

ONE HOPE CENTRE

[UEN. T04SS0143E]

[Registered under the Societies Act, Chapter 311
in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

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Fiducia LLP

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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 financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of One Hope Centre (the "Society") as at 31 December 2021 and the financial performance, changes in funds and cash flows of the Society for the financial year then ended.

At the date of this statement, there are reasonable grounds to believe that the Society 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 27 May 2022.

President	Chuah Chee Kian Christopher
Vice President	Lim Choon Liang James
Vice President	Lau Wan Keong
Vice President	Leong Lai Hoong Vivien
Secretary	Chung Gay Leong David
Treasurer	Lee Geok Chiau Grace
Member	Tan Ee Ching
Member	Soh Chin Heng

For and on behalf of the Management Committee,

DocuSigned by:
Christopher Chuah
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Chuah Chee Kian Christopher
President

DocuSigned by:
Grace Lee
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Lee Geok Chiau Grace
Treasurer

Singapore, 27 May 2022

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Independent auditor's report to the members of:

ONE HOPE CENTRE

[UEN. T04SS0143E]
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in the Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of One Hope Centre (the "Society"), which comprise the statement of financial position as at 31 December 2021, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year 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 Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2021 and the financial performance, changes in funds and cash flows of the Society 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 Society in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information 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 we 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:

ONE HOPE CENTRE

[UEN. T01SS0059B]
[Registered under the Societies Act, Chapter 311
in the Republic of Singapore]

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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Society'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 Society to cease to continue as a going concern.

Fiducia LLP

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(CONT'D)

Independent auditor's report to the members of:

ONE HOPE CENTRE

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

- 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:

- (a) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) the fund-raising appeals held during the year ended 31 December 2021 has 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 appeals.

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

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

DocuSigned by:

