

FINANCIAL STATEMENTS

31 March 2022

HANDICAPS WELFARE ASSOCIATION

Unique Entity Number: S69SS0057J

ORGANISATION INFORMATION

UEN S69SS0057J

Registered Office 16 Whampoa Drive
Singapore 327725

Management Committee	Mr Hui Beng Hong Mr Cheong Tuck Mun, Edgar Ms Michelle Siew Teok See Mr Navin Nair Ms Wong Liang Le, Heather Ms Wee Toon Lin Ms Judy Anne Wee Mr Palanisamy Avaday Ms Lau Wong Hing, Wendy Mr Pek Kian Aik, Alan	President Vice-President Honorary Secretary Honorary Assistant Secretary Honorary Treasurer Honorary Assistant Treasurer (15 Oct 2021) Committee Member Committee Member Committee Member Committee Member
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Executive Director Mr Subrata Banerjee

Bankers

Current Account
DBS
OCBC
Standard Chartered Bank
UOB

Fixed Deposit Account
Bank of China
CIMB
Hong Leong Finance
OCBC
UOB
RHB
Singapura Finance
Sing Investments

Auditors

P G Wee Partnership LLP
Chartered Accountants of Singapore
111 Somerset Road #13-33
Singapore 238164
Tel: 62208858

TABLE OF CONTENTS

Statement by Management Committee	1
Independent Auditor's Report	2
Statement of Financial Activities	5
Statement of Financial Position	8
Statement of Changes in Funds	10
Statement of Cash Flows	11
Notes to the Financial Statements	13

STATEMENT BY MANAGEMENT COMMITTEE

For the financial year ended 31 March 2022


The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37, Singapore Financial Reporting Standards ("SFRS"). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In our opinion, the financial statements are drawn up so as to present fairly, in all material respects, the financial position of the Handicaps Welfare Association ("Charity") as at 31 March 2022 and of the financial performance, changes in fund and cash flows of the Charity for the year ended on that date in accordance with the provisions of the Acts.

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

On Behalf of the Management Committee,



President

Honorary Secretary

Honorary Treasurer

31 May 2022

INDEPENDENT AUDITOR'S REPORT

To the Management Committee of Handicaps Welfare Association

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Handicaps Welfare Association (the "Charity"), which comprise the statement of financial position as at 31 March 2022, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Singapore Charities Act, Chapter 37 (the "Charities Act") and other relevant regulations (the Charities Act and Regulation) and Financial Reporting Standards in Singapore (SFRSs) so as to present fairly, in all material respects, the state of affairs of the Charity as at 31 March 2022 and the results, changes in funds and cash flows of the Charity for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Charity 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

The management is responsible for other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 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 Management Committee of Handicaps Welfare Association

Responsibilities of Management and Management Committee for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Charity's ability to continue as 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 Charity or to cease operations, or has no realistic alternative but to do so.

The management committee are responsible for overseeing the Charity'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 risk 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 procedure that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.

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INDEPENDENT AUDITOR'S REPORT

To the Management Committee of Handicaps Welfare Association

- 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 Charity'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 Charity 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 Management Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other Legal and Regulatory Requirements

In our opinion:

- The accounting and other records required to be kept by the Charity have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- The fund-raising appeals held during the reporting year have been carried out in accordance with regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal,

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

- 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
- The Charity has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations

P G Wee Partnership LLP
Public Accountants and
Chartered Accountants
Singapore

31 May 2022

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2022

	Note	Unrestricted Fund		
		General	Designated Funds Program and Services	
		SGD	SGD	
				2022 SGD
				2021 SGD
INCOMING RESOURCES				
Voluntary Income				
Government Grant Subsidies	4	216,661	-	216,661
Government Awards		5,000	-	5,000
Care and Share Fund	16	3,365	-	3,365
Deferred capital grants amortised	27	-	182,453	182,453
Community Silver Trust Fund	20	1,369,348	-	1,369,348
Fund Generating Income				
Fund raising income	5	3,171,556	-	3,171,556
Transport operation funds		-	122,536	122,536
Charity Income				
Program and services fee income	6	-	2,437,103	2,437,103
Administrative Income				
Administrative cost recovery		1,118,758	-	1,118,758
Interest Income				
Interest received		19,480	-	19,480
Other Income				
Special employment credit		116,286	-	116,286
Job Support Scheme		45,234	-	45,234
Rent concessions from landlord	10	31,400	-	31,400
Total incoming resources		6,097,088	2,742,092	8,839,180
				8,165,660

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2022

	Note	Unrestricted Fund		2022	2021
		General	Designated		
			Funds Program and Services		
		SGD	SGD	SGD	SGD
RESOURCES EXPENDED					
Cost of Fund Generating Activities					
Event and activity cost		172,043	-	172,043	153,488
Cost of Charitable Activities					
Bad debt written off		1,747	-	1,747	-
Depreciation of plant and equipment	9	77,863	364,852	442,715	390,578
Depreciation of right-of-use assets	10	189,446	52,522	241,968	241,514
GST expenses		33,976	42,138	76,114	80,846
Licence / subscription		2,377	-	2,377	-
Printing, stationery and postage		12,109	3,965	16,074	12,674
Other operating expenses		4,952	269,371	274,323	246,690
Rental of equipment		-	-	-	798
Repair and maintenance		77,770	17,565	95,335	90,878
Staff CPF, SDL and FWL	8	105,558	431,990	537,548	433,355
Staff salaries and bonus	8	944,046	3,367,849	4,311,895	3,584,081
Staff benefit	8	23,102	47,377	70,479	60,662
Telecommunication		12,926	30,948	43,874	34,325
Upkeep of motor vehicles		-	295,454	295,454	236,157
Utilities and service charges		52,697	12,636	65,333	44,995

