

**DISABLED PEOPLE'S ASSOCIATION
(REGISTERED UNDER SOCIETIES ACT 1966)**

UEN No.: S86SS0002F

**STATUTORY REPORTS FOR THE FINANCIAL YEAR ENDED
31 MARCH 2022**



**DISABLED PEOPLE'S ASSOCIATION
(REGISTERED UNDER SOCIETIES ACT 1966)
(UEN No. S86SS0002F)**

STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee:

- (a) The accompanying financial statements are drawn up as to present fairly in all material respects, the state of affairs of the Association as at 31 March 2022 and the financial performance, changes in accumulated funds and cash flows of the Association for the financial year ended on the date;
- (b) The fund-raising appeals held during the financial year ended 31 March 2022 have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeals;
- (c) The use of the donation monies was in accordance with the objectives of the Institution of Public Character as required under Regulation 11 of the Charities (Institution of a Public Character) Regulations;
- (d) The Association has complied with the requirements of Regulation 15 of the Charities (Institution of a Public Character) Regulations; and
- (e) At the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

ON BEHALF OF THE MANAGAMENT COMMITTEE



RICHARD CHIEN-MING KUPPUSAMY
PRESIDENT



NAVIN NAIR
HONORARY TREASURER



TANG SIEW NGOH
HONORARY SECRETARY

Singapore, 17 MAY 2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DISABLED PEOPLE'S ASSOCIATION
(REGISTERED UNDER SOCIETIES ACT 1966)
(UEN No. S86SS0002F)**

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Disabled People's Association (the Association), which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Association 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 Association as at 31 March 2022 and of the results, changes in accumulated funds and cash flows of the Association 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 association in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. 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.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DISABLED PEOPLE'S ASSOCIATION
(REGISTERED UNDER SOCIETIES ACT 1966)
(UEN No. S86SS0002F)**

(Continued)

Responsibilities of Management 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

The Management Committee's responsibilities include overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by 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 association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
DISABLED PEOPLE'S ASSOCIATION
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(UEN No. S86SS0002F)**

(Continued)

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

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the association to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the association audit. We remain solely responsible for our audit opinion.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion,

- a) the accounting and other records required to be kept by the Association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- b) the fund-raising appeals held during the year ended 31 March 2022 have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeals.

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

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



CYPRESS SINGAPORE PAC
Public Accountants and
Chartered Accountants
Singapore

Date, **17 MAY 2022**

DISABLED PEOPLE'S ASSOCIATION
(REGISTERED UNDER SOCIETIES ACT 1966)
(UEN No. S86SS0002F)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 SGD	2021 SGD
ACCUMULATED FUNDS			
Accumulated fund	3	1,060,731	1,292,915
Care and Share grant reserve	5	-	(169,565)
Asset capitalisation reserve	4	77	4,175
		<u>1,060,808</u>	<u>1,127,525</u>
Represented by :			
NON-CURRENT ASSETS			
Plant and equipment	6	6,569	12,552
Right-of-use asset	7A	8,588	11,165
CURRENT ASSETS			
Other receivables, deposits and prepayments	8	15,143	12,083
Government grant receivables		20,422	424,779
Fixed deposits	9	349,544	345,844
Cash at bank and on hand		807,013	390,566
		<u>1,192,122</u>	<u>1,173,272</u>
Less :			
CURRENT LIABILITIES			
Other payables and accruals	10	89,731	44,312
Lease liability	7B	2,010	1,950
Deferred grant income		46,450	12,912
		<u>138,191</u>	<u>59,174</u>
NET CURRENT ASSETS		<u>1,053,931</u>	<u>1,114,098</u>
		1,069,088	1,137,815
Less:			
NON CURRENT LIABILITY			
Lease liability	7B	8,280	10,290
		<u>1,060,808</u>	<u>1,127,525</u>

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

DISABLED PEOPLE'S ASSOCIATION
(REGISTERED UNDER SOCIETIES ACT 1966)
(UEN No. S86SS0002F)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

2022					2021				
	Unrestricted fund	Restricted funds			Unrestricted fund	Restricted funds			
	General Fund SGD	Care and Share Fund SGD	Asset Capitalisation Reserve SGD	Total SGD	General Fund SGD	Care and Share Fund SGD	Asset Capitalisation Reserve SGD	Total SGD	
Note									
INCOME									
Government grant income									
- Care and Share grant	-	169,565	-	169,565	-	-	-	-	
- Jobs Support Scheme	16,220	-	-	16,220	38,952	-	-	38,952	
- Enhanced Fund-Raising Programme	-	-	-	-	24,779	-	-	24,779	
- Bicentennial Community Fund	-	-	-	-	204,100	-	-	204,100	
- Other government grant income	44,544	-	-	44,544	20,784	-	-	20,784	
Donation income									
- Tax deductible donations	287,664	-	-	287,664	280,822	-	-	280,822	
- Non-tax deductible donations	22,448	-	-	22,448	209,123	-	-	209,123	
Other income									
- The Majority Trust	13,650	-	-	13,650	8,190	-	-	8,190	
- Interest income	3,824	-	-	3,824	2,094	-	-	2,094	
- Membership subscriptions	222	-	-	222	1,016	-	-	1,016	
- Programme income	8,160	-	-	8,160	1,440	-	-	1,440	
	396,732	169,565	-	566,297	791,300	-	-	791,300	
LESS : DIRECT COSTS									
Catering and refreshments	(110)	-	-	(110)	(148)	-	-	(148)	
Contract labour	(27,100)	-	-	(27,100)	(8,540)	-	-	(8,540)	
Employee benefits expense	(254,599)	-	-	(254,599)	(208,754)	(31,630)	-	(240,384)	
Fundraising cost	(57,811)	-	-	(57,811)	(62,087)	-	-	(62,087)	
Honorarium expenses	(5,180)	-	-	(5,180)	(1,540)	(800)	-	(2,340)	
Interest expenses on lease liability	(168)	-	-	(168)	(143)	-	-	(143)	
Miscellaneous expenses	-	-	-	-	(257)	-	-	(257)	
Network maintenance	(1,747)	-	-	(1,747)	(1,622)	-	-	(1,622)	
Newspaper and periodical	(177)	-	-	(177)	(179)	-	-	(179)	
Office maintenance fee	(12,577)	-	-	(12,577)	(10,028)	-	-	(10,028)	
Office supplies	(35)	-	-	(35)	-	-	-	-	
Online donation charges	(818)	-	-	(818)	-	-	-	-	
Other staff costs	(3,959)	-	-	(3,959)	-	-	-	-	
Balance carried forward	(364,281)	-	-	(364,281)	(293,298)	(32,430)	-	(325,728)	

