

**LOVING HEART MULTI-
SERVICE CENTRE**

[UEN. T03SS0014A]

[Registered under the Societies Act 1966
in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2022**

CONTENTS

Statement by the Management Committee	2
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	9
Statement of Changes in Funds	10
Statement of Cash Flows	11
Notes to the Financial Statements	12

Fiducia LLP

(UEN. T10LL0955L)

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of Loving Heart Multi-Service Centre (the "Centre") as at 31 March 2022 and the results, changes in funds and cash flows of the Centre for the year then ended.

At the date of this statement, there are reasonable grounds to believe that the Centre will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on

Teng Su Ching	President
Loke Wai Chiong	Vice-President
Malaiya Maran S/O Srinivasan	Vice-President
Ng Kok Kiang Lawrence	Vice-President
Patrick Tan Tse Chia (Patrick Chen Zijia)	Secretary
Lim Lee Ching	Asst Secretary
Sio Wei Hurng (Xiao Weiheng)	Treasurer
Lena Lee Siow Ling	Member
Cheong Boon Leong Arthur	Member
Suzana Binte Slemat	Member
Chong Kok Hwee	Member
Saharidah Binti Suradi	Member
Lam Yen Gi, Gideon (Lan Yanqi, Gideon)	Member
Liew Yihui Andrea	Member
Sim Seo Lian Pauline	Member
Chua Chin Wei Vinson	Member

For and on behalf of the Management Committee,



Teng Su Ching
President



Sio Wei Hurng (Xiao Weiheng)
Treasurer

Singapore, 29 September 2022

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Independent auditor's report to the members of:

Loving Heart Multi-Service Centre
[UEN. T03SS0014A]
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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Loving Heart Multi-Service Centre (the "Centre"), 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 1966 (the "Societies Act"), the Charities Act 1994 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 Centre as at 31 March 2022 and the results, changes in funds and cash flows of the Centre 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 Centre in accordance with the Accounting and Corporate Regulatory ("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 audit opinion.

Other information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee (set out on page 2), but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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

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(CONT'D)

Independent auditor's report to the members of:

Loving Heart Multi-Service Centre
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSS, 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 Centre's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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Independent auditor's report to the members of:

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Centre'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 Centre 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.

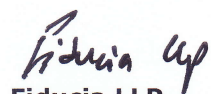
We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Centre have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

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

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



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 29 September 2022

Partner-in-charge: Gan Chek Huat
PAB No.: 01939

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

	Note	2022			2021		
		MSC S\$	SAC S\$	Total S\$	MSC S\$	SAC S\$	Total S\$
INCOME							
Income from generated funds							
<u>Voluntary income</u>							
Donations :							
	6	13,413	0	13,413	13,427	88	13,515
	6	51,963	0	51,963	43,313	200	43,513
		<u>65,376</u>	<u>0</u>	<u>65,376</u>	<u>56,740</u>	<u>288</u>	<u>57,028</u>
Grants and funding:							
		0	0	0	400,000	0	400,000
		16,506	0	16,506	62,005	0	62,005
		19,292	0	19,292	31,007	0	31,007
		111,619	0	111,619	204,386	0	204,386
		0	0	0	22,618	0	22,618
		0	180,983	180,983	0	181,004	181,004
		339,511	0	339,511	163,793	0	163,793
		0	0	0	19,772	0	19,772
		32,400	0	32,400	0	0	0
		15,458	0	15,458	22,476	300	22,776
		1,102	0	1,102	6,758	0	6,758
		<u>535,888</u>	<u>180,983</u>	<u>716,871</u>	<u>932,815</u>	<u>181,304</u>	<u>1,114,119</u>
<u>Activities for generating funds</u>							
	5	0	0	0	0	1,000	1,000
	5	11,665	207	11,872	22,092	816	22,908
		<u>11,665</u>	<u>207</u>	<u>11,872</u>	<u>22,092</u>	<u>1,816</u>	<u>23,908</u>
Total income from generated funds							
		<u>612,929</u>	<u>181,190</u>	<u>794,119</u>	<u>1,011,647</u>	<u>183,408</u>	<u>1,195,055</u>
Income from charitable activities							
		83,273	0	83,273	60,018	0	60,018
		30,825	0	30,825	19,363	0	19,363
	5	16,294	0	16,294	12,730	0	12,730
	5	25,041	0	25,041	14,000	0	14,000
		<u>155,433</u>	<u>0</u>	<u>155,433</u>	<u>106,111</u>	<u>0</u>	<u>106,111</u>
Other income							
		66,937	6,666	73,603	35,427	5,774	41,201
		7,640	477	8,117	14,371	459	14,830
		9,048	2,571	11,619	129,392	35,729	165,121
		0	0	0	4,239	0	4,239
		<u>83,625</u>	<u>9,714</u>	<u>93,339</u>	<u>183,429</u>	<u>41,962</u>	<u>225,391</u>
TOTAL INCOME							
		<u>851,987</u>	<u>190,904</u>	<u>1,042,891</u>	<u>1,301,187</u>	<u>225,370</u>	<u>1,526,557</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)**