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2022

	Note	Unrestricted Fund		2022	2021
		General	Designated Funds		
			Program and Services		
		SGD	SGD	SGD	SGD
Administrative Expenses					
Auditor's remuneration		12,950	-	12,950	12,800
Bank charges		1,901	-	1,901	2,132
Gift and souvenirs		55	-	55	55
Insurance		35,109	126,204	161,313	169,588
Loss on disposal of plant and equipment		-	-	-	11,446
Recruitment expenses		-	-	-	3,800
AGM, annual report expenses		-	1,061	1,061	5,635
Administrative cost apportionment		50,885	1,067,873	1,118,758	996,894
Finance Expenses					
Interest expense on lease liabilities	10	10,929	2,137	13,066	17,085
Total Resources Expended		1,822,441	6,133,942	7,956,383	6,830,476
Surplus/(Deficit) for the Year		4,274,647	(3,391,850)	882,797	1,335,184

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Note	2022 SGD	2021 SGD
Assets			
Non-Current Assets			
Plant and Equipment	9	3,248,697	3,613,141
Fixed Deposit	13	544,441	431,006
Right-of-Use Assets	10	610,449	852,417
Total Non-Current Assets		<u>4,403,587</u>	<u>4,896,564</u>
Current Assets			
Trade and Other Receivables	11	598,388	502,457
Other Assets	12	234,519	242,131
Cash and Cash Equivalents	13	12,781,979	13,324,969
Total Current Assets		<u>13,614,886</u>	<u>14,069,557</u>
Total Assets		<u>18,018,473</u>	<u>18,966,121</u>
Funds			
Unrestricted Fund			
General Fund		10,136,725	9,253,928
Bicentennial Community Fund (BCF)	14	400,000	-
Total Unrestricted Fund		<u>10,536,725</u>	<u>9,253,928</u>
Restricted Funds			
Development and Maintenance of HWA Premises Fund	15	2,788,883	2,820,383
Care and Share Fund	16	552,505	701,160
HWA -Micro Finance Assistance Scheme	17	61,002	59,352
Scholarship Fund	18	68,088	68,088
HWA -Rotary Skills Assistance Fund	19	54,006	54,006
Community Silver Trust Fund	20	1,934,548	3,382,492
Mr & Mrs Wong Financial Assistance Fund	21	-	-
Central CDC Bless Our City Fund	22	2,899	3,983
The Invictus Fund	23	-	80,000
John Baptist Lim Bak Chim Memorial Fund	24	48,490	50,000
Chen Su Lan Transport Operation Fund	25	210,000	330,000
HSBC Trustee – Dr Louis Sammy Fund	26	69,120	-
Total Restricted Funds		<u>5,789,541</u>	<u>7,549,464</u>
Total Funds		<u>16,326,266</u>	<u>16,803,392</u>
Non-Current Liabilities			
Deferred Capital Grants	27	778,350	960,803
Lease Liabilities	10	381,324	625,880
Total Non-Current Liabilities		<u>1,159,674</u>	<u>1,586,683</u>

STATEMENT OF FINANCIAL POSITION

As at 31 March 2022

	Note	2022 SGD	2021 SGD
Current Liabilities			
Trade and Other Payables	28	422,275	356,124
Other Liabilities	29	1,225	2,215
Advance Subsidies	30	-	111,840
Lease Liabilities	10	109,033	105,867
Total Current Liabilities		<u>532,533</u>	<u>576,046</u>
Total Liabilities		<u>1,692,207</u>	<u>2,162,729</u>
Total Fund and Liabilities		<u>18,018,473</u>	<u>18,966,121</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN FUNDS

For the financial year ended 31 March 2022

	Unrestricted Funds						Restricted Funds								Total
	General Fund	Bicentennial Community Fund (BCF)	Development and Maintenance of HWA Premise Fund	Care and Share Fund	HWA - Micro Finance Assistance Scheme	Scholarship Fund	HWA - Rotary Skills Assistance Fund	Community Silver Trust Fund	Mr & Mrs Wong Financial Assistance Fund	Central CDC Bless Our City Fund	The Invictus Fund	John Baptist Lim Bak Chim Memorial Fund	Chen Su Lan Transport Operation Fund	HSBC Trustee - Dr Louis Sammy Fund	
	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD	SGD
Note	14	15	16	17	18	19	20	21	22	23	24	25	26		
Balance as at 1 April 2020	7,918,744	-	2,820,383	848,718	58,502	68,088	54,006	2,439,787	1,122	10,000	-	-	-	-	14,219,350
Surplus for the Year	1,335,184	-	-	-	-	-	-	-	-	-	-	-	-	-	1,335,184
Net Movement for the Year	-	-	-	(147,558)	850	-	-	942,705	(1,122)	(6,017)	80,000	50,000	330,000	-	1,248,858
Balance as at 31 March 2021 and 1 April 2021	9,253,928	-	2,820,383	701,160	59,352	68,088	54,006	3,382,492	-	3,983	80,000	50,000	330,000	-	16,803,392
Surplus for the Year	882,797	-	-	-	-	-	-	-	-	-	-	-	-	-	882,797
Net Movement for the Year	-	400,000	(31,500)	(148,655)	1,650	-	-	(1,447,944)	-	(1,084)	(80,000)	(1,510)	(120,000)	69,120	(1,359,923)
Balance as at 31 March 2022	10,136,725	400,000	2,788,883	552,505	61,002	68,088	54,006	1,934,548	-	2,899	-	48,490	210,000	69,120	16,326,266