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

DISABLED PEOPLE'S ASSOCIATION
(REGISTERED UNDER SOCIETIES ACT 1966)
(UEN No. S86SS0002F)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

		2022				2021			
		Unrestricted fund	Restricted funds		Total	Unrestricted fund	Restricted funds		Total
		General Fund	Care and	Asset		General Fund	Care and	Asset	
Note		SGD	Share Fund	Capitalisation	SGD	SGD	Share Fund	Capitalisation	SGD
			SGD	Reserve			SGD	Reserve	
				SGD				SGD	
LESS : DIRECT COSTS (CONTINUED)									
Balance brought forward		(364,281)	-	-	(364,281)	(293,298)	(32,430)	-	(325,728)
Printing and stationeries		(30)	-	-	(30)	(378)	-	-	(378)
Project expenses		(82,577)	-	-	(82,577)	(20,527)	(524)	-	(21,051)
Publicity		(60)	-	-	(60)	-	-	-	-
Rental of equipment		-	-	-	-	(231)	-	-	(231)
Telephone and internet charges		(3,819)	-	-	(3,819)	(6,918)	(37)	-	(6,955)
Translator and interpreter		(180)	-	-	(180)	(270)	(90)	-	(360)
Transportation		(65)	-	-	(65)	(73)	-	-	(73)
Utilities		(870)	-	-	(870)	(593)	-	-	(593)
		(451,882)	-	-	(451,882)	(322,288)	(33,081)	-	(355,369)
LESS : OPERATING EXPENSES									
Accounting fees		(8,400)	-	-	(8,400)	(8,400)	-	-	(8,400)
Auditors' remuneration		(11,588)	-	-	(11,588)	(8,838)	-	-	(8,838)
Bank charges		(283)	-	-	(283)	(405)	-	-	(405)
Catering and refreshments		(19)	-	-	(19)	(390)	-	-	(390)
Cleaning expense		(3,060)	-	-	(3,060)	(3,030)	-	-	(3,030)
Contract labour		(864)	-	-	(864)	(2,064)	-	-	(2,064)
Depreciation of plant and equipment		(7,506)	-	(4,098)	(11,604)	(5,827)	-	(7,546)	(13,373)
Depreciation of right-of-use asset		(2,577)	-	-	(2,577)	(1,932)	-	-	(1,932)
Employee benefits expense	11	(112,438)	-	-	(112,438)	(115,840)	-	-	(115,840)
Insurance		(6,679)	-	-	(6,679)	(6,783)	-	-	(6,783)
Interest expenses on lease liability		(168)	-	-	(168)	(143)	-	-	(143)
Miscellaneous expenses		(1,656)	-	-	(1,656)	(571)	-	-	(571)
Network maintenance		(1,914)	-	-	(1,914)	(1,813)	-	-	(1,813)
Office maintenance fee		(12,577)	-	-	(12,577)	(10,029)	-	-	(10,029)
Office supplies		-	-	-	-	(89)	-	-	(89)
Balance carried forward		(169,729)	-	(4,098)	(173,827)	(166,154)	-	(7,546)	(173,700)

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

DISABLED PEOPLE'S ASSOCIATION
(REGISTERED UNDER SOCIETIES ACT 1966)
(UEN No. S86SS0002F)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

	2022				2021			
	Unrestricted fund	Restricted funds		Total	Unrestricted fund	Restricted funds		Total
Note	General Fund SGD	Care and Share Fund SGD	Asset Capitalisation Reserve SGD	Total SGD	General Fund SGD	Care and Share Fund SGD	Asset Capitalisation Reserve SGD	Total SGD
LESS : OPERATING EXPENSES (CONTINUED)								
Balance brought forward	(169,729)	-	(4,098)	(173,827)	(166,154)	-	(7,546)	(173,700)
Postage and courier charges	(180)	-	-	(180)	(204)	-	-	(204)
Printing and stationeries	(1,294)	-	-	(1,294)	(837)	-	-	(837)
Project expenses	-	-	-	-	(69)	-	-	(69)
Rental of equipment	-	-	-	-	(231)	-	-	(231)
Repair and maintenance	(1,370)	-	-	(1,370)	(1,303)	-	-	(1,303)
Subscription and membership fees	(125)	-	-	(125)	(125)	-	-	(125)
Telephone and internet charges	(807)	-	-	(807)	(1,435)	-	-	(1,435)
Translator and interpreter	(120)	-	-	(120)	(330)	-	-	(330)
Transportation	(18)	-	-	(18)	-	-	-	-
Utilities	(871)	-	-	(871)	(592)	-	-	(592)
Volunteer expenses	(2,520)	-	-	(2,520)	(1,050)	-	-	(1,050)
(DEFICIT) / SURPLUS BEFORE TAXATION	(177,034)	-	(4,098)	(181,132)	(172,476)	-	(7,546)	(180,022)
	(232,184)	169,565	(4,098)	(66,717)	296,536	(33,081)	(7,546)	255,909
TAXATION	12	-	-	-	-	-	-	-
NET (DEFICIT) / SURPLUS FOR THE YEAR	(232,184)	169,565	(4,098)	(66,717)	296,536	(33,081)	(7,546)	255,909
OTHER COMPREHENSIVE INCOME								
Items that may be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
Items that will not be reclassified subsequently to profit or loss	-	-	-	-	-	-	-	-
Other comprehensive income, net of tax	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	(232,184)	169,565	(4,098)	(66,717)	296,536	(33,081)	(7,546)	255,909