	Note	2022			2021		
		MSC S\$	SAC S\$	Total S\$	MSC S\$	SAC S\$	Total S\$
EXPENDITURE							
Cost of generating funds							
Depreciation	8	0	806	806	0	545	545
Event expenses		4,632	1,955	6,587	5,302	6,337	11,639
Operating lease expense: Rental of premises	8	3,336	13,150	16,486	2,595	10,229	12,824
Staff costs	7	125,234	26,705	151,939	90,322	26,248	116,570
Trainer allowance		4,785	0	4,785	10,998	0	10,998
Utilities	8	5,046	2,425	7,471	4,234	2,410	6,644
		<u>143,033</u>	<u>45,041</u>	<u>188,074</u>	<u>113,451</u>	<u>45,769</u>	<u>159,220</u>
Cost of charitable activities							
Audit fees		1,070	0	1,070	964	0	964
Medical escort expenses		46,780	0	46,780	37,290	0	37,290
Repairs and maintenance		4,104	0	4,104	2,314	275	2,589
Sponsorship expenses		5,243	0	5,243	4,216	1,218	5,434
Staff costs	7	420,501	80,114	500,615	331,947	78,742	410,689
Volunteer - Silver Heart		4,663	0	4,663	340	0	340
Volunteer - Training		1,042	0	1,042	1,937	0	1,937
MoU food expenses		51,341	0	51,341	72,842	0	72,842
Yuhua family voucher's merchant		1,836	0	1,836	0	0	0
		<u>536,580</u>	<u>80,114</u>	<u>616,694</u>	<u>451,850</u>	<u>80,235</u>	<u>532,085</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022 (CONT'D)**

	Note	2022			2021		
		MSC S\$	SAC S\$	Total S\$	MSC S\$	SAC S\$	Total S\$
EXPENDITURE (CONT'D)							
Governance and administrative costs							
Accounting fees		30,240	12,960	43,200	24,707	10,588	35,295
Audit fees		7,530	1,926	9,456	8,555	1,886	10,441
Bank charges		787	55	842	321	20	341
Conservancy charge		278	1,096	1,374	241	950	1,191
Consultancy fee		20,791	0	20,791	28,273	0	28,273
Depreciation	8	121	848	969	535	1,739	2,274
Dues and subscriptions		4,974	720	5,694	3,443	740	4,183
General expenses		2,187	0	2,187	4,146	0	4,146
Insurance		788	0	788	676	685	1,361
IT equipment		1,929	0	1,929	2,924	0	2,924
Licence fees		87	0	87	0	0	0
Newspaper / Magazine		0	671	671	10	470	480
Office equipment		1,065	0	1,065	2,694	212	2,906
Office refreshments		693	95	788	769	40	809
Office supplies		695	725	1,420	360	661	1,021
Operating lease expense: Photocopy machine		2,183	0	2,183	2,183	0	2,183
Operating lease expense: Rental of premises	8	834	3,288	4,122	649	2,557	3,206
Other manpower expenses		2,148	0	2,148	0	0	0
Part time salary		4,980	0	4,980	720	0	720
Postage and courier		221	0	221	288	0	288
Printing and stationery		6,873	1,047	7,920	5,687	1,367	7,054
Repair and maintenance		3,688	2,939	6,627	4,178	1,198	5,376
Staff costs	7	208,705	38,572	247,277	92,865	36,098	128,963
Staff medical expenses		5,028	1,510	6,538	3,843	1,446	5,289
Staff training		8,421	0	8,421	10,092	0	10,092
Telephone and internet		6,955	2,002	8,957	6,777	2,191	8,968
Trainee allowance		3,864	0	3,864	1,227	0	1,227
Transportation		1,728	0	1,728	2,294	16	2,310
Unutilised leave		16,111	1,399	17,510	14,091	2,501	16,592
Utilities	8	1,262	606	1,868	1,058	603	1,661
Volunteer management activity		0	0	0	990	0	990
Website Maintenance		0	0	0	5,466	0	5,466
		<u>345,166</u>	<u>70,459</u>	<u>415,625</u>	<u>230,062</u>	<u>65,968</u>	<u>296,030</u>
TOTAL EXPENDITURE		<u>1,024,779</u>	<u>195,614</u>	<u>1,220,393</u>	<u>795,363</u>	<u>191,972</u>	<u>987,335</u>
NET (DEFICIT)/SURPLUS FOR THE YEAR		<u>(172,792)</u>	<u>(4,710)</u>	<u>(177,502)</u>	<u>505,824</u>	<u>33,398</u>	<u>539,222</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 S\$	2021 S\$
ASSETS			
Current assets			
Cash and cash equivalents	9	2,114,609	2,244,538
Other receivables	10	293,920	236,238
		<u>2,408,529</u>	<u>2,480,776</u>
Non-current assets			
Property, plant and equipment	11	6,442	3,290
		<u>6,442</u>	<u>3,290</u>
Total assets		<u>2,414,971</u>	<u>2,484,066</u>
LIABILITIES			
Current liabilities			
Other payables	12	183,194	136,321
Grants received in advance	13	393,104	331,570
		<u>576,298</u>	<u>467,891</u>
Total liabilities		<u>576,298</u>	<u>467,891</u>
NET ASSETS		<u>1,838,673</u>	<u>2,016,175</u>
FUNDS			
Unrestricted funds			
General fund	14	1,258,944	1,431,736
Designated fund	14	423,199	423,199
		<u>1,682,143</u>	<u>1,854,935</u>
Restricted funds			
Yuhua Senior Activities Centre ("SAC")	15	156,530	161,240
		<u>156,530</u>	<u>161,240</u>
TOTAL FUNDS		<u>1,838,673</u>	<u>2,016,175</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**

