



*Board's Statement and
Audited Financial Statements*

Bless Community Services

(Unique Entity No. T08SS0032L)

For the year ended 31 March 2022

Bless Community Services
(Unique Entity No. T08SS0032L)

General Information

Board

Chairman	:	Mr. Shi Pau Soon
Vice Chairman	:	Mr. Toh Tze Keong
Hon Secretary	:	Ms. Ng Ai Zhen
Hon Treasurer	:	Mr. Teo Hee Peng
Ordinary Board Member	:	Mr. Ronald Wong Jian Jie
Ordinary Board Member	:	Mr. Soh Tee Peng
Ordinary Board Member	:	Mr. Chen Xi Yan
Ordinary Board Member	:	Mr. Ng Kay Chong
Ordinary Board Member	:	Mdm Khong Wan Yi Eunice

Independent Auditor

HLB Atrede LLP

The independent auditor, HLB Atrede LLP has expressed its willingness to accept re-appointment as auditor.

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Bless Community Services
(Unique Entity No T08SS0032L)

Statement by the Board

We, Shi Pau Soon and Teo Hee Peng being board members of Bless Community Services (the “Society”), do hereby state that, in the opinion of the Board of Governors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Society as at 31 March 2022 and the financial performance, changes in funds and cash flows of the Society for the year ended on that date in accordance with the provisions of the Societies Act 1966, the Charities Act 1994 and Singapore Financial Reporting Standards; and
- (b) 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.
- (c) there are no fund-raising activities held for the financial year ended 31 March 2022.

On behalf of the Board,



Shi Pau Soon
Chairman



Teo Hee Peng
Honorary Treasurer

Singapore
08 June 2022

**Independent Auditor's Report
to the members of Bless Community Services
(Unique Entity No. T08SS0032L)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bless Community Services (the "Society"), which comprise the balance sheet as at 31 March 2022, and the statement of comprehensive income, statement of changes in fund and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of Societies Act 1966, Singapore Charities Act 1994 and other relevant regulations (the Charities Act and Regulatory) (the Acts) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Society as at 31 March 2022 and of the financial performance, changes in fund 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 Board but does not include the financial statements and our auditor's report thereon.

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

**Independent Auditor's Report
to the members of Bless Community Services – continued**
(Unique Entity No. T08SS0032L)

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board for the Financial Statements

The Board is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Acts and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

The Board's responsibilities include 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.

**Independent Auditor's Report
to the members of Bless Community Services – continued**
(Unique Entity No. T08SS0032L)

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

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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board 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.

Independent Auditor's Report
to the members of Bless Community Services – continued
(Unique Entity No. T08SS0032L)

Report on Other Legal and Regulatory Requirements

In our opinion:

- (a) the accounting and other records required by the Act to be kept by the Society have been properly kept in accordance with the provisions of the Societies Act and the Charities Act and Regulations.
- (b) there are no fund-raising activities held for the financial year ended 31 March 2022.

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 monies 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.



HLB Atrede LLP
Public Accountants and
Chartered Accountants

Singapore
08 June 2022

Bless Community Services
(Unique Entity No. T08SS0032L)

Balance Sheet as at 31 March 2022

	Note	2022 \$	2021 \$
Non-current assets			
Plant and equipment	4	46,158	49,919
Right-of-use asset	5	15,478	20,638
		61,636	70,557
Current assets			
Other receivables	6	100	21,418
Cash and cash equivalents		625,350	713,040
		625,450	734,458
Current liabilities			
Other payables	7	15,187	31,163
Deferred capital grant	8	14,816	10,952
Grants received in advance	9	–	11,595
Lease liabilities	10	5,146	4,889
		35,149	58,599
Net current assets		590,301	675,859
Non-current liabilities			
Deferred capital grant	8	16,459	23,551
Lease liabilities	10	11,117	16,263
		27,576	39,814
Net assets		624,361	706,602
Funds			
<i>Unrestricted funds</i>			
Accumulated funds		498,926	565,701
<i>Restricted funds</i>			
Services and programmes fund	11	71,887	107,499
Neighbourhood assistance fund	12	–	–
Tuition program and bursary award fund	13	–	1,289
Safe sound sleeping place programme fund	14	53,548	32,113
Total funds		624,361	706,602