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

DISABLED PEOPLE'S ASSOCIATION
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(UEN No. S86SS0002F)

STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE YEAR ENDED 31 MARCH 2022

	Unrestricted fund	← Restricted funds →		
	Accumulated Fund SGD	Asset Capitalisation Reserve SGD	Care and Share Grant Fund SGD	Total SGD
BALANCE AS AT 1 APRIL 2020	996,379	11,721	(136,484)	871,616
Total comprehensive income for the year	296,536	(7,546)	(33,081)	255,909
BALANCE AS AT 31 MARCH 2021	<u>1,292,915</u>	<u>4,175</u>	<u>(169,565)</u>	<u>1,127,525</u>
Total comprehensive income for the year	(232,184)	(4,098)	169,565	(66,717)
BALANCE AS AT 31 MARCH 2022	<u>1,060,731</u>	<u>77</u>	<u>-</u>	<u>1,060,808</u>

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

DISABLED PEOPLE'S ASSOCIATION
(REGISTERED UNDER SOCIETIES ACT 1966)
(UEN No. S86SS0002F)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 SGD	2021 SGD
CASH FLOWS FROM OPERATING ACTIVITIES			
(Deficit) / Surplus before taxation		(66,717)	255,909
Adjustment for:			
Care and Share grant		(169,565)	-
Depreciation of right-of-use asset		2,577	1,932
Depreciation of plant and equipment		11,604	13,373
Enhanced Fund-Raising Programme		-	(24,779)
Bicentennial Community Fund		-	(204,100)
Government grant income on Jobs Support Scheme		-	(38,952)
Interest expenses on lease liability		336	286
Interest income		(3,824)	(2,094)
Other government grant income		(30,172)	(20,784)
Operating cash flows before working capital changes		(255,761)	(19,209)
Working capital changes:			
Other receivables, deposits and prepayments		(2,936)	(338)
Other payables and accruals		45,419	(3,367)
		42,483	(3,705)
NET CASH EFFECT OF OPERATING ACTIVITIES		(213,278)	(22,914)
CASH FLOWS FROM INVESTING ACTIVITY			
Purchase of plant and equipment		(5,621)	(4,557)
NET CASH EFFECT OF INVESTING ACTIVITY		(5,621)	(4,557)
CASH FLOWS FROM FINANCING ACTIVITIES			
Government grant received	13	637,632	72,648
Payment of lease liability	7B	(2,286)	(1,143)
NET CASH EFFECT OF FINANCING ACTIVITIES		635,346	71,505
NET CHANGE IN CASH AND CASH EQUIVALENTS		416,447	44,034
CASH AND CASH EQUIVALENTS AS AT 1 APRIL	14	390,566	346,532
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	14	807,013	390,566

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

**DISABLED PEOPLE'S ASSOCIATION
(REGISTERED UNDER SOCIETIES ACT 1966)
(UEN No. S86SS0002F)**

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2022

1. GENERAL INFORMATION

The Association is registered as a society in Singapore under the Societies Act 1966 and is domiciled in Singapore.

The Association is also registered as a charity under the Singapore Charities Act 1994 since 30 December 1998. The Association is an approved Institution of a Public Character ("IPC") under the Singapore Charities Act from 1 August 2020 to 31 July 2022.

The principal activities of the Association are to advocate on behalf of and empower people with disabilities, helping them achieve full participation and equal status in the society through independent living.

The Association's registered office and principal place of activities is at 1 Jurong West Central 2, #04-01 Jurong Point Shopping Centre, Singapore 648886.

The Code of Governance for Charities and Institutions of a Public Character (IPCs) was launched by the Charity Council on 26 November 2007. The Association has complied all applicable guidelines of the Code of Governance Evaluation Checklist for the "enhanced-tiered" – Institutions of a Public Character (IPCs) for the financial year ended 31 March 2022 (full checklist is available at www.charities.gov.sg).

With the occurrence of COVID-19 pandemic globally, the Management Committee is closely monitoring the negative impact of the pandemic on its operation. As at the date of this report, the Management Committee is confident that the Association is able to weather through the negative effects of this pandemic.

The Management Committee of the Association at the date of this report are:

Richard Chien-Ming Kuppusamy	(President)
Peggy Sarah Yee May Kuen	(Vice-President)
Tang Siew Ngoh	(Honorary Secretary)
Navin Nair	(Honorary Treasurer)
Michael Chin Yun Foong	(Assistant Honorary Treasurer)
Cassandra Chiu Mei Mei	(Committee Member)
Alvan Yap Boon Sheng	(Committee Member)
Leong Sau Mun Dawn-Joy	(Committee Member)
Darren Ho Kum Wei	(Committee Member)
Arsalan Ali	(Advisor)
Leo Chen Ian	(Advisor)

2. **SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

2.1 **Basis of accounting**

The financial statements are prepared in compliance with Singapore Financial Reporting Standards issued by Accounting Standards Council and in accordance with the provision of the Societies act 1966 and the Charities Act 1994 and other relevant regulations.