	Note	Balance at beginning of financial year S\$	Net (Deficit)/ Surplus S\$	Transfer of funds (Note 14) S\$	Balance at end of financial year S\$
2022					
Unrestricted funds					
General fund	14	1,431,736	(172,792)	0	1,258,944
Designated fund	14	423,199	0	0	423,199
		<u>1,854,935</u>	<u>(172,792)</u>	<u>0</u>	<u>1,682,143</u>
Restricted funds					
Yuhua Senior Activities Centre ("SAC")	15	<u>161,240</u>	<u>(4,710)</u>	<u>0</u>	<u>156,530</u>
Total funds		<u>2,016,175</u>	<u>(177,502)</u>	<u>0</u>	<u>1,838,673</u>
2021					
Unrestricted funds					
General fund	14	924,672	505,824	1,240	1,431,736
Designated fund	14	424,439	0	(1,240)	423,199
		<u>1,349,111</u>	<u>505,824</u>	<u>0</u>	<u>1,854,935</u>
Restricted funds					
Yuhua Senior Activities Centre ("SAC")	15	<u>127,842</u>	<u>33,398</u>	<u>0</u>	<u>161,240</u>
Total funds		<u>1,476,953</u>	<u>539,222</u>	<u>0</u>	<u>2,016,175</u>

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 S\$	2021 S\$
Cash flows from operating activities			
Net (deficit)/surplus for the year		(177,502)	539,222
Adjustments for:			
- Depreciation	11	1,775	2,819
- Interest income		(8,117)	(14,830)
Operating cash flow before working capital changes		<u>(183,844)</u>	<u>527,211</u>
Changes in working capital			
- Other receivables		(57,682)	(50,078)
- Other payables		46,873	32,122
- Deferred income		61,534	56,097
Cash (used in)/generated from operations		<u>(133,119)</u>	<u>565,352</u>
Interest received		<u>1,785</u>	<u>1,536</u>
Net cash (used in)/generated from operating activities		<u>(131,334)</u>	<u>566,888</u>
Cash flows from investing activities			
Fixed deposit interest received		6,332	11,846
Purchase of property, plant and equipment	11	<u>(30,921)</u>	<u>(7,219)</u>
Net cash (used in)/generated from investing activities		<u>(24,589)</u>	<u>4,627</u>
Cash flows from financing activity			
Capital grants utilised to purchase property, plant and equipment, representing net cash provided by financing activities	11	<u>25,994</u>	<u>7,219</u>
Net (decrease) /increase in cash and cash equivalents		<u>(129,929)</u>	<u>578,734</u>
Cash and cash equivalents at beginning of financial year		<u>2,244,538</u>	<u>1,665,804</u>
Cash and cash equivalents at end of financial year	9	<u><u>2,114,609</u></u>	<u><u>2,244,538</u></u>

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

Loving Heart Multi-Service Centre (the "Centre") is registered and domiciled in Singapore. The Centre's registered office and the principal place of operation is located at Block 210 Jurong East Street 21, #01-389, Singapore 600210.

The Centre was registered on 10 January 2003 under the Societies Act 1966 and is a charity registered under the Charities Act 1994 since 26 June 2000. The Centre has been accorded the Institutions of a Public Character ("IPC") status from 1 November 2019 to 30 April 2021. The Centre has renewed its IPC status from 1 May 2021 to 30 April 2023.

Yuhua Senior Activity Centre (Previously known as Yuhua Neighbourhood Link) is a division of Loving Heart Multi-Service Centre and its registered office and the principal place of business is located at Block 318A Jurong East Avenue 1, #02-308, Singapore 601318. The principal operation of the division are to organise activities for the welfare and community bonding of the residents. The financial performance and position of this Division was presented by the Management under "SAC" in these financial statements, unless otherwise stated.

The principal activities of the Centre are to provide befriending and food ration delivery services, community mediation services, medical escort and transport services, counselling services, family education, Job match @ Yuhua, Silverheart @ Yuhua, Network with grassroots organisations, enhance information and referrals of Silverheart Wellness Centre to families, elderly residents and any person who needs help there.

The Centre is also one of the appointed community-based organisation by the Ministry of Culture, Community and Youth ("MCCY") as a SG Cares Volunteer Centre in the West.

The objectives for which the Centre is established are:

- i) to provide social services to families, elderly residents and any needy living at the South West District in Singapore;
- ii) to build mutually beneficial partnerships for the benefit of the community; and
- iii) to encourage community bonding.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") and the disclosure requirements of the Societies Act 1966 and Charities Act 1994. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S\$"), which is the Centre's functional currency.

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

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.1 Interpretations and amendments to published standards effective in 2021

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

The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the Centre's accounting policies and had no material effect on the amounts reported for the current or prior financial years.

2.1.2 Standards issued but not yet effective

The Centre has not adopted the following relevant new/revised FRSs, INT FRSs and amendments to FRSs that were issued but not yet effective:

Descriptions	Effective for annual periods beginning on or after
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to:	
- FRS 16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
- FRS 37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
- FRS 103: Reference to the Conceptual Framework	1 January 2022
- FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
- FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
- FRS 8: Definition of Accounting Estimates	1 January 2023
- FRS 12: Deferred tax related Assets and Liabilities arising from a Single Transaction	1 January 2023
- FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Management Committee believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

2.2 Income recognition

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

Income is recognised when the Centre satisfies a performance obligation by transferring a promised good and 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 income recognised is the amount allocated to the satisfied performance obligation.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

Income is recognised as follows:

2.2.1 Donations

Donations are recognised and accrued in the statement of financial activities as and when they are committed. Uncommitted donations are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Rendering of services

Revenue from services is recognised over the period in which the services are performed and rendered.