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2022

	Note	2022 SGD	2021 SGD
Cash Flows From Operating Activities			
Surplus For the Year		882,797	1,335,184
Adjustments For:			
Amortisation of Deferred Capital Grants		(182,453)	(170,951)
Bad Debts Written Off		1,747	-
Depreciation of Plant and Equipment	9	619,423	567,286
Depreciation of Right-of-Use Assets	10	241,968	241,514
Loss on Disposal of Plant and Equipment		-	11,446
Interest Income		(19,480)	(36,942)
Interest expense		13,066	17,085
Rent concessions from landlord		(31,400)	(71,378)
Operating Surplus Before Working Capital Changes		1,525,668	1,893,244
Inventories		-	3,928
Trade and Other Receivables		(97,678)	(98,320)
Other Assets		7,612	(47,995)
Trade and Other Payables		66,151	(129,763)
Other Liabilities		(990)	(89,385)
Advance Subsidies		(111,840)	(12,180)
Net Cash (Used In) Generated From Operating Activities		1,388,923	1,519,529
Cash Flows From Financing Activities			
Bicentennial Community Fund (BCF)		400,000	-
Development and Maintenance of HWA Premises Fund		(31,500)	-
Care and Share Fund		(148,655)	(147,558)
HWA - Micro Finance Assistance Scheme		1,650	850
Mr & Mrs Wong Finance Assistance Fund		-	(1,122)
Community Silver Trust		(1,447,944)	942,705
Central CDC Bless Our City Fund		(1,084)	(6,017)
The Invictus Fund		(80,000)	80,000
John Baptist Lim Bak Chim Memorial Fund		(1,510)	50,000
Chen Su Lan Transport Operation Fund		(120,000)	330,000
HSBC Trustee – Dr Louis Sammy Fund		69,120	-
Interest paid		(13,066)	(17,085)
Repayment of Obligations under Lease Liabilities		(209,990)	(161,756)
Net Cash Generated From Financing Activities		(1,582,979)	1,070,017

STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2022

	Note	2022 SGD	2021 SGD
Cash Flows From Investing Activities			
Long Term Deposits Redeemed/ (Placed)		(113,435)	395,209
Interest Income		19,480	36,942
Purchase of Plant and Equipment		(254,979)	(397,249)
Proceed from disposal of Plant and Equipment		-	161
Transfer to Restricted Cash		(344)	(344)
Net Cash Generated From (Used In) Investing Activities		(349,278)	34,719
Net Increase (Decrease) in Cash and Cash Equivalents		(543,334)	2,624,265
Cash and Cash Equivalents at Beginning of Year		13,187,366	10,563,101
Cash and Cash Equivalents at End of Year	13	12,644,032	13,187,366

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2022

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

1. General Information

Handicaps Welfare Association is registered as a society and charity under the Charities Act, Chapter 37 on 18 December 1969 and 25 February 1985 respectively. The Charity was accorded the status of an Institution of Public Character (IPC) for the period from 1 October 2019 to 30 September 2022. The Charity's registered office is located at 16 Whampoa Drive Singapore 327725. The Charity is situated in Singapore.

The Management Committee approved and authorised these financial statements for issue.

The principal activities of the Charity are to promote social and welfare services for people with physical disabilities and in particular to foster friendship, understanding and mutual assistance amongst its members. The Charity provides island-wide service to support elderly and people with physical disabilities with Transport service, Rehabilitation, Home Healthcare, Education, Training, Employment and other interests of this community.

2. Significant accounting policies

Basis of Preparation

The financial statements of the Charity have been prepared in accordance with applicable Singapore Financial Reporting Standards ("SFRS").

The financial statements expressed in Singapore Dollar ("SGD") are prepared in accordance with the historical cost convention except as disclosed, where appropriate, in the accounting policies below.

The preparation of financial statements in conformity with SFRS 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 revenues and expenses during the financial year. Although these estimates are based on management committee's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Charity has adopted all the new and revised standards and interpretations of FRS ("SFRS") that are effective for annual periods beginning on or after 1 April 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Charity.

Funds

The Charity maintains restricted and unrestricted funds. Funds set up for specific purposes are classified as restricted funds. All income and expenses other than those attributable to restricted funds and common overheads are recorded in the unrestricted fund's statement of financial activities.

In order to ensure observance of limitations and restrictions placed on the use of resources available to the Charity, the financial statements of the Charity are maintained substantially in accordance with the principles of "fund accounting" whereby the resources for various purposes are classified for accounting and reporting purposes into specific funds that are in accordance with activities or objectives specified.

Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Charity operates ("the functional currency"). The financial statements are presented in Singapore Dollar ("SGD"), which is the Charity's functional and presentation currency.

All financial information presented are denominated in Singapore Dollar unless otherwise stated.

Incoming Resources

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

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

(a) Rendering of Services

Revenue generated from social activities, transport services, events and programmes are recognised when services are rendered.

(b) Donations and fund-raising

Donations and revenue from fund-raising activities that are used for general purposes are recognised in the statement of financial activities in the financial year they are received.

Donations and revenue from fund-raising activities where usage is restricted by the donors are recognised in Restricted Funds in the financial year they are received.

Donations that are restricted for asset purchase are included in non-current liabilities as "deferred capital grants" and taken to the statement of financial activities account on a straight-line basis over the expected useful lives of the related assets.

Donations that are used for restricted types of expenses are recognised in income and expenditure account over the period necessary to match them with the costs they are intended to compensate.

(c) Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Charity will comply with conditions associated with the grant.

Government grants relating to costs are deferred and taken to the statement of financial activities over the period necessary to match them with the costs they are intended to compensate.

Government grants relating to assets are included in non-current liabilities as "deferred capital grants" and are taken to the income and expenditure account on a straight-line basis over the expected useful lives of the related assets.

(d) Donation of assets

Donations of assets received in kind are recorded as donation income and property, plant and equipment at an amount equivalent to the estimated value of the items donated.

(e) Interest Income

Interest income is recognised on a time-apportioned basis using the effective interest rate method.

(f) Land rental subsidy

Land rental subsidy from government is recognised where there is a reasonable assurance that the grant will be received and the Charity will comply with attached conditions.

Retirement Benefit Costs

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. Contributions made to government managed retirement benefit plan such as the Central Provident Fund ("CPF") which specifies the employer's obligations are dealt with as defined contribution retirement benefit plans.