The financial statements are presented in Singapore dollar.

The financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below.

The financial statements for the financial year ended 31 March 2022 are authorised to be issued on the date of the Statement by the Management Committee.

2.2 **Adoption of new and revised Financial Reporting Standards**

The accounting policies adopted in the financial year are consistent with those used in the previous financial year except for the adoption of certain new and revised Financial Reporting Standards effective for the financial year beginning 1 April 2021. These new and revised Financial Reporting Standards have no significant effects on the Association's accounting policies used.

2.3 **Issued but not yet effective Financial Reporting Standards**

As at the date of this report, the Association has not applied any new or revised Financial Reporting Standards that have been issued but not yet come into effect. These new or revised standards upon adoption will not have significant impact on the financial statements except for: -

Amendments to FRS 1: Classification of Liabilities as Current or Non-current

The amendment affected only on the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendment clarified that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether the entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period.

The amendment introduced the definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Those amendments shall be applied for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. If those amendments are applied for an earlier period, that fact shall be disclosed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective Financial Reporting Standards (Continued)

Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies

The amendment changes the requirements regarding disclosure of accounting policies. It replace all term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in the entity's financial statements. It can reasonably be expected to influence the primary users of the financial statements.

The amendment clarified that the accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions itself is material.

Those amendments shall be applied for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. If those amendments are applied for an earlier period, that fact shall be disclosed.

Amendments to FRS 8: Accounting Policies, Changes in Accounting Estimates and Errors

The amendment replaced the definition of a change in accounting estimates with a new definition of accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subjected to measurement uncertainty.

The effects on any accounting estimate of a change in an input or a change in a measurement technique used to develop an accounting estimate are changes in accounting estimates unless they result from the correction of prior period errors. A change in accounting estimate that results from new information or new developments is not the correction of an error.

Those amendments shall be applied for annual reporting periods beginning on or after 1 January 2023. Earlier application is permitted. If those amendments are applied for an earlier period, that fact shall be disclosed.

Amendments to FRS 16: Property, Plant and Equipment: Proceeds before Intended Use

The amendment prohibit the entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before the asset is available for use.

The amendment clarified the meaning of 'testing whether an asset is functioning properly' when it assess the technical and physical performance of the asset such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The entity must disclose separately the amounts or proceeds and costs relating to items produced that are not an output of the entity's ordinary activities.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Issued but not yet effective Financial Reporting Standards (Continued)

Amendments to FRS 16: Property, Plant and Equipment: Proceeds before Intended Use

The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

Those amendments shall be applied for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. If those amendments are applied for an earlier period, that fact shall be disclosed.

Amendments to FRS 37: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of fulfilling a contract

An onerous contract is a contract in which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it. The unavoidable costs under a contract reflect the least net cost of exiting from the contract, which is the lower of the costs of fulfilling it and any compensation or penalties arising from failure to fulfil it.

The amendment clarified that the direct costs of fulfilling a contract consist of both the incremental costs (example would be direct labour or materials) and an allocation of other costs directly related to fulfilling contracts (example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendment applied to contracts for which the entity has not yet fulfilled all of its obligations at the beginning of the annual reporting period in which the entity first applies the amendments.

At the date of initial application, the cumulative effect of applying the amendment is recognised as an opening balance adjustments to retained earnings (or other component of equity, as appropriate). The comparatives are not restated.

Those amendments shall be applied for annual reporting periods beginning on or after 1 January 2022. Earlier application is permitted. If those amendments are applied for an earlier period, that fact shall be disclosed.

2.4 Significant judgements by the Management Committee in applying accounting policies

In the process of applying the Association's accounting policies, the Management Committee did not make any significant judgments, apart from those involving estimations, that have significant effects on the amounts recognised in the financial statements.

2.5 Key sources of estimation uncertainty

The preparation of financial statements in conformity with Singapore Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the financial year. Although these estimates are based on the Management Committee best knowledge of current event and actions, actual results may differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Key sources of estimation uncertainty (Continued)

There were no significant key assumptions concerning the future, nor other key sources of estimation uncertainty at the year end that would have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year except for: -

i) *Depreciation of plant and equipment*

The estimates for the residual values, useful lives and related depreciation charges for the plant and equipment are based on commercial factors which could change significantly as a result of technical innovations and competitors' actions in response to the market conditions.

The Association anticipates that the residual values of its plant and equipment will be insignificant. As a result, residual values are not being taken into consideration for the computation of the depreciable amount.

Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

ii) *Impairment on non-financial assets*

When the recoverable amount of an asset is determined based on the estimate of the value-in-use of the cash generating unit to which the asset is allocated, the management is required to make an estimate of the expected future cash flows from the cash-generating unit and also to apply a suitable discount rate in order to determine the present value of those cash flows.

2.6 Plant and equipment and depreciation

Plant and equipment are initially stated at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use. Depreciation is provided on gross carrying amounts less residual value in equal annual instalments over the estimated lives of the assets. The annual rates of depreciation are as follows:-

	% per annum
Computer	33
Furniture and fittings	33
Office equipment	33
Renovation	20

The residual value and the useful life of an asset is reviewed at each year end, and if expectations are different from previous estimates, changes are made to the depreciation charge for the remaining undepreciated amount.