Fiducia LLP

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Fiducia LLP

Public Accountants and
Chartered Accountants

Singapore, 27 May 2022

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted fund	Restricted funds				Total unrestricted and restricted funds S\$
		Accumulated general fund S\$	Care & Share fund S\$	President's challenge S\$	VCF funding S\$	The Invictus Fund (Tech-and-GO!) S\$	
2021 INCOME							
Income from generated funds							
<u>Voluntary income</u>							
Donations from individuals	6	42,180	0	0	0	0	42,180
Donations from churches	6	11,608	0	0	0	0	11,608
Donations from organisations	6	5,000	0	0	0	0	5,000
Fund-raising proceeds	6	218,651	0	0	0	0	218,651
Subscription fee	5	1,100	0	0	0	0	1,100
NCSS grants		360	0	0	0	4,598	50,241
President's challenge		0	0	60,000	0	0	60,000
Tote board		234,501	0	0	0	0	234,501
		<u>513,400</u>	<u>0</u>	<u>60,000</u>	<u>0</u>	<u>4,598</u>	<u>623,281</u>
Other income							
Jobs growth incentive		8,106	0	0	0	0	8,106
Jobs Support Scheme		14,851	0	0	0	0	14,851
Special employment credit		3,084	0	0	0	0	3,084
Wages credit scheme		9,525	0	0	0	0	9,525
Other government grants		3,535	0	0	0	0	3,535
		<u>39,101</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>39,101</u>
Total income		<u>552,501</u>	<u>0</u>	<u>60,000</u>	<u>0</u>	<u>4,598</u>	<u>662,382</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds S\$	
		Note	Accumulated general fund S\$	Care & Share fund S\$	President's challenge S\$	VCF funding S\$		The Invictus Fund (Tech-and-GO!) S\$
2021 (CONT'D)								
EXPENDITURE								
Cost of charitable activities								
Capability building expenses		0	18,109	0	0	0	0	18,109
Capacity building expenses		0	11,501	0	0	0	0	11,501
Depreciation	9	25,794	23,991	0	0	0	0	49,785
New initiatives		0	1,000	0	0	0	0	1,000
Staff CPF & SDL		45,779	0	0	0	0	0	45,779
Staff insurance		9,765	0	0	0	0	0	9,765
Staff medical fee		1,594	0	0	0	0	0	1,594
Staff salaries and AWS		228,793	0	60,000	0	0	45,283	334,076
Staff welfare		2,703	0	0	0	0	0	2,703
Staff foreign worker		3,943	0	0	0	0	0	3,943
Utilities		1,633	0	0	0	0	0	1,633
Volunteers activities		481	0	0	0	0	0	481
		<u>320,485</u>	<u>54,601</u>	<u>60,000</u>	<u>0</u>	<u>0</u>	<u>45,283</u>	<u>480,369</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds S\$
		Care & Share fund S\$	President's challenge S\$	VCF funding S\$	The Invictus Fund (Tech-and-GO!) S\$	Transformation Support Scheme S\$	
Note	Accumulated general fund S\$						
2021 (CONT'D)							
EXPENDITURE (CONT'D)							
Governance and administrative costs							
	8,735	0	0	0	0	0	8,735
	4,494	0	0	0	0	0	4,494
	119	0	0	0	0	0	119
9	49	19,201	0	0	1,670	0	20,920
	4,096	0	0	200	0	0	4,296
	713	0	0	0	0	0	713
	1,119	0	0	0	0	0	1,119
11	195	0	0	0	2,928	0	3,123
	361	0	0	0	0	0	361
	162	0	0	0	0	0	162
	3,860	0	0	0	0	0	3,860
	31	0	0	0	0	0	31
	<u>23,934</u>	<u>19,201</u>	<u>0</u>	<u>200</u>	<u>4,598</u>	<u>0</u>	<u>47,933</u>
Total expenditure	<u>344,419</u>	<u>73,802</u>	<u>60,000</u>	<u>200</u>	<u>4,598</u>	<u>45,283</u>	<u>528,302</u>
Net income/(expenditure) for the financial year	<u>208,082</u>	<u>(73,802)</u>	<u>0</u>	<u>(200)</u>	<u>0</u>	<u>0</u>	<u>134,080</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	Note	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds S\$	
		Accumulated general fund S\$	Care & Share fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	President's challenge S\$	VCF funding S\$		Invictus fund S\$
2020									
INCOME									
Income from generated funds									
<u>Voluntary income</u>									
Donations from individuals	6	19,390	0	1,000	0	0	0	0	20,390
Donations from churches	6	14,368	0	0	0	0	0	0	14,368
Donations from organisations	6	210,000	0	0	0	0	0	0	210,000
Fund-raising proceeds	6	18,610	0	0	0	0	0	0	18,610
Subscription fee	5	1,000	0	0	0	0	0	0	1,000
BCF grant		400,000	0	0	0	0	0	0	400,000
NCSS grants		3,359	0	0	0	0	2,829	50,000	56,188
		<u>666,727</u>	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>2,829</u>	<u>50,000</u>	<u>720,556</u>
Other income									
Jobs Support Scheme		75,623	0	0	0	0	0	0	75,623
Special employment credit		4,383	0	0	0	0	0	0	4,383
Wages credit scheme		10,249	0	0	0	0	0	0	10,249
Other government grants		3,316	0	0	0	0	0	0	3,316
		<u>93,571</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>93,571</u>
Total income		<u>760,298</u>	<u>0</u>	<u>1,000</u>	<u>0</u>	<u>0</u>	<u>2,829</u>	<u>50,000</u>	<u>814,127</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	Note	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds S\$
		Accumulated general fund S\$	Care & Share fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	President's challenge S\$	VCF funding S\$	
2020 (CONT'D)								
EXPENDITURE								
Cost of charitable activities								
Capability building expenses		0	26,103	0	0	0	0	26,103
Capacity building expenses		0	2,851	0	0	0	0	2,851
Depreciation	9	39,818	1,797	0	0	0	8,040	49,655
Fundraising expenses		24	0	0	0	0	0	24
Honorarium		0	0	0	0	200	0	200
Lifeboat fund expense		0	0	4,500	0	0	0	4,500
Love gifts and support		0	0	0	1,200	0	0	1,200
Monthly 1st Sat. fellowship		0	0	0	0	1,144	0	1,144
New initiatives		0	35,565	0	0	0	0	35,565
Operating lease expense								
- rental		869	0	0	0	1,312	0	2,181
Refreshment and foods		0	0	0	0	4	0	4
Staff CPF & SDL		36,731	0	0	0	0	0	36,731
Staff insurance		13,536	0	0	0	0	0	13,536
Staff medical fee		2,353	0	0	0	0	0	2,353
Staff salaries and AWS		239,060	0	0	0	0	41,960	281,020
Staff welfare		390	0	0	0	0	0	390
Staff foreign worker		5,850	0	0	0	0	0	5,850
Utilities		1,914	0	0	0	0	0	1,914
Volunteers activities		2,066	0	0	0	0	0	2,066
		<u>342,611</u>	<u>66,316</u>	<u>4,500</u>	<u>1,200</u>	<u>2,660</u>	<u>50,000</u>	<u>467,287</u>