Income Tax

The Charity is a registered Charity under Charities Act, Chapter 37 and is exempted from income tax.

Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Office furniture, renovation and equipment	-	2 to 12 years
Motor vehicles	-	5 to 10 years
Rehabilitation equipment and mobility aids	-	5 to 10 years

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at end of each reporting year. The effects of any revision are recognised in profit or loss when the changes arise.

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

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

Leases

The Charity 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.

As lessee

The Charity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Charity recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Charity recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Leasehold buildings	-	5 years
Office Equipment	-	5 years

If ownership of the leased asset transfers to the Charity 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 right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed under impairment of non-financial assets.

The Charity's right-of-use assets are disclosed in note 10 to the financial statements.

Lease liabilities

At the commencement date of the lease, the Charity recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed 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 Charity and payments of penalties for terminating the lease, if the lease term reflects the Charity 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.

In calculating the present value of lease payments, the Charity uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if 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.

The Charity's lease liabilities are disclosed in note 10 to the financial statements.

Short-term leases and leases of low-value assets

The Charity has elected not to recognise right-of-use assets and liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Charity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Impairment of Non-Financial Assets

The Charity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Charity makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

Financial Assets

(i) Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

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

(ii) Subsequent measurement

Investments in debt instruments

Debt instruments of the Charity mainly comprise of cash and bank deposits and trade and other receivables.

Subsequent measurement of debt instruments depends on the Charity's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Charity only has debt instruments at amortised cost.

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

(iii) Derecognition

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

Impairment of Financial Assets

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

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

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

The Charity considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Charity may also consider a financial asset to be in default when internal or external information indicates that the Charity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Charity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Cash and Cash Equivalents

This includes cash on hand and fixed deposits with financial institutions.

Financial Liabilities

Financial liabilities are recognised when, and only when, the Charity becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of the consideration received plus, in the case of a financial liability not at fair value through profit or loss, directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

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

Provisions

A provision is recognised when there is a present obligation (legal and constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at end of each reporting year and adjusted to reflect the current best estimate.

Critical Judgement, Assumption and Estimation Uncertainties

The preparation of the Charity's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Judgements made in Applying Accounting Policies

In the process of applying the Charity accounting policies, the Charity has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statement.

Leases of buildings and office equipment

The estimation of ROU assets involves significant estimates on the tenure of the lease due to renewal options and the discount rate to be applied to compute the present value of the lease liabilities.

The Charity currently has a lease agreement of building with the SLA at a rental rate of SGD 15,700 per month for a period of 3 years with effect from 1 January 2019. The annual rent is partially subsidised by Ministry of Social and Family Development till December 2021.

The Charity currently has lease agreements of office equipment with the Ethoz Capital Ltd at rental rates of SGD 580 and SGD 120 per month for a period of 5 years with effect from 14 May 2020 and 17 August 2020 respectively.

The Charity currently has lease agreement of building with the Mercatus Epsilon Co-operative limited as head land lord and National Council of Social Service as landlord for a period of 5 years with effect from 1 December 2018. The monthly rate for year 1 and 2 is SGD 4,282 per month, Year 3 and Year 4 is SGD 4,611 per month and Year 5 is SGD 4,941 per month.

Useful Lives of Plant and Equipment

Plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The management committees anticipate the useful lives of these plant and equipment to be within 2 to 12 years. The carrying amount of the Charity's plant and equipment at 31 March 2022 is disclosed in Note 9 to the financial statements. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Expected Credit Losses on Trade Receivables

Expected credit losses (ECLs) are probability-weighted estimates of credit losses over the life of a financial instrument. In estimating ECLs to determine the probability of default of its debtors, the charity has used historical information, such as past credit loss experience. Where applicable, historical data are adjusted to reflect the effects of current conditions as well as management's assessment of future economic conditions based on observable market information, which involved significant estimates and judgement.

As at the statement of financial position, the charity does not have any trade receivables that are subject to ECLs.

3. Related Party Relationships and Transactions

SFRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3.1 Related Parties:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined the parties are reflected in these financial statements. The current related party balances are unsecured, without fixed repayment terms and interest unless stated otherwise.

3.2 Key Management Personnel:

Key management personnel compensation included in staff cost is as follows:

	2022	2021
	SGD	SGD
Wages, salaries and staff benefits	218,913	174,224
Contributions to defined contribution plans	13,930	16,127
	<u>232,843</u>	<u>190,351</u>

The Management Committee is the final authority and is overall responsible for policy making and determination of all activities. They are volunteers and receive no monetary remuneration for their contribution.

The Charity's key executive remuneration is disclosed in the following band:

	Number of key executives	
	2022	2021
<i>Annual salary range</i>		
SGD 150,000 to SGD 200,000	-	1
SGD 200,000 to SGD 250,000	1	-
	<u>1</u>	<u>1</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Charity, directly or indirectly. None of the paid staff are close members of the family of the Chief Executive or Board members.

3.3 Board Members Remuneration

Charity has disclosed that board members do not receive any remuneration except for reimbursement for out-of-pocket expenses.

3.4 Board Members served for more than 10 consecutive years.

Mr Hui Beng Hong has been serving in the Executive Committee for a consecutive 10 years. He has been actively contributing to and guiding Charity in improving its premises, renovation and upgrading, accessibility issues as well as strategic planning. Charity has been expanding rapidly over the past decade and has been enhancing its premises over the past 6 years. We have succeeded in convincing a number of younger members to join the Board in recent years, Mr Hui Beng Hong was also tasked to mentor these younger board members and preparing them for higher responsibilities and greater challenge ahead.

4. Government Grant Subsidies

Government grant subsidies include COVID-19 support of SGD Nil (2021: SGD283,087) from Ministry of Health of Singapore ("MOH") as part of the Government's measures to support charity during the period of economic uncertainty impacted by COVID-19.