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Bless Community Services
(Unique Entity No. T08SS0032L)

Statement of Comprehensive Income for the financial year ended 31 March 2022

	Note	2022 \$	2021 \$
Income	15	106,891	93,994
Expenditure	16	(234,448)	(200,381)
Finance cost	17	(1,111)	(1,354)
Other operating income	18	61,893	447,176
(Deficit)/surplus before tax		(66,775)	339,435
Income tax expense	19	—	—
(Deficit)/surplus for the year		(66,775)	339,435
Other comprehensive income		—	—
Total comprehensive (deficit)/surplus for the year		(66,775)	339,435

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Bless Community Services
(Unique Entity No. T08SS0032L)

Cash Flow Statement for the financial year ended 31 March 2022

	2022	2021
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
(Deficit)/surplus before tax	(66,775)	339,435
Adjustments for:		
Amortisation of deferred capital grant	(14,823)	(913)
Depreciation	17,382	3,508
Depreciation – Right-of-use asset	5,160	5,160
Interest income	(124)	(124)
Interest expense on lease liabilities	1,111	1,354
Operating (deficit)/surplus before working capital changes	(58,069)	348,420
Decrease/(increase) in other receivables	21,318	(21,318)
(Decrease)/increase in other payables	(15,976)	22,628
Receipts for Services and programmes fund	11,000	24,300
Receipts for Safe sound sleeping place programme fund	33,286	43,633
Utilisation of Services and programmes fund	(48,747)	(26,621)
Utilisation of Neighbourhood assistance fund	(8,505)	(15,130)
Utilisation of Tuition program and bursary award fund	(2,500)	(300)
Utilisation of Safe sound sleeping place programme fund	–	(11,520)
Cash (used in)/generated from operations	(68,193)	364,092
Interest received	124	124
Net cash flows (used in)/from operating activities	(68,069)	364,216
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of plant and equipment	(13,621)	(51,480)
Net cash flows used in investing activity	(13,621)	(51,480)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Invictus Fund	–	50,000
Utilisation of Invictus Fund	–	(2,989)
Repayment of lease liabilities	(6,000)	(6,000)
Net cash flows (used in)/from financing activities	(6,000)	41,011
Net (decrease)/increase in cash and cash equivalents	(87,690)	353,747
Cash and cash equivalents at beginning of the year	713,040	359,293
Cash and cash equivalents at end of year	625,350	713,040

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Notes to the Financial Statements – 31 March 2022

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

1. GENERAL INFORMATION

Bless Community Services is a society constituted under the provisions of the Societies Act 1966 and registered under the Singapore Charities Act 1994 on 1 December 2008.

The registered office of the Society is located at 242 Yio Chu Kang Road, Singapore 545671.

The principal activities of the Society are those of provision of services to youths, seniors and the community that will help develop the potential of individuals, strengthen families and foster communal bonding to enrich the Society.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRSs) and the provisions of the Societies Act 1966 and the Singapore Charities Act 1994.

The financial statements have been prepared on the historical cost basis except where otherwise described in the accounting policies below.

The financial statements are presented in Singapore Dollar (SGD or \$) and all values are rounded to the nearest one-dollar unless otherwise stated.

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year, the Society has adopted all applicable new and amended standards that are relevant to its operations and effective for the current financial year. The adoption of these standards did not have any material effect on the financial position or performance of the Society for the current or prior financial years.

Standards issued but not yet effective

The Society has not adopted the following standards and interpretations that are potentially relevant to the Society that has been issued but not yet effective:

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

(Effective for
annual periods
beginning on or after)

1 January 2022

Notes to the Financial Statements – 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

Standards issued but not yet effective (continued)

	(Effective for annual periods beginning on or after)
Amendment to FRS 1: <i>Classification of Liabilities as Current or Non-current</i>	1 January 2023
Amendments to FRS1 and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendment to FRS 8: <i>Definition of Accounting Estimates</i>	1 January 2023

The Board expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

(b) *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of plant and equipment is recognised as an asset if, and only if, 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.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Computer	–	3 years
Equipment	–	3 to 20 years
Furniture and fittings	–	10 years

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

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Financial instruments*

(i) *Financial assets*

Initial recognition and measurement

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

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

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

Subsequent measurement

The Society's financial assets comprise of cash and cash equivalents and other receivables. These financial assets are subsequently measured at amortised cost.