Fully depreciated assets are retained in the financial statements until they are no longer in use or disposed and no further charges for depreciation are made in respect of these assets. Any gain or loss arising from the derecognition of the asset is recognised in the statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Plant and equipment and depreciation (Continued)

Plant and equipment are initially stated at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. When events or changes in circumstances indicate that the carrying amount of an asset is not recoverable, impairment loss is recognised in the statement of comprehensive income.

2.8 Right-of-use asset

The Association recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the present value of total lease liabilities adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site which the underlying asset is located, less any lease incentive received. Subsequent to initial recognition, right-of-use asset is stated at cost less accumulated depreciation and accumulated impairment losses, if any, and an adjustment for certain remeasurements of the lease liability.

Depreciation of a right-of-use asset commences from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful life is as follows:

	<u>No. of years</u>
Office equipment	5

2.8 Fixed deposits, cash at bank and on hand

Fixed deposits, cash at bank and on hand are classified and accounted for as amortised cost financial assets as the contractual cash flows of the asset comprises solely principal and interest payments and financial asset is held by the entity with the objective to collect contractual cash flows. These assets are carried at amortised cost using the effective interest method.

Gains or losses are recognised in the statement of comprehensive income when these amortised cost financial assets are derecognised or impaired, as well as through the amortisation process.

Interest income is recognised as it accrues in the statement of comprehensive income using the effective interest method.

2.9 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise cash on hand, non restricted bank balances and fixed deposits with original maturity of three months or less, net of bank overdrafts which are repayable on demand.

2.10 Financial assets

Financial assets are classified as 'fair value through profit or loss', 'amortised costs', or 'fair value through other comprehensive income' financial assets. Financial assets are recognised in the statement of financial position when the Association becomes a party to the contractual provisions of the financial assets.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial assets (Continued)

All financial assets are initially recognised at fair value plus any directly attributable transactional costs, except for trade receivables at their transaction price if the trade receivables do not contain a significant financing component in accordance with FRS 115. The classification of financial assets, after initial recognition, is re-evaluated and reclassified where allowed and appropriate.

All financial assets are measured at fair value through profit or loss unless they are measured at amortised cost or at fair value through other comprehensive income.

2.11 Other receivables

Other receivables are classified and accounted for as amortised cost financial assets as the contractual cash flows of the asset comprises solely principal and interest payments and financial asset is held by the entity with the objective to collect contractual cash flows. These assets are carried at amortised cost using the effective interest method except trade receivable carried at transaction price as it does not contain a significant financing component in accordance with FRS 115.

The carrying amount of receivables impaired by measuring expected credit losses is reduced by an allowance account unless on the date the impairment loss is recognised, the association ascertains the amount to be uncollectible whereby it would be reduced directly. Expected credit losses is measured in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the year end about past events, current conditions and forecasts of future economic conditions.

Gains or losses are recognised in the statement of comprehensive income when these amortised cost financial assets are derecognised or impaired, as well as through the amortisation process.

2.12 Impairment of non-financial assets

As at each year end, non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income unless it reverses a previous revaluation credited to reserve. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount realisable from the sale of the asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

Recoverable amounts are estimated for individual assets or, if impossible to be estimated individually, for the cash-generating unit in which the asset is deployed.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Impairment of non-financial assets (Continued)

Reversal of an impairment loss previously recognised is recorded to the extent the impairment loss had previously been recognised. A reversal of an impairment loss on a revalued asset is credited directly to reserve, unless the impairment loss on the same revalued asset was previously expensed in the statement of comprehensive income, in which case, it is recognised as income.

2.13 Other payables

These liabilities, which are normally settled on 30 – 90 days terms, are financial liabilities. Financial liabilities are recognised in the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

2.14 Provisions

Provisions are recognised when the company has a present obligation as a result of a past event which is probable and will result in an outflow of economic benefits that can be reliably estimated.

2.15 Lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the associate's incremental borrowing rate as the discount rate. Generally, the associate uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the associate is reasonably certain to exercise, lease payments in an optional renewal period if the associate is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the associate is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the associate's estimate of the amount expected to be payable under a residual value guarantee, or if the associate changes its assessment of whether it will exercise a purchase, extension or termination option, a lessee shall use an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Lease liability (Continued)

When the lease liability is measured in this way, a corresponding adjustment is made to the carrying amount of 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.

2.16 Revenue from contracts with customers

A contract involves agreement between two or more parties that creates enforceable rights and performance obligations.

The Association recognises revenue when enforceable performance obligation is satisfied and it is identifiable separately from other promises in the contract. Performance obligation involves transfer control of distinct goods and services to a customer where customer can benefit from the good or service on its own or together with readily available resources in the market.

The Association allocates transaction price to each performance obligation on the basis of the stand-alone selling prices of each distinct good or services promised in the contract. The association uses estimated price when stand-alone price is not observable. Discount, rebates and consideration that are generated through the synergy of the contract as a whole should be allocated to one or more, but not all performance obligations.

For performance obligations satisfied over time, the Association recognises revenue over time by selecting an appropriate method for measuring the Association's progress towards completion of that performance obligation.

- (i) Revenue from services rendered is recognised as income in the relevant period the service is provided.
- (ii) Members' subscription fees is recognised when due.

2.17 Income

- (i) Donations are recognised as and when the Association's entitlement to such income is established with no significant uncertainty and amount can be measured with sufficient reliability, which is generally upon receipt of the amount due in full or by instalments. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.
- (ii) Sponsorship or funding income is recognised upon receipt.
- (iii) Donations are recognised as and when the Association's entitlement to such income is established with no significant uncertainty and amount can be measured with sufficient reliability, which is generally upon receipt of the amount due in full or by instalments. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.
- (iv) Sponsorship or funding income is recognised upon receipt.