5. Fund Raising Income

	2022	2021
	SGD	SGD
General Donation	43,158	57,004
Fa Cai Cup	14,893	18,688
Donation boxes collections	48,711	26,474
Donation draw	675,375	353,102
E-net donation	-	2,549
Flag day	378,687	373,520
Hongbao project	1,036,033	1,052,009
President Challenge	87,500	37,500
Recycle project	80	2,121
Online donation portal	-	33,099
SI Events donation	708	422,402
Thanksgiving project	370,357	-
Wheel, walk or jog	516,054	309,641
	<u>3,171,556</u>	<u>2,688,109</u>

In 2022, the Charity received donation amounting to SGD 87,500 (2021: SGD 37,500) from the President's Challenge. The donation was fully utilised during the year. These monies were channeled to fund the approved services operating expenditure of the Charity.

During the year, the Charity received tax deductible donation totaling SGD2,337,565 (2021: SGD 2,079,725).

6. Program and Services Fee Income

	Other Services Department	Transport Department	Rehabilitation Department	Homecare Services	MOH Subvention	2022	2021
	SGD	SGD	SGD	SGD	SGD	SGD	SGD
AIC centralised transport	-	872,188	-	-	-	872,188	425,361
Dial-a-ride income	-	83,639	-	-	-	83,639	96,353
Driving income	-	10,324	-	-	-	10,324	13,825
Homecare services	-	-	-	78,053	484,444	562,497	469,934
Internal billing for staff request	-	2,965	-	-	-	2,965	2,150
Medical escort transport services	-	38,568	-	-	136,425	174,993	157,499
Member's subscription / entrance fee	3,729	-	-	-	-	3,729	1,832
Monthly transport income	-	128,175	-	-	-	128,175	126,598
Rehabilitation fees	-	-	55,619	-	401,566	457,185	422,496
Rehabilitation transport fee	-	112,736	-	-	-	112,736	95,573
Rental of vehicle income	-	16,460	-	-	-	16,460	25,500
Other income	12,170	42	-	-	-	12,212	4,097
	15,899	1,265,097	55,619	78,053	1,022,435	2,437,103	1,841,217

All contracts with customers are less than 12 months.

7. Program and Services Fee Expenses

	Other Services Department	Transport Department	Rehabilitation Department	Homecare Services	2022	2021
	SGD	SGD	SGD	SGD	SGD	SGD
Administrative cost apportionment	54,325	627,537	289,974	96,037	1,067,873	950,135
AGM, annual report	1,061	-	-	-	1,061	5,635
Depreciation of plant and equipment	-	301,526	63,326	-	364,852	333,093
Depreciation of right-of-use assets	-	-	52,522	-	52,522	52,522
GST expenses	244	23,874	17,318	702	42,138	54,950
Insurance	-	126,204	-	-	126,204	133,525
Interest on lease liabilities	-	-	2,137	-	2,137	3,031
Other operating expenses	11,249	133,718	90,677	33,727	269,371	236,892
Printing, stationery and postage	2,136	217	1,408	204	3,965	4,858
Recruitment expenses	-	-	-	-	-	3,800
Repair and maintenance	-	-	17,565	-	17,565	15,725
Staff benefit	1,573	18,942	6,775	20,087	47,377	36,853
Staff CPF, SDL, FWL	36,032	226,183	110,731	59,044	431,990	342,555
Staff salaries and bonuses	224,481	1,903,116	866,587	373,665	3,367,849	2,830,155
Telecommunication	960	16,540	11,017	2,431	30,948	23,974
Upkeep of motor vehicles	-	295,454	-	-	295,454	236,157
Utilities and services charges	-	-	12,636	-	12,636	8,885
Total expenses	332,061	3,673,311	1,542,673	585,897	6,133,942	5,272,745

8. Staff Costs

	2022	2021
	SGD	SGD
Contributions to defined contribution plan ("CPF"), Skills Development Levy ("SDL") and Foreign Worker Levy ("FWL")	537,548	433,355
Salaries and bonus	4,311,895	3,584,081
Staff benefit	70,479	60,662
	<u>4,919,922</u>	<u>4,078,098</u>

9. Plant and Equipment

	Office Furniture, Renovation and Equipment SGD	Motor Vehicles SGD	Rehabilitation Equipment and Mobility Aids SGD	Total SGD
Cost				
At 1.4.2020	2,595,571	4,341,668	270,328	7,207,567
Additions	54,336	-	342,913	397,249
Disposals	-	(95,403)	(15,760)	(111,163)
At 31.3.2021 and 1.4.2021	<u>2,649,907</u>	<u>4,246,265</u>	<u>597,481</u>	<u>7,493,653</u>
Additions	115,400	-	139,579	254,979
At 31.3.2022	<u>2,765,307</u>	<u>4,246,265</u>	<u>737,060</u>	<u>7,748,632</u>
Accumulated Depreciation				
At 1.4.2020	1,057,122	2,224,438	131,222	3,412,782
Depreciation for year	188,774	352,171	26,341	567,286
Disposals	-	(83,810)	(15,746)	(99,556)
At 31.3.2021 and 1.4.2021	<u>1,245,896</u>	<u>2,492,799</u>	<u>141,817</u>	<u>3,880,512</u>
Depreciation for year	208,964	351,117	59,342	619,423
At 31.3.2022	<u>1,454,860</u>	<u>2,843,916</u>	<u>201,159</u>	<u>4,499,935</u>
Net Carrying Amount				
At 31.3.2022	<u>1,310,447</u>	<u>1,402,349</u>	<u>535,901</u>	<u>3,248,697</u>
At 31.3.2021	<u>1,404,011</u>	<u>1,753,466</u>	<u>455,664</u>	<u>3,613,141</u>

Depreciation included in statement of financial activities is as follows:

	2022	2021
	SGD	SGD
Expenditure of generating voluntary income and governance costs	442,715	390,578
Care and share fund (Note 16)	145,290	145,290
Community Silver Trust (Note 20)	31,418	31,418
	<u>619,423</u>	<u>567,286</u>

10. Leases

Charity as a lessee

The Charity has lease contracts for building and office equipment. Lease of building generally have lease term of 5 years, while office equipment generally have lease terms of 5 years. The Charity obligations under these leases are secured by the lessor's title to the leased assets. The Charity is restricted from assigning and subleasing the leased assets.