2.2.3 Interest income

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

2.2.4 Other income

Other income is recognised as income upon receipt.

2.3 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the grant is deducted from the cost of the related asset.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.4 Expenditure recognition

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.4.1 Cost of generating funds

Cost of generating funds comprises all directly attributable costs incurred in generating voluntary income and fund-raising activities. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.4.2 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Centre. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure. The total costs of charitable activities includes apportionment of overhead and shared costs.

2.4.3 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Centre, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment

2.5.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

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

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

2.5.2 Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Computer	3 years
Equipment	5 years
Furniture and fittings	5 years
Motor vehicles	5 years
Renovation	5 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the statement of financial activities when the changes arise.

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

2.5.3 Subsequent expenditure

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 entity and the cost of the item can be measured reliably. All other repairs and maintenance expenses are recognised in the statement of financial activities when incurred.

2.5.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the disposals proceeds and its carrying amount is recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)

2.6 Impairment of non-financial assets

Non-financial 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, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows 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 or CGU is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities.

An impairment loss for an asset is reversed if, and 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 any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

2.7 Cash and cash equivalents

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

2.8 Financial assets

2.8.1 Classification and measurement

The Centre classified its financial assets into amortised cost measurement category.

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

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

At initial recognition

At initial recognition, the Centre measures a financial asset at its fair values plus, in the case of a financial assets not at fair value through profit and loss, transactions costs that are directly attributable to the acquisition of the financial assets.

At subsequent measurement

Debt instruments of the Centre mainly comprise of cash and cash equivalents and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

2. Significant accounting policies (Cont'd)

2.8 Financial assets (Cont'd)

2.8.1 Classification and measurement (Cont'd)

At subsequent measurement (Cont'd)

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of financial activities when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

2.8.2 Impairment

The Centre assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For cash and cash equivalents and other receivables, 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.

2.8.3 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Centre commits to purchase or sell the asset.

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

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in the statement of financial activities.

2.9 Financial liabilities

Financial liabilities are recognised when, and only when, the Centre becomes a party to the contractual provisions of the financial instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables" in the statement of financial position.

Financial liabilities are derecognised when the obligations under the liability is discharged or cancelled or expire. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)

2.10 Other payables

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

2.11 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Centre has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.12 Leases

At the inception of the contract, the Centre 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.

(a) As lessee

The Centre applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Centre 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 Centre 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.

If ownership of the leased asset transfers to the Centre 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 in Note 2.6.

Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Centre shall use its incremental borrowing rate.

2. Significant accounting policies (Cont'd)

2.12 Leases (Cont'd)

(a) As lessee (Cont'd)

Lease liabilities (Cont'd)

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if it is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Centre exercising that option.

For contract that contain both lease and non-lease components, the Centre allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Centre has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

In calculating the present value of lease payments, the Centre 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.

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 Centre'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 statement of financial activities if the carrying amount of the right-of-use asset has been reduced to zero.

The Centre has applied the amendment to FRS 116 Leases: Covid-19-Related Rent Concessions. The Centre applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Centre applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Centre chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Centre assesses whether there is a lease modification.

2. Significant accounting policies (Cont'd)

2.12 Leases (Cont'd)

(a) As lessee (Cont'd)

Short-term leases and leases of low-value assets

The Centre has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease term of 12 months or less and leases of low value assets, except for sublease arrangements. Lease payments relating to these leases are expensed to the statement of financial activities 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 Centre shall recognise those lease payments in the statement of financial activities in the periods that triggered those lease payments.

2.13 Employee compensation

2.13.1 Defined contribution plans

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

2.13.2 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Centre has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.14 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Management Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Management Committee retains full control over the use of unrestricted funds for any of the Centre's purposes.

2.15 Contingencies

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

2.16 Events after the reporting date

Events after the reporting date that provide additional information about the Centre's position at the reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Significant accounting judgements and estimates

The preparation of the Centre's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Government grants

Government grants to meet operating expenses are recognised as income in the statement of financial activities on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Centre will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Centre if the conditions are not met.

At the reporting date, the Committee assessed the Centre has met the conditions attached to the grants.

3.2 Key sources of estimation uncertainty

The management is of the opinion that there are no key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Income tax

The Centre is a charity registered under the Charities Act since 26 June 2000. Consequently, the income of the Centre is exempted from tax under the provisions of Section 13 (1) (zm) of the Income Tax Act 1947.

5. Income

Disaggregation of revenue from contracts with customers:

	Note	2022 S\$	2021 S\$
Revenue from:			
Birthday celebration		0	1,000
Centre's activities		11,872	22,908
Income - Medical Escort and Transport Services		16,294	12,730
Sponsorship - Meals on Us Programme		25,041	14,000
		<u>53,207</u>	<u>50,638</u>
Timing of transfer of services - At a point in time		<u>53,207</u>	<u>50,638</u>

Income is recognised over time if one of the following criteria is met:

- (i) the customer simultaneously receives and consumes the benefits;
- (ii) Centre's performance creates or enhances an asset that the customer controls; or
- (iii) Centre's performance does not create an asset with an alternative use to the entity and Centre has an enforceable right to payment for performance completed to date.