2.18 Government grants

Government grants are recognised when there is reasonable assurance that the Association will comply with required conditions associated with the grants and that the grants will be received. Care and Share grants are recognised on cash basis upon receipts.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Government grants (Continued)

Government grants are recognised as grant income in the statement of comprehensive income over the periods necessary to match with the operating expenses in the same year which they are intended to compensate, on a systematic basis.

2.19 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets after deducting all liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

2.20 Functional currency

Functional currency is the currency of the primary economic environment in which the entity operates. The financial statements are prepared using Singapore dollar as the functional currency.

2.21 Employee benefits

Employee benefits, which include base pay, cash bonuses, contribution to defined contribution plans such as the Central Provident Fund and other staff-related allowances, are recognised in the statement of comprehensive income when incurred. For defined contribution plans, contributions are made to publicly or privately administered funds on a mandatory, contractual or voluntary basis. Once the contributions have been paid, there will be no further payment obligations.

Employee entitlement to annual and other leave is 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 year end.

2.22 Offsetting financial instruments

Certain financial assets and liabilities offset each other and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle them on a net basis, or realise the asset and settle the liability simultaneously.

3. ACCUMULATED FUND

The fund is unrestricted fund. The Association is free to use the fund for both capital and revenue expenditure without having to take into account of any restrictions imposed.

4. ASSET CAPITALISATION RESERVE

The reserve is used to account for the value of assets purchased through the utilisation of restricted funds, including the depreciation of the value of those assets over time. These assets are depreciated at the same rate as corresponding assets purchased through unrestricted funds.

5. CARE AND SHARE GRANT FUND

	2022 SGD	2021 SGD
Grant received		
As at 1 April	1,091,790	1,091,790
Grant received during the year	<u>169,565</u>	<u>-</u>
As at 31 March	<u>1,261,355</u>	<u>1,091,790</u>
Less: Utilisation		
As at 1 April	<u>(1,261,355)</u>	<u>(1,228,274)</u>
Utilisation during the year	<u>-</u>	<u>(33,081)</u>
At 31 March	<u>(1,261,355)</u>	<u>(1,261,355)</u>
	<u>-</u>	<u>(169,565)</u>

The Care and Share movement was set up by the Singapore government in October 2013 to encourage firms and people to work with organisations to help the needy. The government had pledged to make a matching grant to the organisations for every dollar raised by the organisations.

The grant is to be used for the following purposes:-

- (i) To fund manpower and organisation development such as training and training-related costs to develop the capabilities of the organisation's staff;
- (ii) Purchase of additional equipment (including renovation of premises) to enhance social service delivery, investment in technology and physical infrastructure developments/improvement to boost staff productivity so as to better serve the organisation's beneficiaries;
- (iii) New programmes to meet emerging or unmet needs and enhancements or expansion of existing services; and
- (iv) To fund the recurrent operating costs and costs that are crucial to the continued operations of the organisation.

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6. PLANT AND EQUIPMENT

	Computer SGD	Furniture and Fittings SGD	Office Equipment SGD	Renovation SGD	Total SGD
<u>Cost</u>					
At 1 April 2020	147,501	15,970	4,265	81,384	249,120
Additions	4,557	-	-	-	4,557
At 31 March 2021	152,058	15,970	4,265	81,384	253,677
Additions	5,621	-	-	-	5,621
At 31 March 2022	157,680	15,970	4,265	81,384	259,298
<u>Accumulated depreciation</u>					
At 1 April 2020	136,727	15,970	3,769	71,286	227,752
Depreciation for the year	6,956	-	496	5,921	13,373
At 31 March 2021	143,683	15,970	4,265	77,207	241,125
Depreciation for the year	7,504	-	-	4,100	11,604
At 31 March 2022	151,187	15,970	4,265	81,307	252,729
<u>Carrying amount</u>					
At 31 March 2022	6,493	-	-	77	6,569
At 31 March 2021	8,375	-	-	4,177	12,552

7. LEASE

The Association leases asset which is accounted for under FRS 116. In relation to the lease under FRS 116, the Association depreciates the right-of-use asset and recognises interest on lease liability during the year. Information about lease for which the Association is a lessee is summarised as follows:-

7A. Right-of-use asset

	Office equipment SGD
<u>Cost</u>	
As at 31 March 2021 / 1 April 2021	13,097
Additions	-
As at 31 March 2022	13,097
<u>Accumulated depreciation</u>	
As at 31 March 2021 / 1 April 2021	1,932
Depreciation for the year	2,577
As at 31 March 2022	4,509
<u>Carrying amount</u>	
As at 31 March 2022	8,588
As at 31 March 2021	11,165

7. **LEASE (CONTINUED)**

7B. **Lease liability**

	2022 SGD	2021 SGD
As at 1 April	12,240	-
Addition	-	13,097
Interest expenses on lease liability	336	286
Payment of lease liability	(2,286)	(1,143)
As at 31 March	<u>10,290</u>	<u>12,240</u>

The total cash outflow for lease in 2022 was SGD2,286 which includes redemptions of principal and interest payments.

Maturity of the lease liability is analysed as follows:-

	2022 SGD	2021 SGD
Within one year	2,010	1,950
Between 1 and 5 years	<u>8,280</u>	<u>10,290</u>
	<u>10,290</u>	<u>12,240</u>

8. **OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS**

	2022 SGD	2021 SGD
Rental deposits	6,490	7,384
Prepaid operating expenses	4,878	3,844
Other receivables	<u>3,775</u>	<u>855</u>
	<u>15,143</u>	<u>12,083</u>

9. **FIXED DEPOSITS**

The fixed deposits bear interest ranging from 0.34% to 0.50% (2021: 0.27% to 1.00%) per annum and have maturity period ranging from 4 to 18 months (2021: 12 to 24 months).

