>(1,212,645)</u>	<u>(1,239,455)</u>

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION**NOTES TO THE FINANCIAL STATEMENT***For the financial year ended 31 December 2020***17. Related party transactions**

There are no other related party transactions except as disclosed in the notes to the financial statements.

Key management personnel compensation is as follows:

	2020	2019
	\$	\$
Wages and salaries	328,458	332,381
Post-employment benefit - contribution to CPF	13,937	14,974
Other short-term benefits	12,000	12,000
	<u>354,395</u>	<u>359,355</u>

The following information relates to remuneration of the key management of the Association during the financial year:

Number of key management personnel of the Association in remuneration bands:

	2020	2019
\$100,000 - \$149,999	1	1
\$150,000 - \$199,999	1	-
\$200,000 - \$249,999	-	1
Total	<u>2</u>	<u>2</u>

18. Impact of COVID-19

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Association's significant operations are in Singapore, which has been affected by the spread of COVID-19 in 2020.

Set out below is the impact of COVID-19 on the Association's financial performance reflected in this set of financial statements for the year ended 31 December 2020:

- i. The Association has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.
- ii. In 2020, border closures, production stoppages and workplace closures have resulted in periods where the Association's operations were temporarily suspended to adhere to the respective governments' movement control measures.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION

NOTES TO THE FINANCIAL STATEMENT

For the financial year ended 31 December 2020

18. Impact of COVID-19 (continued)

- iii. The Association has considered the market conditions (including the impact of COVID-19) as at the balance sheet date, in making estimates and judgements on the recoverability of assets as at 31 December 2020.

As the global COVID-19 situation remains very fluid at the date these financial statements were authorised for issuance, the Association cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance of the financial year ending 31 December 2021. If the situation persists beyond management's current expectations, the Association's assets may be subject to further write downs in the subsequent financial periods.

19. New or revised accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2020 reporting periods and have not been early adopted by the Association. These standards are not expected to have a material impact on the Association in the current or future reporting periods and on foreseeable future transactions.

20. Authorisation of financial statements

These financial statements were authorised for issue by the Council members of National Youth Achievement Award Association on 24 June 2021.

NATIONAL YOUTH ACHIEVEMENT AWARD ASSOCIATION**DETAILED INCOME & EXPENDITURE STATEMENT***For the financial year ended 31 December 2020*

	2020 \$	2019 \$
Income		
Donations (Non tax-deductible)	500,000	33,328
Donations (Tax-deductible)	13,133	586,584
Registration fees	188,979	244,474
Interest income	338	451
Projects income	-	8,171
Rental income	22,400	27,000
Miscellaneous income	105,193	9,379
	830,043	909,387
Expenditure		
Bank charges	(280)	(275)
Depreciation of investment property and property, plant and equipment	(137,854)	(139,226)
Entertainment	(1,994)	(2,802)
Function expenses	(89)	(840)
Insurance (Award participants)	(25,680)	(48,150)
Interest expense - bank	(39,458)	(31,882)
Interest expense - lease	(11,957)	(18,171)
Medical	(142)	(1,011)
Miscellaneous	(13,654)	(835)
Office maintenance fees	(68,312)	(46,900)
Photography	(3)	(427)
Postage	(1,527)	(4,416)
Printing and promotion	(26,550)	(29,683)
Project-related expenses	(66,557)	(142,292)
Property tax	(1,804)	(2,770)
Salaries and related costs	(467,100)	(560,304)
Stationery	(3,190)	(6,852)
Telephone	(10,354)	(9,661)
Transport reimbursements	(1,328)	(15,650)
Mobile application	(5,250)	(17,280)
	(883,083)	(1,079,427)
Deficit for the financial year	(53,040)	(170,040)

This page does not form part of the financial statements.