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	Note	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds S\$	
		Accumulated general fund S\$	Care & Share fund S\$	Lifeboat fund S\$	Women's ministry fund S\$	President's challenge S\$	VCF funding S\$		Invictus fund S\$
2020 (CONT'D)									
EXPENDITURE (CONT'D)									
Governance and administrative costs									
Accounting fee		5,850	0	0	0	0	1,950	0	7,800
Audit fee		6,206	0	0	0	0	0	0	6,206
Bank charges		98	0	0	0	0	0	0	98
Depreciation	9	49	19,201	0	0	0	0	0	19,250
General expenses		6,503	0	0	0	0	0	0	6,503
Insurance		636	0	0	0	0	0	0	636
Interest expense on lease liabilities	11	1,028	167	0	0	0	0	0	1,195
IT maintenance		497	0	0	0	0	0	0	497
Printing, postage and stationery		443	0	0	0	0	0	0	443
Refreshments and foods		117	0	0	0	0	0	0	117
Telecom charges		4,054	0	0	0	0	0	0	4,054
Transport		22	0	0	0	0	0	0	22
		<u>25,503</u>	<u>19,368</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,950</u>	<u>0</u>	<u>46,821</u>
Total expenditure		<u>368,114</u>	<u>85,684</u>	<u>4,500</u>	<u>1,200</u>	<u>2,660</u>	<u>1,950</u>	<u>50,000</u>	<u>514,108</u>
Net income/(expenditure) for the financial year		<u>392,184</u>	<u>(85,684)</u>	<u>(3,500)</u>	<u>(1,200)</u>	<u>(2,660)</u>	<u>879</u>	<u>0</u>	<u>300,019</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021							2020	
		Unrestricted fund	Restricted funds					Total unrestricted and restricted funds	Total unrestricted and restricted funds	
		Accumulated general fund	Care & Share fund	Lifeboat fund	President's challenge	VCF funding	The Invictus Fund (Tech-and-GO!)			Transformation Support Scheme
S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$		
ASSETS										
Current assets										
Cash and cash equivalents	7	1,112,016	(109,358)	1,700	0	0	(10,021)	(45,283)	949,054	583,016
Other receivables	8	149,360	(32)	0	0	0	10,997	45,283	205,608	419,355
		<u>1,261,376</u>	<u>(109,390)</u>	<u>1,700</u>	<u>0</u>	<u>0</u>	<u>976</u>	<u>0</u>	<u>1,154,662</u>	<u>1,002,371</u>
Non-current assets										
Property, plant and equipment	9	<u>69,909</u>	<u>72,837</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>8,350</u>	<u>0</u>	<u>151,096</u>	<u>164,202</u>
Total assets / (liabilities)		<u>1,331,285</u>	<u>(36,553)</u>	<u>1,700</u>	<u>0</u>	<u>0</u>	<u>9,326</u>	<u>0</u>	<u>1,305,758</u>	<u>1,166,573</u>
LIABILITIES										
Current liabilities										
Other payables	10	23,026	0	0	0	0	9,326	0	32,352	25,711
Lease liabilities	11	<u>49,517</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>49,517</u>	<u>49,547</u>
		<u>72,543</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,326</u>	<u>0</u>	<u>81,869</u>	<u>75,258</u>
Non-current liabilities										
Lease liabilities	11	<u>24,351</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>24,351</u>	<u>25,857</u>
Total liabilities		<u>96,894</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,326</u>	<u>0</u>	<u>106,220</u>	<u>101,115</u>
NET ASSETS/(LIABILITIES)		<u>1,234,391</u>	<u>(36,553)</u>	<u>1,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,199,538</u>	<u>1,065,458</u>
TOTAL FUNDS	12	<u>1,234,391</u>	<u>(36,553)</u>	<u>1,700</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,199,538</u>	<u>1,065,458</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Balance at beginning of financial year S\$	Net income/ (expenditure) for the financial year S\$	Transfers (from)/to S\$	Balance at end of financial year S\$
2021				
Unrestricted fund				
Accumulated general fund	1,026,309	208,082	0	1,234,391
Restricted funds				
Care & Share fund	37,249	(73,802)	0	(36,553)
Lifeboat fund	1,700	0	0	1,700
VCF funding	200	(200)	0	0
	<u>39,149</u>	<u>(74,002)</u>	<u>0</u>	<u>(34,853)</u>
Total funds	<u>1,065,458</u>	<u>134,080</u>	<u>0</u>	<u>1,199,538</u>
2020				
Unrestricted fund				
Accumulated general fund	638,875	392,184	(4,750)	1,026,309
Restricted funds				
Care & Share fund	122,933	(85,684)	0	37,249
Lifeboat fund	450	(3,500)	4,750	1,700
Women's ministry fund	1,200	(1,200)	0	0
President's challenge	2,660	(2,660)	0	0
VCF funding	(679)	879	0	200
	<u>126,564</u>	<u>(92,165)</u>	<u>4,750</u>	<u>39,149</u>
Total funds	<u>765,439</u>	<u>300,019</u>	<u>0</u>	<u>1,065,458</u>