10. **OTHER PAYABLES AND ACCRUALS**

	2022 SGD	2021 SGD
Accrued operating expenses	74,438	26,690
Other payables	<u>15,293</u>	<u>17,622</u>
	<u>89,731</u>	<u>44,312</u>

11. EMPLOYEE BENEFITS EXPENSE

	2022 SGD	2021 SGD
Salaries, allowances and bonuses	336,004	326,751
Employer's CPF and other contributions	31,033	29,473
	<u>367,037</u>	<u>356,224</u>

Included in the above is key management personnel compensation as follows: -

	2022 SGD	2021 SGD
Salaries, allowances and bonuses	<u>94,461</u>	<u>91,462</u>
<u>Number of key management in remuneration bands:-</u>		
Less than SGD100,000	1	1
SGD100,001 - SGD150,000	-	-
More than SGD200,001	-	-
	<u>1</u>	<u>1</u>

12. TAXATION

The Association is a registered as a Charity under the Charities Act 1994 and is exempt from income tax under Section 13(1)(zm) of the Income Tax Act.

13. GOVERNMENT GRANT RECEIVED

	2022 SGD	2021 SGD
Care and Share	169,565	-
Jobs Support Scheme	3,308	51,864
Wage Credit Scheme	-	7,314
Other government grant income	464,759	13,470
As at 31 March	<u>637,632</u>	<u>72,648</u>

Government grants that are receivable as compensation for expenses or losses incurred in a previous accounting period or for the purpose of giving immediate financial support to the enterprise with no further related costs, should be recognised and disclosed in the profit and loss statement of the period in which they are receivable.

14. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise cash at bank and on hand.

15. FUND-RAISING INCOME AND EXPENDITURE

	Total proceeds from fund-raising events SGD	Total sponsorship SGD	Total fund- raising expenses SGD	Net fund- raising income SGD
For the year ended 31 March 2022				
<u>Donations received through:</u>				
Commercial fund-raisers	199,191	-	(57,811)	141,380
	<u>199,191</u>	<u>-</u>	<u>(57,811)</u>	<u>141,380</u>

The 30/70 fund-raising efficiency ratio:

$$\frac{(E+S)}{(R+S)} \times 100\% = \underline{29\%}$$

E – Represents total fund-raising expenses incurred during the year.

R – Represents proceeds from fundraising received during the year.

S – Represents total sponsorship received during the year

	Total proceeds from fund-raising events SGD	Total sponsorship SGD	Total fund- raising expenses SGD	Net fund- raising income SGD
For the year ended 31 March 2021				
<u>Donations received through:</u>				
Commercial fund-raisers	206,956	-	(62,087)	144,869
Help the disabled community	12,779	-	-	12,779
	<u>219,735</u>	<u>-</u>	<u>(62,087)</u>	<u>157,648</u>

The 30/70 fund-raising efficiency ratio:

$$\frac{(E+S)}{(R+S)} \times 100\% = \underline{28\%}$$

E – Represents total fund-raising expenses incurred during the year.

R – Represents proceeds from fundraising received during the year.

S – Represents total sponsorship received during the year

16. RESERVE POLICY

The Association's objectives when managing reserve are:-

- To safeguard the Association's ability to continue as going concern;
- To support the Association's stability and growth;
- To provide fund for the purpose of strengthening the Association's risk management capability.

16. RESERVE POLICY (CONTINUED)

The reserve position of the Association as at the year end is as follows-

	2022 SGD	2021 SGD
Unrestricted fund	1,060,731	1,292,915
Restricted funds		
- Asset capitalisation reserve	77	4,175
- Care and Share grant fund	-	(169,565)
	<u>1,060,808</u>	<u>1,127,525</u>
Ratio of unrestricted funds to annual operating expenditure	<u>5.86</u>	<u>7.18</u>
Ratio of unrestricted funds to annual operating expenditure (include direct costs)	<u>1.68</u>	<u>2.41</u>

The reserve that the Association has set aside provides financial stability and the means for the development of its principal activities. The Association intends to maintain its reserve at a level which is at least equivalent to one year's expenses to ensure the continued running and smooth operation of the Association. The intended use of the reserve is for the operational needs of the Association.

The Management Committee will review on a semi-annual basis the amount of reserve that is required to ensure that it is adequate to fulfill the Association's continuing obligations.

17. SIGNIFICANT RELATED PARTY TRANSACTIONS

For the purpose of these financial statements, parties are considered to be related to the Association if the Association has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decision, or vice versa, or where the Association and the party are subject to common control or common significant influence. Related parties may be individuals or other entities. There are no related party transactions during the year.

The Association is governed by the Management Committee which is the final authority and is overall responsible for the policy making and determination of all activities. The members of the Management Committee are volunteers and receive no monetary remuneration for their contribution. All volunteers of the Association received no monetary remuneration.

The Association employs an executive director who is a key officer. This remuneration of the executive director is in her capacity as the association employee and this is disclosed as key management in Note 11 to the financial statements.

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18. CONFLICT OF INTEREST

All Management Committee and staffs of the Association are required to comply with the conflict of interest policy.

A conflict of interest may arise when the Management Committee or staffs have a personal direct or indirect interest in the suppliers or service providers that submit quotations or a tender. Accordingly, they are to evaluate whether he or she has a direct or vested interest in the relevant suppliers or service providers. Full disclosure of the interest shall be made on a "Declaration of Interest Form" and these interested persons are not to be involved in the approving of that procurement. In this case, the procurement shall be made by the next level of authority in accordance with the Limits of Authority set by the Association.