Otherwise, the income would be recognised at a point in time.

There are no contract liabilities balances.

6. Donations

	Note	2022 S\$	2021 S\$
Tax deductible donations		51,963	43,513
Non-tax deductible donations		13,413	13,515
		<u>65,376</u>	<u>57,028</u>

During the financial year, the Centre issued tax deductible receipts, for donations totalling S\$51,963 (2021: S\$43,513) pursuant to its Institutions of a Public Character ("IPC") status.

Donations received during the financial year amounting to S\$65,376 (2021: S\$57,028) was submitted and matched for Community Silver Trust ("CST") FY2022 Grant Call (2021: FY 2021 Grant Call) and will be channelled to CST's eligible Intermediate and Long Term Care ("ILTC") programmes in the following financial year.

7. Staff costs

	Note	2022 S\$	2021 S\$
CPF and SDL contributions		110,963	73,721
Salaries and related costs		788,868	582,501
	8	<u>899,831</u>	<u>656,222</u>

Included in the expenditures are the following staff costs:

	2022 S\$	2021 S\$
Cost of generating funds	151,939	116,570
Cost of charitable activities	500,615	410,689
Governance and administrative costs	247,277	128,963
	<u>899,831</u>	<u>656,222</u>

8. Basis of apportionment of support costs

During the financial year, the following support costs were allocated as follows:

	Cost of generating funds S\$	Cost of charitable activities S\$	Governance and administrative costs S\$	Total S\$	Basis of apportionment
<u>2022</u>					
Depreciation	806	0	969	1,775	Usage
Staff costs					
- CPF, SDL contribution	19,458	60,708	30,797	110,963	Time spent
- Salaries and bonuses	132,481	439,907	216,480	788,868	Time spent
	<u>151,939</u>	<u>500,615</u>	<u>247,277</u>	<u>899,831</u>	
Operating lease expense: Rental of premises	16,486	0	4,122	20,608	Space occupied
Utilities	7,471	0	1,868	9,339	Space occupied
	Cost of generating funds S\$	Cost of charitable activities S\$	Governance and administrative costs S\$	Total S\$	Basis of apportionment
<u>2021</u>					
Depreciation	545	0	2,274	2,819	Usage
Staff costs					
- CPF, SDL contribution	13,662	44,906	15,153	73,721	Time spent
- Salaries and bonuses	102,908	365,783	113,810	582,501	Time spent
	<u>116,570</u>	<u>410,689</u>	<u>128,963</u>	<u>656,222</u>	
Operating lease expense: Rental of premises	12,824	0	3,206	16,030	Space occupied
Utilities	6,644	0	1,661	8,305	Space occupied

9. Cash and cash equivalents

	2022 S\$	2021 S\$
Cash on hand	1,864	1,864
Cash at banks	1,261,780	892,674
Fixed deposits	850,965	1,350,000
	2,114,609	2,244,538

The fixed deposits mature within 2 to 6 months (2021: 2 to 8 months) from the financial year end and earn interest at rate of 0.45% to 0.70% (2021: 0.30% to 0.90%) per annum.

Fixed deposits are included as cash and cash equivalents as these can be readily converted into cash without incurring significant penalty.

At the reporting date, the carrying amounts of cash and cash equivalents approximate their fair values.

10. Other receivables

	Note	2022 S\$	2021 S\$
Grant receivables			
- MOH - Subvention Grant		35,036	15,355
- SWCDC - Medical Transport Subsidy		18,786	2,048
- MSF - Care and Share Matching Fund	10.1	171,463	149,602
- MCCY - SG Cares Volunteer Centre Development Programme		0	2,804
- VCF Consultancy Grant	10.2	11,062	11,062
- Transformation Support Scheme		16,200	0
- Other grants		6,287	21,774
		258,834	202,645
Other receivables			
- Deposits		6,946	7,186
- Interest receivable		991	3,112
- Other receivables		8,845	11,555
- Prepayments		18,304	11,740
		35,086	33,593
		293,920	236,238

Other receivables are non-trade in nature, interest-free and repayable on demand.

At the reporting date, the carrying amounts of other receivables approximate their fair values.

10.1 Care and Share Matching Fund – grant receivables

	2022 S\$	2021 S\$
At beginning of financial year	149,602	81,652
Grants received	0	0
Grant utilised for acquisition of property, plant and equipment	5,355	4,246
Grant utilised for qualifying expenditures	16,506	63,704
At end of financial year	171,463	149,602

10. Other receivables (Cont'd)

10.1 Care and Share Matching Fund – grant receivables (Cont'd)

Care and Share Matching Grant is a grant from Ministry of Social and Family Development ("MSF"), based on qualifying donations, to develop the charitable agency's capabilities and capacities in the provision of social services and develop programmes for its service users. The unused funds for programmes that are withdrawn or terminated prematurely may be clawed back if the new proposed programmes were not being approved by MSF.

10.2 VCF Consultancy Grant – grant receivables/(received in advance)

	2022 S\$	2021 S\$
At beginning of financial year	11,062	(11,556)
Grant utilised for qualifying expenditures	<u>0</u>	<u>22,618</u>
At end of financial year	<u><u>11,062</u></u>	<u><u>11,062</u></u>

VCF Consultancy Grant provides co-funding of 80% of supported costs for the engagement of external consultants for governance and management consultancy projects.