Amortised cost

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

Derecognition

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Financial instruments (continued)*

(ii) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(iii) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(d) *Impairment of financial assets*

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

Notes to the Financial Statements – 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Impairment of financial assets (continued)*

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

The Society considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(e) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank.

(f) *Other payables*

Other payables are non-interest bearing and have an average term of six months.

(g) *Provisions*

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(h) *Employee benefits*

(i) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) *Employee benefits (continued)*

(i) *Defined contribution plans (continued)*

The Society makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

(i) *Leases*

The Society assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

(i) *As lessee*

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

Office space – 5 years

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.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) *Leases (continued)*

(i) *As lessee (continued)*

▪ *Right-of-use assets*

At the commencement date of the lease, the Society recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Society and payments of penalties for terminating the lease, if the lease term reflects the Society exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

In calculating the present value of lease payments, the Society uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(j) *Government grant*

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 balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as “Other income”. Alternatively, they are deducted in reporting the related expenses

Notes to the Financial Statements – 31 March 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) *Revenue*

Revenue 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.

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

(i) *Activities collections*

The Society organises activities to support the well-being of children, youth, adults, elderly and families in the community.

Revenue from events and activities collections are recognised when services are completed.

(ii) *Donations*

Donations are recognised when received.

(l) *Related parties*

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Society if that person:
 - (i) Has control or joint control over the Society;
 - (ii) Has significant influence over the Society; or
 - (iii) Is a member of the key management personnel of the Society or of a parent of the Society.

- (b) An entity is related to the Society if any of the following conditions applies:
 - (i) The entity and the Society are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
 - (iii) Both entities are joint ventures of the same third party;
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society;
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

Notes to the Financial Statements – 31 March 2022

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 the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(i) *Judgement made in applying accounting policies*

There were no material judgements made by management in the process of applying the Society's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(ii) *Estimates and assumptions*

The key assumptions concerning the future and other key sources of estimation uncertainty 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 described 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 that are beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

▪ *Useful lives of plant and equipment*

The cost of plant and equipment is depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. The committee estimates the useful lives of these plant and equipment to be within 3 to 20 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of the plant and equipment at the end of each reporting period is disclosed in Note 4 to the financial statements.

Notes to the Financial Statements – 31 March 2022

4. PLANT AND EQUIPMENT

	Computer \$	Furniture and fitting \$	Equipment \$	Total \$
Cost:				
At 1 April 2020	5,883	621	–	6,504
Additions	1,851	5,002	44,627	51,480
At 31 March 2021 and 1 April 2021	7,734	5,623	44,627	57,984
Additions	2,027	–	11,594	13,621
At 31 March 2022	9,761	5,623	56,221	71,605
Accumulated depreciation:				
At 1 April 2020	3,937	620	–	4,557
Charge for the year	1,710	132	1,666	3,508
At 31 March 2021 and 1 April 2021	5,647	752	1,666	8,065
Charge for the year	1,471	507	15,404	17,382
At 31 March 2022	7,118	1,259	17,070	25,447
Net carrying amount:				
At 31 March 2021	2,087	4,871	42,961	49,919
At 31 March 2022	2,643	4,364	39,151	46,158

5. RIGHT-OF-USE ASSET

Leases (as a lessee)

	Office space \$
Cost:	
At 1 April 2020	–
Additions	25,798
At 31 March 2021	25,798
Additions	–
At 31 March 2022	25,798
Accumulated depreciation:	
At 1 April 2020	–
Charge for the year	5,160
At 31 March 2021	5,160
Charge for the year	5,160
At 31 March 2022	10,320
Net carrying amount:	
At 31 March 2021	20,638
At 31 March 2022	15,478

Notes to the Financial Statements – 31 March 2022

5. RIGHT-OF-USE ASSET (continued)

The Society leases office space over a lease term of 5 years (2021: 5 years).