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

	Note	2021 S\$	2020 S\$
Cash flows from operating activities			
Net income for the financial year		134,080	300,019
Adjustments for:			
- Depreciation of property, plant and equipment	9	70,705	68,905
- Interest expense on lease liabilities	11	<u>1,119</u>	<u>1,195</u>
Operating cash flow before working capital changes		205,904	370,119
Changes in working capital			
- Other receivables		213,747	(410,145)
- Other payables		<u>6,641</u>	<u>6,844</u>
Net cash generated from/(used in) operating activities		<u>426,292</u>	<u>(33,182)</u>
Cash flows from investing activity			
Purchase of property, plant and equipment, representing cash flows used in investing activity	9	<u>(10,021)</u>	<u>0</u>
Cash flow from financing activities			
Repayment of principal portion of lease liabilities		(49,114)	(49,038)
Interest paid	11	<u>(1,119)</u>	<u>(1,195)</u>
Net cash used in financing activities		<u>(50,233)</u>	<u>(50,233)</u>
Net increase/(decrease) in cash and cash equivalents		366,038	(83,415)
Cash and cash equivalents at beginning of financial year		<u>583,016</u>	<u>666,431</u>
Cash and cash equivalents at end of financial year	7	<u><u>949,054</u></u>	<u><u>583,016</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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

1. General information

One Hope Centre (the "Society") is registered and domiciled in Singapore. The Society's registered office and principal place of business is at 8 New Industrial Road, #04-04B, LHK 3 Building, Singapore 536200.

The Society was registered on 07 August 2004 under the Societies Act, Chapter 311 and was registered as a charity under the Charities Act, Chapter 37 on 12 November 2010. The Society has been accorded the Institutions of a Public Character ("IPC") status from 1 August 2019 to 31 January 2022 and subsequently renewed from 1 February 2022 to 31 January 2025.

One Hope Centre is a voluntary welfare organisation which provides professional counselling services and support programmes to individuals and families struggling with behavioural addictions and other related issues.

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, Chapter 311 and Charities Act, Chapter 37. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

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

2.1.1 Interpretations and amendments published standards effective in 2021

In the current financial year, the Society adopted the new or amended FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective on 1 January 2021. Changes to the Society'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 FRS and INT FRS did not result in substantial changes to the Society's accounting policies and had not material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (Cont'd)**2.1 Basis of preparation (Cont'd)**

2.1.2 Standards issued but not yet effective

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

Description	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

The management believes that the adoption of the other standards and interpretations do not have material impact on the financial statements in the period of the initial application.

2.2 Income recognition

Income is measured based on the consideration to which the Society 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 Society 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.

Income is recognised as follows:

2.2.1 Donations

Unrestricted donations are reported as income. The timing of income recognition is governed by the donor's intent. If the donor is silent, the donation is recognised as income in the financial year made. The timing of income recognition for restricted donations is the same as for unrestricted donations.

2.2.2 Other income

Other income is recognised when received.

2.2.3 Income from member's subscription

Income from members' subscription is recognised on receipt basis, as they are not refundable.