19. FINANCIAL RISK MANAGEMENT

The Association's operations carry certain financial risk. The Association's overall risk management approach is to moderate the effects of such volatility on its financial results. There are no changes on the Association's objectives, policies or processes relating to the management of the Association's financial risk during the year.

a) Market risk

i) Foreign exchange risk

The Association is not exposed to foreign currency risk. All transactions are carried out in local currency.

ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because changes in market interest rates.

The Association is exposed to interest rate risk through the impact of interest rate changes on its fixed deposits.

Changes in market interest rates of 1% on interest bearing financial assets and financial liabilities as at year end will have effect on the financial statements as follows:

	2022 SGD	2021 SGD
Profit before taxation	3,495	3,458
Equity	<u>-</u>	<u>-</u>

The above analysis assumes all other variables are held constant.

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19. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk

The Association is not exposed to any substantial credit risk in that other parties will not be able to meet their obligations to the Association.

The maximum exposure to credit risk is represented by the carrying amount of financial assets which are mainly other receivables and bank balances. Cash is placed with credit worthy financial institution.

Impairment of financial assets

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

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

Receivables are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the association.

Financial assets that are neither past due nor impaired

Trade receivables that are neither past due nor impaired are substantially companies with good collection track record or that the recoverability is not in doubt. Bank deposits, are mainly transacted with banks of high credit ratings assigned by international credit rating agencies.

Financial assets that are past due and/ or impaired

There is no financial assets that is past due and/ or impaired.

c) Fair value risk

The fair value of the Association's financial assets and financial liabilities reported in the statement of financial position approximately their carrying value.

d) Liquidity risk

The Association manages its liquidity risk by monitoring and maintaining a level of cash and bank balance deemed adequate by the management to finance the Association's operation and mitigate the effects of fluctuations of cash flows.

The table below analyses the maturity profile of the financial liabilities based on contractual undiscounted cash flows:-

19. **FINANCIAL RISK MANAGEMENT (CONTINUED)**

d) Liquidity risk (Continued)

	Less than 1 year SGD	Between 2 and 5 years SGD	Total SGD
As at 31 March 2022			
Other payables	15,293	-	15,293
Lease liability	<u>2,286</u>	<u>8,673</u>	<u>10,959</u>
	<u>17,579</u>	<u>8,673</u>	<u>26,252</u>
As at 31 March 2021			
Other payables	17,622	-	17,622
Lease liability	<u>2,286</u>	<u>10,959</u>	<u>13,245</u>
	<u>19,908</u>	<u>10,959</u>	<u>30,867</u>

e) Derivative instruments

The Association does not utilise any derivative instruments.

The responsibility for managing the above risks is vested in the Management Committee.

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19. FINANCIAL INSTRUMENTS

Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised cost. The significant accounting policies in Note 2 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and financial liabilities in the statement of financial position by the class of financial instrument to which they are assigned, and therefore by the measurement basis:-

	Financial assets at amortised cost SGD	Financial liabilities at amortised cost SGD	Total SGD
As at 31 March 2022			
<u>Assets</u>			
Other receivables	10,265	-	10,265
Fixed deposits	349,544	-	349,544
Cash at bank and on hand	807,013	-	807,013
Total financial assets	<u>1,166,822</u>	<u>-</u>	<u>1,166,822</u>
Total non-financial assets			40,457
Total assets			<u>1,207,279</u>
<u>Liabilities</u>			
Other payables	-	(15,293)	(15,293)
Lease liability	-	(10,290)	(10,290)
Total financial liabilities	<u>-</u>	<u>(25,583)</u>	<u>(25,583)</u>
Total non-financial liabilities			(120,888)
Total liabilities			<u>(146,471)</u>

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20. FINANCIAL INSTRUMENTS (CONTINUED)

Classification of financial instruments (Continued)

	assets at amortised cost SGD	liabilities at amortised cost SGD	Total SGD
As at 31 March 2021			
<u>Assets</u>			
Other receivables	8,239	-	8,239
Fixed deposits	345,844	-	345,844
Cash at bank and on hand	390,566	-	390,566
Total financial assets	<u>744,649</u>	<u>-</u>	<u>744,649</u>
Total non-financial assets			452,340
Total assets			<u>1,196,989</u>
<u>Liabilities</u>			
Other payables	-	(17,622)	(17,622)
Lease liability	-	(12,240)	(12,240)
Total financial liabilities	<u>-</u>	<u>(29,862)</u>	<u>(29,862)</u>
Total non-financial liabilities			(39,602)
Total liabilities			<u>(69,464)</u>

21. FUND RISK MANAGEMENT

The Association's objectives when managing capital are to safeguard the association's ability to continue as a going concern in order to accomplish the Association's objectives. The Management Committee regularly reviews and monitors its fund position to ensure that the Association activities and growth are prudently funded. The Association seeks to maintain a positive net current asset position and fund surplus position.

	2022 SGD	2021 SGD
Current assets	1,192,122	1,173,272
Current liabilities	<u>(138,191)</u>	<u>(59,174)</u>
Net current assets	<u>1,053,931</u>	<u>1,114,098</u>
Total assets	1,207,279	1,196,989
Total liabilities	<u>(146,471)</u>	<u>(69,464)</u>
Fund surplus	<u>1,060,808</u>	<u>1,127,525</u>

There are no changes on the Association's objectives, policies or processes relating to the management of the association's capital structure during the year.

The Association is not subject to any externally imposed capital management and is not in breach of any debts covenant made with its lenders.