The maturity analysis of lease liabilities is presented in Note 10.

	2022	2021
	\$	\$
(i) <u>Amounts recognised in profit and loss</u>		
Depreciation expense on right-of-use asset	5,160	5,160
Interest expense on lease liabilities	1,111	1,354
	<u>6,271</u>	<u>6,514</u>

(ii) Total cash outflow

The Society had total cash flow for all the leases of \$6,000 (2021: \$6,000) in 2022.

6. OTHER RECEIVABLES

Advance billing from supplier	–	11,996
Deposits	100	100
Grant receivable – Jobs Support Scheme	–	5,717
Sundry receivable	–	3,605
	<u>100</u>	<u>21,418</u>

7. OTHER PAYABLES

Accrued liabilities	4,025	4,025
CPF payables	3,447	3,375
Deferred grant income	–	5,717
Provision for unutilised leave	3,127	3,833
Sundry payables	4,588	14,213
	<u>15,187</u>	<u>31,163</u>

Notes to the Financial Statements – 31 March 2022

8. DEFERRED CAPITAL GRANT

	NCSS – The Invictus Fund \$
Cost:	
At 1 April 2020	–
Additions	35,416
At 31 March 2021	<u>35,416</u>
Additions	11,595
At 31 March 2022	<u>47,011</u>
Accumulated depreciation:	
At 1 April 2020	–
Charge for the year	913
At 31 March 2021	<u>913</u>
Charge for the year	14,823
At 31 March 2022	<u>15,736</u>
Net carrying amount:	
At 31 March 2021	<u>34,503</u>
At 31 March 2022	<u>31,275</u>
Presented as:	
Current	14,816
Non-current	16,459
	<u>31,275</u>

9. GRANTS RECEIVED IN ADVANCE

	NCSS – The Invictus Fund \$
At 1 April 2020	–
Grants received	50,000
Payment made	(2,989)
Transfer to deferred capital grants (Note 8)	<u>(35,416)</u>
At 31 March 2021	11,595
Transfer to deferred capital grants (Note 8)	<u>(11,595)</u>
At 31 March 2022	<u>–</u>

Notes to the Financial Statements – 31 March 2022

10. LEASE LIABILITIES

	2022	2021
	\$	\$
Analysed as:		
Current	5,146	4,889
Non-current	11,117	16,263
	<u>16,263</u>	<u>21,152</u>
Maturity analysis:		
Year 2022	–	4,889
Year 2023	5,146	5,146
Year 2024	5,416	5,416
Year 2025	5,701	5,701
	<u>16,263</u>	<u>21,152</u>

The Society does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored by the Board.

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

	1.4.2021	Cash flows	Non-cash changes		31.3.2022
	\$	Repayment	New lease liabilities	Interest	\$
	\$	\$	\$	\$	\$
Lease liabilities	<u>21,152</u>	<u>(6,000)</u>	<u>–</u>	<u>1,111</u>	<u>16,263</u>
	1.4.2020	Cash flows	Non-cash changes		31.3.2021
	\$	Repayment	New lease liabilities	Interest	\$
	\$	\$	\$	\$	\$
Lease liabilities	<u>–</u>	<u>(6,000)</u>	<u>25,798</u>	<u>1,354</u>	<u>21,152</u>

11. SERVICES AND PROGRAMMES FUND

The services and programmes fund was set up to finance all the direct services and programmes expenditure of the Society which are broadly categorised in three Connect activities, namely Community Connect, Senior Connect and Youth Connect.

12. NEIGHBOURHOOD ASSISTANCE FUND

The neighbourhood assistance fund was set up to provide short term emergency relief for residents and to buy goodwill gifts for residents who require visitations.

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Notes to the Financial Statements – 31 March 2022

13. TUITION PROGRAM AND BURSARY AWARD FUND

The tuition program and bursary award fund was set up to help students improve academically and encourage their holistic development and to support students from low-income to lower middle-income families with educational expenses to encourage their hard work and efforts.