The Charity also has certain leases of office equipment with lease terms of 12 months or less. The Charity applies the "short-term lease" and "lease of low-value assets" recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets

	Leasehold Buildings SGD	Office Equipment SGD	Total SGD
At 1 April 2020	1,054,279	32,760	1,087,039
Additions	-	6,892	6,892
Depreciation	(233,932)	(7,582)	(241,514)
At 31 March 2021 and 1 April 2021	820,347	32,070	852,417
Depreciation	(233,932)	(8,036)	(241,968)
At 31 March 2022	586,415	24,034	610,449

(b) Lease liabilities

	SGD
At 1 April 2020	957,989
Additions	6,892
Payments	(161,756)
Rent concessions	(71,378)
At 31 March 2021 and 1 April 2021	731,747
Payments	(209,990)
Rent concessions	(31,400)
At 31 March 2022	490,357

	2022 SGD	2021 SGD
Current	109,033	105,867
Non-current	381,324	625,880
	490,357	731,747

The maturity analysis of lease liabilities are disclosed in Note 33.

(c) Amount recognised in the statement of financial activities

	2022 SGD	2021 SGD
Depreciation of right-of-use assets	241,968	241,514
Interest expense on lease liabilities	13,066	17,085
Lease expense not capitalized in lease liabilities		
- Expense relating to short-term lease	-	798
	255,034	259,397

(d) Total cash outflows

The Charity had total cash outflows for lease of SGD 223,056 (2021: SGD 179,639).

(e) Extension Option

The Charity has leases of building that contain extension options exercisable by the Charity up to 10 months (2021: 10 months) before the end of the non-cancellable contract period. Where practicable, the Charity seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable only by the Charity and not by the lessors. The Charity assesses at lease commencement whether it is reasonably certain to exercise the extension options. The Charity reassesses whether it is reasonably certain to exercise the options upon the occurrence of either a significant event or significant change in circumstance that is within its control.

	Lease liabilities recognised (discounted)	Historical rate of exercise of extension options
	SGD	
2022		
Building	370,098	100%
2021		
Building	550,405	100%

A reconciliation of liabilities arising from the Charity's financing activities is as follows:

	1 April 2021 SGD	Cash flows SGD	Acquisition SGD	Non-cash changes Accretion of interest SGD	Rent concession SGD	Others SGD	31 March 2022 SGD
Lease liabilities							
- Current	105,867	(87,533)	-	13,066	(31,400)	109,033	109,033
- Non-current	625,880	(135,523)	-	-	-	(109,033)	381,324
	731,747	(223,056)	-	13,066	(31,400)	-	490,357

	1 April 2020 SGD	Cash flows SGD	Acquisition SGD	Non-cash changes Accretion of interest SGD	Rent concession SGD	Others SGD	31 March 2021 SGD
Lease liabilities							
- Current	100,131	(46,723)	885	17,085	(71,378)	105,867	105,867
- Non-current	857,858	(132,118)	6,007	-	-	(105,867)	625,880
	957,989	(178,841)	6,892	17,085	(71,378)	-	731,747

The "Others" column relates to reclassification of non-current and current portion of lease liabilities.

(f) Rent concessions

The Charity received rent concessions from lessor amounting to SGD 31,400 (2021: SGD 71,378) as a direct consequence of the COVID-19 pandemic, in which the Charity applied the practical expedient under Amendments to FRS 116 Leases: Covid-19 Related Rent Concessions.

11. Trade and Other Receivables

	2022	2021
	SGD	SGD
Trade receivables	154,564	108,126
GST receivables	4,793	6,342
Grants receivables	430,298	373,232
Interest receivable on fixed deposit	8,733	14,757
	<u>598,388</u>	<u>502,457</u>

Trade and other receivables are non-interest bearing and are generally settled on 30 days' terms.

12. Other Assets

	2022	2021
	SGD	SGD
Deposits	97,543	84,089
Prepayments	131,199	149,943
Prepayments on interest on lease liabilities	5,777	8,099
	<u>234,519</u>	<u>242,131</u>

Deposits are settled upon expiry or termination of the relevant services.

13. Cash and Cash Equivalents

	2022	2021
	SGD	SGD
Cash in hand and cash at bank	8,412,147	8,551,345
Fixed deposits	<u>4,914,273</u>	<u>5,204,630</u>
	13,326,420	13,755,975
Fixed deposit (more than 12 months maturity)	<u>(544,441)</u>	<u>(431,006)</u>
Cash and cash equivalents as shown in statement of financial position	12,781,979	13,324,969
Fixed deposit held by banker to cover the bank guarantee issued for tenancy deposit	<u>(137,947)</u>	<u>(137,603)</u>
Cash and cash equivalents as shown in cash flow statement	<u>12,644,032</u>	<u>13,187,366</u>

Fixed deposits bear interest at 0.10% to 0.45% (2021: 0.15% to 1.30%) and for a tenure of 1 to 12 months (2021: 6 to 24 months) from the end of the reporting year.

14. Bicentennial Community Fund (BCF)

The fund matches one dollar for every dollar raised by the Charity, up to a capping of SGD 400,000 per Institutions of a Public Character (IPCs) for the qualifying period from 1 April 2019 to 31 March 2020 received during the financial year. BCF grant received set aside to fund the recurring programmes and services operating expenses. The utilization of the fund is at the discretion of the Charity. The fund will be amortised to match the recurring programmes and services operating expenses when incurred.