11. Property, plant and equipment

	Note	Computer S\$	Equipment S\$	Furniture and fittings S\$	Motor vehicles S\$	Renovation S\$	Total S\$
Cost							
At 1 April 2020 and at 31 March 2021		6,829	18,522	193	63,986	4,912	94,442
Additions		430	3,050	1,447	0	0	4,927
Written off		0	(599)	0	0	0	(599)
At 31 March 2022		<u>7,259</u>	<u>20,973</u>	<u>1,640</u>	<u>63,986</u>	<u>4,912</u>	<u>98,770</u>
Accumulated depreciation							
At 1 April 2020		4,058	15,877	193	63,986	4,219	88,333
Depreciation		1,404	735	0	0	680	2,819
At 31 March 2021		<u>5,462</u>	<u>16,612</u>	<u>193</u>	<u>63,986</u>	<u>4,899</u>	<u>91,152</u>
Depreciation		859	807	96	0	13	1,775
Written off		0	(599)	0	0	0	(599)
At 31 March 2022		<u>6,321</u>	<u>16,820</u>	<u>289</u>	<u>63,986</u>	<u>4,912</u>	<u>92,328</u>
Carrying amount							
31 March 2021		<u>1,367</u>	<u>1,910</u>	<u>0</u>	<u>0</u>	<u>13</u>	<u>3,290</u>
31 March 2022		<u>938</u>	<u>4,153</u>	<u>1,351</u>	<u>0</u>	<u>0</u>	<u>6,442</u>

During the financial year, the Centre have acquired the following category of assets via capital grants received and as result of adoption of the new presentation of grants related to assets under FRS 20, there are no additions of property, plant and equipment being capitalised and disclosed in these financial statements. Details of acquisitions are as follows:

	2022 S\$	2021 S\$
Computer	16,163	3,716
Furniture and fittings	9,831	0
Renovation	<u>0</u>	<u>3,503</u>
	<u><u>25,994</u></u>	<u><u>7,219</u></u>

12. Other payables

	2022 S\$	2021 S\$
Accruals	139,284	97,176
Provision for unutilised leaves	38,406	25,163
Other payables	5,504	13,982
	<u>183,194</u>	<u>136,321</u>

Other payables are non-trade in nature, interest-free and repayable on demand.

At the reporting date, the carrying amounts of other payables approximate their fair values.

13. Grants received in advance

Grants received in advance related to the grants received by the Centre and comprises the following:

	Note	2022 S\$	2021 S\$
Community Silver Trust Matching Grant	13.1	204,452	226,127
SG Cares Volunteer Centre Development Programme	13.2	68,127	0
Tote Board Community Healthcare Fund	13.3	0	0
Meals on Us Programme	13.4	120,525	85,983
Other grants	13.5	0	19,460
		<u>393,104</u>	<u>331,570</u>

13.1 Community Silver Trust Matching Grant

	2022 S\$	2021 S\$
At beginning of financial year	226,127	171,697
Grants received	89,944	258,816
Grant utilised for qualifying expenditures	(111,619)	(204,386)
At end of financial year	<u>204,452</u>	<u>226,127</u>

The Community Silver Trust ("CST") fund is a dollar-for-dollar donation matching grant provided by the Government to enhance the services of voluntary welfare organisations (VWOs) in the intermediate and long-term care (ILTC) sector. The CST is managed by the Ministry of Health (MOH) and administered by the Agency for Integrated Care (AIC).

The objective of the CST is to encourage donations and provide additional resources for the service providers in the ILTC sector to enhance their capabilities, provide value-added services to achieve higher quality care, and enhance the affordability of step-down care for service users and patients.

13. Grants received in advance (Cont'd)

13.2 SG Cares Volunteer Centre Development Programme ("SG Cares")

	2022 S\$	2021 S\$
Beginning of the year	0	20,315
Grants received	360,000	144,000
Grants receivable	0	2,804
Grants refunded	0	(353)
Grant utilised for qualifying expenditures	(271,234)	(163,793)
Grant utilised for acquisition of property, plant and equipment	<u>(20,639)</u>	<u>(2,973)</u>
End of the year	<u>68,127</u>	<u>0</u>

SG Cares Volunteer Centre Development Programme is funding from Ministry of Culture, Community and Youth. The fund is established to strengthen partnerships among local stakeholders and equip the Agency with the capability and resources to develop the volunteer pool.

13.3 Tote Board Community Healthcare Fund

	2022 S\$	2021 S\$
Beginning of the year	0	19,472
Grants received	0	44,675
Grant utilised for acquisition of property, plant and equipment	0	(44,375)
Grant utilised for qualifying expenditures	<u>0</u>	<u>(19,772)</u>
End of the year	<u>0</u>	<u>0</u>

Tote Board Community Healthcare Fund seeks to:

- i) provide funds for the Centre's operations that is in accordance with the terms and conditions set in the agreement with the Agency for Integrated Care ("AIC") including the service model provided by AIC; and
- ii) equip the Centre with an additional specialised vehicle to increase the handling capacity of their MET services.

This programme have been completed during the financial year ended 31 March 2021.