2. Significant accounting policies (Cont'd)**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 fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the statement of financial activities over the expected useful life of the relevant asset by equal annual instalments.

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 operations where possible. Where costs are not wholly attributable to an operation, they are apportioned on a basis consistent with the use of resources.

2.4.1 Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Society and an apportionment of overhead and shared costs.

2.4.2 Governance and administrative costs

Governance costs include the cost of governance arrangement, which related to the general running of the Society, 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.

2.5 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 includes its purchase price and any costs that are 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:

	<u>Useful lives</u>
Office equipment	3 to 5 years
Furniture and fittings	10 years
Renovation	10 years
Right-of-use assets – copier	Over the remaining lease term
Right-of-use assets – office unit	Over the remaining lease term

2. Significant accounting policies (Cont'd)**2.5 Property, plant and equipment (Cont'd)****2.5.2 Depreciation (Cont'd)**

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

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 of the residual values and useful lives are included in the statement of financial activities in the financial year in which the changes arise.

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 Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses 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 disposal proceeds and its carrying amount is recognised the statement of financial activities.

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 the 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 an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated 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. Significant accounting policies (Cont'd)**2.7 Financial assets**

(a) Classification and measurement

The Society classified its financial assets at amortised cost.

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

Financial assets with embedded debt instruments are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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

At initial recognition

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

At subsequent measurementDebt instrument

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

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

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.

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.

(b) Impairment

The Society 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. Significant accounting policies (Cont'd)**2.7 Financial assets (Cont'd)**

(c) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Society 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 Society 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.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of changes in value.

2.9 Financial liabilities

Financial liabilities are recognised when, and only when, the Society 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" and "Lease liabilities" in the statement of financial position.

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

Financial liabilities are derecognised when the obligations under the liability are discharged, 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.

2.10 Other payables

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs will be 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 Society 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. Significant accounting policies (Cont'd)**2.12 Borrowing costs**

Borrowing costs are recognised in profit or loss using the effective interest method except for those costs that are directly attributable to the construction or development of properties and assets under construction. Borrowing costs may include interest in respect of lease liabilities recognised in accordance with FRS 116.

2.13 Employee compensation

2.13.1 Defined contribution plans

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

2.13.2 Employee leave entitlement

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

2.14 Leases

(a) When the Society is the lessee

At the inception of the contract, the Society assesses if the contract contains a lease. A contract contains a lease if the contract conveys 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.

The Society applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Society 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 Society recognises a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentives received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

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

If ownership of the leased asset transfers to the Society 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. The Society's right-of-use assets are presented within property, plant and equipment as disclosed in Note 9.

2. Significant accounting policies (Cont'd)**2.14 Leases (Cont'd)**

(a) When the Society is the lessee (cont'd)

- Lease liabilities

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

Lease payments include the following:

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

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

Lease liabilities are measured at amortised cost using the effective interest method. Lease liabilities 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 Society's assessment of whether it will exercise an extension option; or
- There is a modification in the scope or the consideration of the lease that was not part of the original term.

Lease liabilities are remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The Society's lease liabilities are disclosed in Note 11.

- Short term and low value leases

The Society has elected to not recognise right-of-use assets and lease liabilities for short-term leases that have lease terms of 12 months or less and leases of low value leases, 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 Society shall recognise those lease payments in the statement of financial activities in the periods that triggered those lease payments.

2. Significant accounting policies (Cont'd)**2.15 Funds**

Restricted fund balances are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Management Committee. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

2.16 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.

2.17 Events after the reporting date

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

3. Significant accounting judgements and estimates

The preparation of the Society'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 Judgement made in applying accounting policies

The key critical judgements in applying the Society'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 statement of financial activities on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Society 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 Society if the conditions are not met.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

3. Significant accounting judgements and estimates (Cont'd)

3.2 Key sources of estimation uncertainty (Cont'd)

Useful lives of property, plant and equipment

The useful life of an item of property, plant and equipment are estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Society's property, plant and equipment as at 31 December 2021 and 31 December 2020 were disclosed in Note 9.

4. Income tax

The Society is a charity registered under the Charities Act, Chapter 37 since 12 November 2010. Consequently, the income of the Society is exempted from tax under the provisions of Section 13 (1) of the Income Tax Act, Chapter 134.

5. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

	Note	2021 S\$	2020 S\$
Revenue from:			
Donations	6	277,439	263,368
Subscription fee		<u>1,100</u>	<u>1,000</u>
		<u>278,539</u>	<u>264,368</u>
- Timing of transfer of services At a point in time		<u>278,539</u>	<u>264,368</u>

(b) There are no contract liabilities balances.

6. Donations

	2021 S\$	2020 S\$
Tax deductible donations	247,330	230,780
Non-tax deductible donations	<u>30,109</u>	<u>32,588</u>
	<u>277,439</u>	<u>263,368</u>
The donations were allocated as follows:		
• Donation from individuals	42,180	20,390
• Donation from churches	11,608	14,368
• Donation from organisations	5,000	210,000
• Fund-raising proceeds	<u>218,651</u>	<u>18,610</u>
	<u>277,439</u>	<u>263,368</u>

The Society issued tax-deductible receipts for donations totalling S\$247,330 (2020: S\$230,780) pursuant to its Institutions of a Public Character ("IPC") status.

7. Cash and cash equivalents

	2021 S\$	2020 S\$
Cash on hand	12	530
Cash at banks	949,042	582,486
	<u>949,054</u>	<u>583,016</u>

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

8. Other receivables

	2021 S\$	2020 S\$
Grant receivables – BCF	0	400,000
Grant receivables – Jobs Support Scheme	0	8,492
Grant receivables – NCSS	55,304	0
Grant receivables – Tote board	140,701	0
Deposits	5,157	5,157
Prepayments	4,446	4,127
Other receivables	0	1,579
	<u>205,608</u>	<u>419,355</u>

The National Council of Social Service (NCSS) will co-fund for up to 4 new headcounts per agency to support transformation projects for up to 2 years. The fund is only applicable for new hires (Singaporeans or Permanent Residents) not currently employed by the organisations (i.e. no current employment contract). NCSS also provides funding for IT solutions to automate processes and embark on digital transformation projects.

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees (Singapore citizens and Permanent Residents) during this period of economic and pandemic uncertainty. JSS payouts are intended to offset local employees' wages and help protect their jobs.

Other receivables are unsecured, interest-free and repayable on demand.

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

9. Property, plant and equipment

	Office equipment S\$	Furniture and fittings S\$	Renovation S\$	Right-of-use assets – copier S\$	Right-of-use assets – office unit S\$	Total S\$
Cost						
As at 1 January 2020	10,062	46,639	135,262	9,137	115,086	316,186
Additions	0	0	0	0	47,825	47,825
At 31 December 2020	10,062	46,639	135,262	9,137	162,911	364,011
Additions	10,021	0	0	0	47,578	57,599
At 31 December 2021	20,083	46,639	135,262	9,137	210,489	421,610
Accumulated depreciation						
At 1 January 2020	5,795	20,833	55,905	749	47,622	130,904
Depreciation charge	1,702	4,322	13,226	1,797	47,858	68,905
At 31 December 2020	7,497	25,155	69,131	2,546	95,480	199,809
Depreciation charge	3,372	4,322	13,226	1,797	47,988	70,705
At 31 December 2021	10,869	29,477	82,357	4,343	143,468	270,514
Carrying amount						
31 December 2020	2,565	21,484	66,131	6,591	67,431	164,202
31 December 2021	9,214	17,162	52,905	4,794	67,021	151,096

2021				2020			
Unrestricted fund	Restricted funds			Unrestricted fund	Restricted funds		
Accumulated general fund	Care & Share fund	The Invictus Fund (Tech-and-GO!)	Total	Accumulated general fund	Care & Share fund	Invictus fund	Total
S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
25,794	23,991	0	49,785	39,818	1,797	8,040	49,655
49	19,201	1,670	20,920	49	19,201	0	19,250
25,843	43,192	1,670	70,705	39,867	20,998	8,040	68,905

The breakdown of the depreciation charge as follows:

Cost of charitable activities	25,794	23,991	0	49,785	39,818	1,797	8,040	49,655
Governance and administrative costs	49	19,201	1,670	20,920	49	19,201	0	19,250
	25,843	43,192	1,670	70,705	39,867	20,998	8,040	68,905

10. Other payables

	2021 S\$	2020 S\$
Accruals	22,432	17,219
Deferred grant income – JSS	0	8,492
Deferred grant income – NCSS	9,327	0
Other payables	593	0
	32,352	25,711

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

The deferred grant income – NCSS will be recognised as a grant income, on a systematic basis, over the expected useful life of the relevant asset.