15. Development and Maintenance of HWA Premises Fund

This represents fund designated for the development of the Charity's future premise which was redefined to represent fund designated for the development and maintenance of the Charity's premise on 29 April 2017, Extraordinary General Meeting.

	2022 SGD	2021 SGD
Balance at beginning of year	2,820,383	2,820,383
Less: Utilised during the year	(31,500)	-
Balance at end of year	<u>2,788,883</u>	<u>2,820,383</u>

16. Care and Share Fund

	2022 SGD	2021 SGD
Balance at beginning of year	701,160	848,718
Less:		
Charged to financial activities	(3,365)	(2,268)
Amortisation (Note 9)	<u>(145,290)</u>	<u>(145,290)</u>
Balance at end of year	<u>552,505</u>	<u>701,160</u>

The Care and Share Matching Grant is provided by the government in celebration SG50 to build capabilities and capacities of the social service sector. The grant matches one dollar for every donation dollar raised by the Charity.

17. HWA- Micro Finance Assistance Scheme

	2022 SGD	2021 SGD
At beginning of year	59,352	58,502
Repayment received during the year	1,650	850
At end of year	<u>61,002</u>	<u>59,352</u>

This represents an interest-free micro finance scheme for members to start small scale business.

18. Scholarship Fund

	Teo Poh Lian Fund SGD	ANZ Fund SGD	2022 SGD	2021 SGD
At beginning and end of year	53,088	15,000	68,088	68,088

19. HWA- Rotary Skills Assistance Fund

This represents fund designated for the sponsorship of vocational and skills training.

20. Community Silver Trust Fund

	2022 SGD	2021 SGD
Community Silver Trust fund (i)	1,677,220	3,093,746
Community Silver Trust capital grant (ii)	257,328	288,746
	<u>1,934,548</u>	<u>3,382,492</u>

(i) Community Silver Trust fund

	2022 SGD	2021 SGD
Balance at beginning of year	3,093,746	2,119,623
Voluntary income- Community Silver Trust matching grant	-	2,071,609
Less: Expenditures	(1,369,348)	(1,097,486)
Refund	(47,178)	-
Balance at end of year	<u>1,677,220</u>	<u>3,093,746</u>

These are dollar-for-dollar donation matching grants provided by the government through Agency for Integrated Care ("AIC") to enhance the services of voluntary welfare organisations ("VWOs") in the intermediate and long-term care ("ILTC") sector for eligible donations received by the Charity. Ministry of Health is the manager of AIC.

(ii) Community Silver Trust capital grant

	2022 SGD	2021 SGD
Balance at beginning of year	288,746	320,164
Amortisation for the year (note 9)	(31,418)	(31,418)
Balance at end of year	<u>257,328</u>	<u>288,746</u>

The Community Silver Trust capital grant was set up from the Community Silver Trust fund for the purpose of capitalising the fixed assets purchased with the fund proceeds. These amounts are amortised to net-off the corresponding depreciation in the statement of financial activities.

21. Mr and Mrs Wong Financial Assistance Fund

This represents fund designated for the Charity's needs beneficiaries who have difficulties paying for our services.

22. Central CDC Bless Our City Fund

	2022	2021
	SGD	SGD
At beginning of year	3,983	10,000
Less: Expenditures	(1,084)	(6,017)
At end of year	2,899	3,983

This represents fund designated for the Charity's needy beneficiaries who have difficulties paying transport service for attending medical and rehabilitation services.

23. The Invictus Fund

This represents fund established by National Council of Social Service ("NCSS") to support the Charity in providing services safely and effectively during the pandemic.

	2022	2021
	SGD	SGD
At beginning of year	80,000	-
Add: Funds Received	-	80,000
Less: Transfer to statement of financial activities	(80,000)	-
At end of year	-	80,000

24. John Baptist Lim Bak Chim Memorial Fund

This represents fund set up by Mr Philip Lim and his family in the memory of his beloved father, and is designated to provide financial assistance to the Charity's needy beneficiaries and organise activities to raise awareness on the needs of the beneficiaries.

	2022	2021
	SGD	SGD
At beginning of year	50,000	-
Add: Funds Received	-	50,000
Less: Utilised during the year	(1,510)	-
At end of year	48,490	50,000

25. Chen Su Lan Transport Operation Fund

The Chen Su Lan Transport Operation fund was set up from the Chen Su Lan Trust for the purpose of supporting the operation of transport programme and other projects for the improvement of access to transport for people with disabilities.

	2022	2021
	SGD	SGD
At beginning of year	330,000	-
Add: Funds Received	-	360,000
Less: Transfer to statement of financial activities	(120,000)	(30,000)
At end of year	210,000	330,000

26. HSBC Trustee – Dr Louis Sammy Fund

This is a Trust Fund under HSBC Trustee (Singapore) Ltd and is designated to provide financial assistance to the Charity's needy beneficiaries rehabilitation purposes.

	2022	2021
	SGD	SGD
At beginning of year	-	-
Add: Funds Received	69,120	-
At end of year	69,120	-

27. Deferred Capital Grants

	2022	2021
	SGD	SGD
At beginning of year	960,803	1,131,754
Income and expenditure		
Deferred capital grants amortised	(182,453)	(170,951)
At end of year	778,350	960,803

This is in respect of grants credited to statement of financial activities to match depreciation of Charity's plant and equipment.

28. Trade and Other Payables

	2022	2021
	SGD	SGD
Trade payables	368,096	301,845
Others	54,179	54,279
	422,275	356,124

Trade payables are non-interest bearing and are generally settled on 30 days' terms.

Other payables include SGD 53,137 (2021: SGD 53,137) for balance payment of renovation in progress.