13.4 Meals on Us Programme

	2022 S\$	2021 S\$
Beginning of the year	85,983	0
Sponsorship received	50,000	100,000
Sponsorship utilised for qualifying expenditures	<u>(15,458)</u>	<u>(14,017)</u>
End of the year	<u>120,525</u>	<u>85,983</u>

Meals on Us Programme ("MoU") is a community initiative to provide daily hot meals to vulnerable elderly which started during the Covid-19 circuit breaker. It is a collaborative effort involving donors, local grassroots and Yuhua hawkers. Service users of MoU are issued meal vouchers and can redeem it from any of the participating hawker stalls near their homes.

13. Grants received in advance (Cont'd)

13.5 Other grants

	Note	2022 S\$	2021 S\$
Beginning of the year		19,460	11,556
Grants received		0	50,720
Grants receivable		1,147	11,062
Grant utilised for qualifying expenditures		(20,607)	(53,878)
End of the year		<u>0</u>	<u>19,460</u>

Other grants comprise:

i. Community Chest Charity Support Fund ("CSF")

The Community Chest Charity Support grant is established by NCSS to provide programmes to empower service users and families, provide capital expenditure and capability building for community engagements with the aim of unlocking resources for service users.

ii. VCF-Info-Communications Technology ("VCF-ICT")

VCF-Info-Communications Technology grant provides co-funding to funding 70% of the supported costs or 70% of the actual expenditure, whichever is lower. This grant is established to harness ICT to facilitate the submission of returns and transactions on the Charity Portal.

14. Unrestricted funds

General fund

This fund represents accumulated income for meeting operating expenses by the Centre.

Designated fund

This fund is set aside to meet the needs of the Centre's Medical Escort and Transport Programme and Youth Development Programme.

Movement of the designated fund are as follows:

	2022 S\$	2021 S\$
At beginning of the financial year	423,199	424,439
Disbursements	<u>0</u>	<u>(1,240)</u>
At end of the financial year	<u>423,199</u>	<u>423,199</u>

In the prior financial year, there was a disbursement of S\$1,240 to a related party, Good Company Pte Ltd for a Worldbuilding Programme to LEAPS kids.

15. Restricted funds

Fund balances restricted by outside sources are indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes.

Restricted funds comprise:

Yuhua Senior Activities Centre ("SAC") Fund

Yuhua Senior Activities Centre ("SAC") receives funding from the Tote Board Social Services Fund ("TBSSF") administered by the Ministry of Health ("MOH") to support the SAC's operating and manpower expenditure. The accumulated reserves at the end of the financial year as indicated above are restricted for the operation of the SAC.

Movement of the restricted fund are as follows:

	2022 S\$	2021 S\$
At beginning of the financial year	161,240	127,842
Net (deficit)/surplus	<u>(4,710)</u>	<u>33,398</u>
At end of the financial year	<u>156,530</u>	<u>161,240</u>

16. Related party transactions

(a) The following transactions took place between the Centre and a related party during the financial year at terms agreed between the parties:

	2022 S\$	2021 S\$
<u>Good Company Private Limited – Common Management Committee/Directors</u>		
Sponsorship	0	1,240
Staff training	0	4,040

(b) Key management personnel compensation

The remuneration of the key management personnel during the financial year are as follows:

	2022 S\$	2021 S\$
<u>Executive</u>		
Salaries and other short-term employee benefits	304,582	231,459
Post-employment benefits – Contribution to CPF	<u>38,664</u>	<u>27,166</u>
	<u>343,246</u>	<u>258,625</u>

16. Related party transactions (Cont'd)

(b) Key management personnel compensation (cont'd)

The remuneration of the key management personnel during the financial year are as follows: (cont'd)

	Number of key personnel	Number of key personnel
No. of Executives of the Centre in remuneration bands:		
- Below S\$100,000	<u>6</u>	<u>4</u>

At the reporting date, none of the Management Committees received any remuneration from the Centre.

17. Leases

	2022 S\$	2021 S\$
Lease expense not capitalised as liabilities:		
<u>Expense relating to short-term leases and low-value assets</u>		
Rental of premises*		
- Cost of generating funds	16,486	12,824
- Governance and administrative costs	<u>4,122</u>	<u>3,206</u>
	20,608	16,030
Leasing of photocopy machine		
- Governance and administrative costs	<u>2,183</u>	<u>2,183</u>
	<u>22,791</u>	<u>18,213</u>

* This includes COVID-19 related rent concessions received from lessor of S\$6,869 (2021: S\$11,449) to which the Centre has applied the practical expedient.

During the financial year, the Centre's total cash outflows for leases amounts to S\$22,791 (2021: S\$18,213).

18. Operating lease commitments

The Centre lease office equipment from non-related party under non-cancellable operating lease agreement.

The future minimum rental payable under non-cancellable operating lease contracted for at the reporting date but not recognised as liabilities, are as follows:

	2022 S\$	2021 S\$
<u>Office equipment</u>		
Not later than one year	2,188	2,183
Later than one year but not later than five years	<u>1,663</u>	<u>3,830</u>
	<u>3,851</u>	<u>6,013</u>

The Centre has adopted FRS 116 on 1 April 2019. These lease payments have been recognised as right-of-use assets and lease liabilities in the statement of financial position since 31 March 2021, except for short-term and low-value assets.

19. Financial instruments by category

The aggregate carrying amounts of financial assets and liabilities of the Centre at the reporting date are as follows:

	2022 S\$	2021 S\$
Financial assets, at amortised cost	2,390,225	2,469,036
Financial liabilities, at amortised cost	<u>183,194</u>	<u>136,321</u>

20. Financial risk management

The Centre is mainly exposed to liquidity risk, credit risk and interest rate risk.