The deferred grant income – Jobs Support Scheme (JSS) will be recognised as a grant income, on a systematic basis, over the estimated 17 months of economic uncertainty till August 2021 in which the entity recognises the related salary costs.

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

11. Lease liabilities

	2021 S\$	2020 S\$
Current	49,517	49,547
Non-current	24,351	25,857
	73,868	75,404

	Note	2021 S\$	2020 S\$
Amount recognised in the statement of financial activities:			
Depreciation of right-of-use assets	9	49,785	49,655
Interest expense on lease liabilities		1,119	1,195
		50,904	50,850

Total cash outflow:

During the financial year, the Society had total cash outflows for leases of S\$50,233 (2020: S\$50,233).

A reconciliation of liabilities arising from financing activities is as follows:

	1 January 2021 S\$	Additions S\$	Cash flows S\$	Non-cash changes		31 December 2021 S\$
				Accretion of interest S\$	Other S\$	
Liabilities						
Lease liabilities						
- current	49,547	47,578	(50,233)	1,119	1,506	49,517
- non-current	25,857	0	0	0	(1,506)	24,351
						75,404

11. Lease liabilities (Cont'd)

A reconciliation of liabilities arising from financing activities is as follows: (cont'd)

	1 January 2020 S\$	Additions S\$	Cash flows S\$	Non-cash changes		31 December 2020 S\$
				Accretion of interest S\$	Other S\$	
Liabilities						
Lease liabilities						
- current	49,307	47,825	(50,233)	1,195	1,453	49,547
- non-current	27,310	0	0	0	(1,453)	25,857

12. Funds

12.1 Unrestricted fund

Accumulated general fund are expendable at the discretion of the Management in furtherance of the Society's objects and purposes.

12.2 Restricted funds

Care & Share fund

The Care & Share Fund is a matching grant of one dollar for every donation raised by the Society provided by the Government in celebration of SGD50 to build capacities and capabilities of the social service sector.

There was no grant received during the year and prior year.

Lifeboat fund

The Lifeboat fund was established to help the families of gambling clients to tide over financial hardship faced by the households.

In 2020, the Management Committee approved the transfer of S\$4,750 from General Fund to Lifeboat fund to support the intended activities.

President's Challenge

President's Challenge represents grant received/ receivable from National Council of Social Service (NCSS) for defray operating and impending fundraising costs.

Movement of this fund is as follows:

	2021 S\$	2020 S\$
Balance at beginning of year	0	2,660
Grants received	60,000	0
Less: Disbursement	(60,000)	(2,660)
Balance at end of year	0	0

12. Funds (Cont'd)

12.2 Restricted funds (Cont'd)

VCF Funding

VCF Funding is for "Finance & Accounting services" received/receivable from National Council of Social Service (NCSS) on behalf of the MCCY VCF total amount of S\$4,237 or up to 25% of the actual shared service charges, whichever lower, based on the terms and condition stated in the agreement. The Grant is over a period of 24 months. The NCSS shall pay the Society the Grant as per the disbursement milestone set out in the agreement.

The Invictus Fund (Tech-and-GO!)

The Invictus Fund (Tech-and-GO!) aims to make it more affordable for charities to take up IT solutions from the adoption of pre-scoped solutions to digitise data and automate processes.

Transformation Support Scheme

Transformation Support Scheme provides funding support to social service agencies to recruit manpower for capability-building projects leading to organisational transformation.

13. Related party transactions and balances

There was no transaction between the Society and related party for the financial years ended 31 December 2021 and 31 December 2020.

During the current and previous year, none of the Management Committee members and key management personnel received any remuneration from the Society.

14. Employees' remuneration

None of the Society's employees were remunerated more than or equal to S\$100,000 during the financial years ended 31 December 2021 and 31 December 2020.