14. SAFE SOUND SLEEPING PLACE PROGRAMME FUND

Safe sound sleeping place programme fund was set up to provide overnight community-based shelters for those who are not yet ready for a referral to government assistance, social services or shelter option such as transitional shelters or welfare homes and provide a safe environment within community partners' premises where rough sleepers can rest during the night.

15. INCOME

	2022	2021
	\$	\$
Donations received:		
– Tax deductible donations	94,515	79,475
– Non-tax deductible donations	12,376	14,519
	<u>106,891</u>	<u>93,994</u>

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the Society.

16. EXPENDITURE

Auditor's remuneration	2,777	3,690
Accounting fee	5,400	5,400
Bank charges	133	132
Central Provident Board	20,203	18,783
Contract wages	–	2,400
Depreciation – plant and equipment	17,382	3,508
Depreciation – right-of-use asset	5,160	5,160
Equipping and resource	5,034	8,681
Fund raising expenses	11	–
General expenses	1,462	186
Insurance	401	401
Internship and admin support	3,977	9,024
Medical fee	2,208	2,723
Printing and stationery	1,058	1,600
Publicity	423	150
Salaries and bonuses	137,417	120,400
Skill development levy	316	298
Share expenses – Yio Chu Kang Chapel	29,864	11,602
Training and resources	1,252	1,507
Telecommunications	676	903
Unutilised leave	(706)	3,833
	<u>234,448</u>	<u>200,381</u>

Notes to the Financial Statements – 31 March 2022

17. FINANCE COST

	2022	2021
	\$	\$
Interest expense on lease liabilities	<u>1,111</u>	<u>1,354</u>

18. OTHER OPERATING INCOME

Amortisation of deferred capital grant	14,822	913
Government assistance	11,398	48,423
Grants received – Bicentennial Community Fund	35,309	364,691
– Others *	–	33,000
Interest income	124	124
Sundry income	<u>240</u>	<u>25</u>
	<u>61,893</u>	<u>447,176</u>

* the grants received are related to the community chest fund, majority grant and internship grant.

19. INCOME TAX EXPENSE

The income of the Society registered under the Singapore Charities Act 1994 is exempt from income tax.

20. EMPLOYEE BENEFITS

Salaries and bonuses	137,417	120,400
Central provident fund contributions	<u>20,203</u>	<u>18,783</u>
	<u>157,620</u>	<u>139,183</u>

No board members are remunerated for their board services in the financial year.

None of its paid staff receives more than \$100,000 each in annual remuneration.

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Society is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risk is liquidity risk. The Society's risk management policies focus on the unpredictability of financial markets and seek to, where appropriate, minimise potential adverse effects on the financial performance of the Society. The Society does not have any written financial risk management policies and guidelines and there has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Society's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

Notes to the Financial Statements – 31 March 2022

21. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

▪ *Liquidity risk*

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from possible mismatches of the maturities of financial assets and liabilities. The Society objective is to maintain a balance between continuity of funding and flexibility through the use of standby credit facilities.

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Society's financial liabilities at the end of reporting period, based on contractual undiscounted repayment obligations.

	Total	Within one year	Within two to five years
	\$	\$	\$
2022			
Other payables	12,060	12,060	–
Lease liabilities	18,000	6,000	12,000
	<u>30,060</u>	<u>18,060</u>	<u>12,000</u>
2021			
Other payables	21,613	21,613	–
Lease liabilities	24,000	6,000	18,000
	<u>45,613</u>	<u>27,613</u>	<u>18,000</u>

22. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting period by FRS 109 categories:

	2022	2021
	\$	\$
<i>Financial assets at amortised cost</i>		
Other receivables	100	21,418
Cash and bank balances	625,350	713,040
	<u>625,450</u>	<u>734,458</u>
<i>Financial liabilities at amortised cost</i>		
Other payables	<u>12,060</u>	<u>21,613</u>

Notes to the Financial Statements – 31 March 2022

23. FAIR VALUE OF FINANCIAL INSTRUMENTS

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values due to the relative short-term maturity of these financial instruments.

24. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 March 2022 were authorised for issue in accordance with a resolution of the Board on 08 June 2022.