Risk management is carried out under policies approved by the Centre's management. The Management Committee reviews and agrees on policies and procedures for management of these risks.

20.1 Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting its financial obligations due to shortage of funds. The Centre exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

The Management Committee monitors and ensures that the Centre maintains a level of cash and cash equivalents deemed adequate to finance the Centre's operations.

The table below summarises the maturity profile of the Centre's financial assets and liabilities at the end of the reporting date based on the contractual undiscounted repayment obligations:

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2022			
Financial assets			
Cash and cash equivalents	2,114,609	0	2,114,609
Other receivables (excluding prepayments)	<u>275,616</u>	<u>0</u>	<u>275,616</u>
	2,390,225	0	2,390,225
Financial liabilities			
Other payables	<u>(183,194)</u>	<u>0</u>	<u>(183,194)</u>
Net financial assets	<u>2,207,031</u>	<u>0</u>	<u>2,207,031</u>

20. Financial risk management (Cont'd)

20.1 Liquidity risk (Cont'd)

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2021			
Financial assets			
Cash and cash equivalents	2,244,538	0	2,244,538
Other receivables (excluding prepayments)	224,498	0	224,498
	<u>2,469,036</u>	<u>0</u>	<u>2,469,036</u>
Financial liabilities			
Other payables	<u>(136,321)</u>	<u>0</u>	<u>(136,321)</u>
Net financial assets	<u><u>2,332,715</u></u>	<u><u>0</u></u>	<u><u>2,332,715</u></u>

20.2 Credit risk

Credit risk refers to the risk that counterparties will default on their contractual obligations, resulting in financial loss to the Centre.

Risk management

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

For banks and financial institutions, the Society mitigates its credit risks by transacting only with a counter party who are rated "A" and above by independent rating agencies. The Society has no significant concentration of credit risk.

Impairment of financial assets

The Centre does not expect to incur material credit losses on their risk management of financial assets.

Financial assets that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies.

There are no credit loss allowance for financial asset at amortised costs as at 31 March 2022 and 31 March 2021.

20. Financial risk management (Cont'd)

20.3 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Centre's financial instruments will fluctuate because of changes in market interest rates. The Centre's exposure to interest rate risk arises primarily from their cash and cash equivalents.

The Centre does not expect any significant effect on the Centre's income or expenditure arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

Sensitivity analysis for interest rate risk

At the reporting date, the interest rate profile of the Centre's interest-bearing financial instruments was as follows:

	Note	2022 S\$	2021 S\$
Fixed rate instruments			
<u>Financial assets</u>			
Fixed deposits	9	<u>850,965</u>	<u>1,350,000</u>

The sensitivity analysis is based on changes in the interest rates of variable rate financial instruments.

At the reporting date, the Centre does not have variable rate interest-bearing financial instruments.

21. Fair values

As at 31 March 2022, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Centre approximates their fair values due to their short-term nature.

22. Management of conflict of interest

During the current and previous financial year, none of the Management Committee members received any remuneration from the Centre.

Management Committee Members are required to disclose any interest that they may have, whether directly or indirectly, that the Centre may enter into or in any organisations that the Centre has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Centre's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

23. Reserve position and policy

The Centre's reserve position for financial year ended 31 March 2022 and 31 March 2021 are as follows:

		2022	2021	Increase/ (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	Accumulated general funds	1,259	1,432	(12.08)
	Designated Funds	423	423	0
B	Restricted or Designated Funds			
	Restricted Funds	157	161	(2.48)
C	Endowment Funds	N/A	N/A	
D	Total Funds	1,839	2,016	(8.78)
E	Total Annual Operating Expenditure	1,220	987	23.61
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.38	1.88	

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a charity to spend as grants.
- D. Total funds include unrestricted, restricted / designated and endowment funds.
- E. Total annual operating expenditure includes expenses related to Cost of Generating Funds, Cost of Charitable Activities and Governance and Administrative Costs.

The Centre's reserve policy is as follows:

The reserves that the Management Committee have set aside to provide financial stability and the means for the development of the Centre's principal activities. The Centre intend to establish the reserves at a level equivalent to 3 years of operating expenditure through increasing awareness of the activities, seeking more donors both private and corporate and fund raising efforts. The Management Committee reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil the continuing obligations.

24. Comparative figures

Certain reclassifications have been made to the comparative information to enhance comparability with current year's financial statements.

The following reclassification has been made:

<u>31.03.2021</u>	As previously reported S\$	Reclassification S\$	As reclassified S\$
<u>Statement of financial activities</u>			
<u>Income from generated funds</u>			
<u>Voluntary income</u>			
Grants and funding:			
Jobs Support Scheme Grant	165,121	(165,121)	0
<u>Other income</u>			
Jobs Support Scheme Grant	0	165,121	165,121

25. Impact of COVID-19 (Coronavirus Disease 2019)

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 Centre's significant operations are in Singapore which have been affected by the spread of COVID-19 since 2021. The nature of the Centre activities are those of serving the community. The Centre is maintained through donation received from the public and grants and funding provided by the government authorities.

The Centre has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Management continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the service disruption.

As the global COVID-19 situation remains fluid as at the date these financial statements were authorised for issuance, the Centre cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 March 2023. If the situation persists beyond management's current expectations, the Centre's assets may be subject to further write downs in the subsequent financial periods.

26. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Management Committee of the Centre on 29 September 2022.