15. Financial instruments

The financial assets and liabilities of the Society at the reporting date are as follows:

	2021 S\$	2020 S\$
Financial assets, at amortised cost		
Cash and cash equivalents	949,054	583,016
Other receivables (excluding prepayments)	201,162	415,228
	<u>1,150,216</u>	<u>998,244</u>
Financial liabilities, at amortised cost		
Other payables (excluding deferred grant income)	23,025	17,219
Lease liabilities	73,868	75,404
	<u>96,893</u>	<u>92,623</u>

16. Financial risk management

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

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

16.1 Interest rate risk

The Society's income and operating cash flows are not substantially affected by changes in market interest rates, as they do not have significant interest-bearing assets or liabilities as at the reporting date.

16.2 Credit risk

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

Risk management

The Society 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 Society 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 cost as at 31 December 2021.

16.3 Liquidity risk

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

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

16. Financial risk management (Cont'd)

16.3 Liquidity risk (Cont'd)

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

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2021			
Financial assets			
Cash and cash equivalents	949,054	0	949,054
Other receivables (excluding prepayments)	<u>201,162</u>	<u>0</u>	<u>201,162</u>
	<u>1,150,216</u>	<u>0</u>	<u>1,150,216</u>
Financial liabilities			
Other payables	(23,025)	0	(23,025)
Lease liabilities	<u>(50,233)</u>	<u>(24,515)</u>	<u>(74,748)</u>
	<u>(73,258)</u>	<u>(24,515)</u>	<u>(97,773)</u>
Net financial assets/(liabilities)	<u>1,076,958</u>	<u>(24,515)</u>	<u>1,052,443</u>
2020			
Financial assets			
Cash and cash equivalents	583,016	0	583,016
Other receivables (excluding prepayments)	<u>415,228</u>	<u>0</u>	<u>415,228</u>
	<u>998,244</u>	<u>0</u>	<u>998,244</u>
Financial liabilities			
Other payables (excluding deferred grant income)	(17,219)	0	(17,219)
Lease liabilities	<u>(50,232)</u>	<u>(26,120)</u>	<u>(76,352)</u>
	<u>(67,451)</u>	<u>(26,120)</u>	<u>(93,571)</u>
Net financial assets/(liabilities)	<u>930,793</u>	<u>(26,120)</u>	<u>904,673</u>

17. Fair values

As at 31 December 2021, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values due to their short-term nature.

The carrying amounts of non-current lease liabilities approximate their fair values as they are subject to interest rates close to the market rate of interest for similar arrangements with financial institutions.

18. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2021 and 2020 are as follows:

		2021	2020	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Fund			
	Accumulated General Fund	1,234	1,026	20.27
B	Restricted Funds			
	Lifeboat Fund	2	2	0
	Care & Share Fund	(36)	37	(197.30)
	President's challenge	0	0	0
	VCF funding	0	0	0
	The Invictus Fund (Tech-and-GO!)	0	0	0
	Transformation Support Scheme	0	0	0
C	Endowment Fund	N/A	N/A	N/A
D	Total Unrestricted and Restricted Funds	1,200	1,065	12.68
E	Total Annual Operating Expenditure	528	514	2.72
F	Ratio of Funds to Annual Operating Expenditure (A/E)	2.34	2.00	

Reference:

C. An endowment fund consists of assets, funds or properties that are held in perpetuity which produce annual income flow for a foundation to spend as grants.

D. Total Funds include unrestricted, restricted/ designated and endowment funds.

E. Total Annual Operating Expenditure includes Cost of Charitable Activities and Governance and Administrative costs.

The Society's reserve policy is as follows:

The reserve of the Society provides financial stability and the means for the development of the Society's activities. The Management Committee intends to maintain the reserves at a level sufficient for its operating needs. The Society reviews the level of reserves regularly for the Society's continuing obligations.

19. Management of conflict of interest

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

The Society's Management Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Society's Management Committee 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.

20. 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 Society's significant operations are in Singapore which have been affected by the spread of COVID-19 since 2020. The nature of the Society's activities is to provide assistance to members of public affected by gambling. Therefore, the Society's operations has been impacted by COVID-19 and up to the date of signing this report as the Society's planned events and activities have been temporarily halted or cancelled. Summarise the impact of COVID-19 as below on the Society's financial performance reflected in this set of financial statements for the year ended 31 December 2021:

- i. The Society has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The management is 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 very fluid as at the date these financial statements were authorised for issuance, the Society 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 December 2022. If the situation persists beyond management's current expectations, the Society's assets may be subject to further write downs in the subsequent financial periods.

21. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Management Committee of the Society on 27 May 2022.