29. Other Liabilities

	2022	2021
	SGD	SGD
Deposits received for rental of wheel chair	1,225	2,215

30. Advance Subsidies

	2022	2021
	SGD	SGD
Advance temporary occupation licence subsidies	-	111,840

31. Income Tax

The society is a registered charity under the Charities Act 1982 and is exempted from income tax under Section 13 (1) (zm) of the Income Tax Act, Cap 134.

32. Reserve Policy

The objectives of the Management Committee when managing funds is to safeguard the Charity's ability to continue as going concern.

The Management Committee actively and regularly review and manage its funds structure to ensure optimal capital structure, taking into consideration the future requirements, prevailing and projected profitability, projected operating cash flows and projected capital expenditures.

The Management Committee monitor funds using the ratio of reserves to annual operating expenditure.

	2022	2021
	SGD	SGD
Total funds (A)	16,326,266	16,803,392
Annual operating expenditure (B)	7,956,383	6,830,476
Ratio of reserves to annual operating expenditure (A)/(B)	2.05	2.46

The Charity is not subject to externally imposed capital requirements. There were no changes in the Charity's approach to capital management during the year.

33. Financial Risk Management Objective and Policies

The main risks from the Charity's financial instruments are liquidity risk, credit risk and cash flow and fair value of interest rate risk. The policies for managing each of these risks are summarised below:

Liquidity Risk

Liquidity or funding risk is the risk that an enterprise will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell financial assets quickly at close to its fair value.

The Charity maintains sufficient level of cash and cash equivalents to finance the Charity's operation and mitigate the effects of fluctuation in cash flows.

Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summarises the maturity profile of the Charity's assets and liabilities at the end of the reporting year based on contractual undiscounted payments.

	2022			2021		
	1 year or less	2 to 5 years	Total contractual cash flow	1 year or less	2 to 5 years	Total contractual cash flow
	SGD	SGD	SGD	SGD	SGD	SGD
<i>Financial assets</i>						
Trade and other receivables	593,595	-	593,595	496,115	-	496,115
Other assets	97,543	-	97,543	84,089	-	84,089
Fixed deposit	4,369,832	544,441	4,914,273	4,773,624	431,006	5,204,630
Cash in hand and at bank	8,412,147	-	8,412,147	8,551,345	-	8,551,345
	<u>13,473,117</u>	<u>544,441</u>	<u>14,017,558</u>	<u>13,905,173</u>	<u>431,006</u>	<u>14,336,179</u>
<i>Financial liabilities</i>						
Trade and other payables	422,275	-	422,275	356,124	-	356,124
Other liabilities	1,225	-	1,225	2,215	-	2,215
Lease liabilities	112,153	387,085	499,238	107,620	702,833	810,453
	<u>535,653</u>	<u>387,085</u>	<u>922,738</u>	<u>465,959</u>	<u>702,833</u>	<u>1,168,792</u>
Total net undiscounted financial assets	<u>12,937,464</u>	<u>157,356</u>	<u>13,094,820</u>	<u>13,439,214</u>	<u>(271,827)</u>	<u>13,167,387</u>

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Charity. The Charity's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash), the Charity minimises credit risk by dealing exclusively with high credit rating counterparties.

The Charity has adopted a policy of only dealing with creditworthy counterparties. The Charity performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Charity considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Charity has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Charity has developed and maintained the Charity's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Charity's own trading records to rate its major customers and other debtors. The Charity considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the Charity and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The Charity determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Charity categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Charity's current credit risk grading framework comprises the following categories:

Category	Definition of Category	Basis for Recognising Expected Credit Loss (ECL)
i	Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
ii	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
iii	Amount is >120 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL - credit impaired
iv	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

The ageing of trade and other receivables as at 31 March:

	2022	2021
	SGD	SGD
<i>Trade receivables past due</i>		
31 to 60 days	19,130	20,703
61 to 90 days	470	459
More than 90 days	5,099	17,964
	<u>24,699</u>	<u>39,126</u>

As at the statement of financial position date, the Charity does not have any trade receivables that are subject to ECLs.

Other Financial Assets at Amortised Cost

Other financial assets at amortised costs include other receivables and cash and cash equivalents.

Credit Risk Concentration Profile

The Charity has no significant concentration of credit risk.

Cash Flow and Fair Value Interest Rate Risk

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Charity's exposure to changes in interest rates relates primarily to the Charity's fixed deposits with financial institution at variable rates. Information relating to the Charity's interest rate exposure is also disclosed in Note 13.

The sensitivity analysis below has been determined based on the exposure to interest rates for fixed deposits placed with financial institution at the financial position date. A 0.5% increase or decrease is used when reporting interest rate risk internally and represents Management Committee's assessment of the reasonably possible change in interest rates.

Sensitivity Analysis for Interest Rate Risk

The following carrying amounts of interest-bearing financial assets and liabilities of the Charity that are exposed to interest rate risk:

	2022	2021
	SGD	SGD
Fixed deposits	4,914,273	5,204,630

At end of the reporting year, if SGD interest rates had been 0.5% (2021: 0.5%) lower/higher with all other variables held constant the Charity's profit before tax would have been SGD 24,571 (2021: SGD 26,023) higher/lower.

34. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year.

	2022	2021
	SGD	SGD
Financial assets at amortised cost	14,017,558	14,336,179
Financial liabilities at amortised cost	913,857	1,090,086

35. Fair Value of Financial Assets and Financial Liabilities

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

36. The Covid-19 pandemic

Management has reviewed the estimated potential impact and plausible downside scenarios, along with its response as a result of the Covid19 pandemic. No material uncertainties were identified in connection with the reporting entity's ability to continue in operational existence for the foreseeable future.

37. New Accounting Standards and SFRSs Interpretations

At the date of authorisation of these financial statements, no SFRSs and amendments to SFRS that are relevant to the Charity were issued but not yet effective.