

THE HELPING HAND

(UEN No: S88SS0058F)

Statement by The Governing Board and Financial Statements

Reporting Year Ended 31 December 2022

RSM Chio Lim LLP

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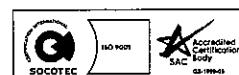
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THE HELPING HAND

Statement by The Governing Board and Financial Statements

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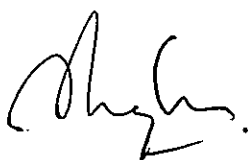
Statement by The Governing Board

In the opinion of The Governing Board,

- (a) the accompanying financial statements are drawn up in accordance with the Societies Act 1966 (the "Societies Act") and the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations"), and Financial Reporting Standards ("FRS"), so as to present fairly, in all material respects, the state of affairs of The Helping Hand (the "Society") as at 31 December 2022 and the results, changes in funds and cash flows of the Society for the reporting year ended.
- (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.

The Governing Board approved and authorised these financial statements for issue.

On behalf of the Governing Board,



May Loh Bee Bee
Chairman



Timothy Hia Yi Liang
Honorary Secretary

19 April 2023

RSM Chio Lim LLP8 Wilkie Road, #03-08
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Audit@RSMSingapore.sg
www.RSMSingapore.sg**Independent Auditor's Report to the Members of
THE HELPING HAND****Report on the audit of the financial statements****Opinion**

We have audited the accompanying financial statements of The Helping Hand (the "Society"), which comprise the statement of financial position as at 31 December 2022, and the statement of financial activities, statement of changes in funds and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994, and other relevant regulations (the "Charities Act and Regulations") and the Financial Reporting Standards ("FRS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2022 and the results, changes in funds and cash flows of the Society for the reporting 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 information included in the Statement by The Governing Board and annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Independent Auditor's Report to the Members of THE HELPING HAND

Responsibilities of management and those charged with governance for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

- (a) 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.
- (b) 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.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

**Independent Auditor's Report to the Members of
THE HELPING HAND**

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

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

We also provide the Governing Board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In our opinion:

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Woo E-Sah.



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

19 April 2023
Effective from reporting year ended 31 December 2020

THE HELPING HAND

Statement of Financial Activities Reporting Year Ended 31 December 2022

	<u>Notes</u>	<u>2022</u> S\$	<u>2021</u> S\$
Incoming resources			
Voluntary income	4	3,220,409	2,958,563
Fund-raising income	5	607,086	567,914
Income from charitable activities	6	1,620,532	1,663,341
(Losses) / income from investment	7	(11,294)	—
Other income	8	61,904	78,887
Total incoming resources		<u>5,498,637</u>	<u>5,268,705</u>
Resources expended			
Expenditure of fund-raising activities	5	76,188	61,164
Expenditure of charitable activities	6	1,930,736	1,790,109
Governance and other administrative costs	10	3,294,624	3,104,958
Total resources expended		<u>5,301,548</u>	<u>4,956,231</u>
Surplus for the year		197,089	312,474
Other comprehensive income		—	—
Total comprehensive income		<u>197,089</u>	<u>312,474</u>

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

THE HELPING HAND

Statement of Financial Position As at 31 December 2022

	<u>Notes</u>	<u>2022</u> S\$	<u>2021</u> S\$
ASSETS			
<u>Non-current assets</u>			
Plant and equipment	12	1,920,430	2,142,018
Other financial assets	13	480,759	–
		<u>2,401,189</u>	<u>2,142,018</u>
<u>Current assets</u>			
Inventories	14	64,636	75,316
Trade and other receivables	15	1,112,096	859,699
Other assets	16	172,079	216,837
Cash and cash equivalents	17	5,582,020	6,063,982
Total current assets		<u>6,930,831</u>	<u>7,215,834</u>
Total assets		<u>9,332,020</u>	<u>9,357,852</u>
FUNDS AND LIABILITIES			
<u>Funds</u>			
Unrestricted funds	18	7,114,330	6,963,793
Restricted funds	18	515,499	468,947
Total funds		<u>7,629,829</u>	<u>7,432,740</u>
<u>Non-current liabilities</u>			
Lease liabilities	19	936,799	1,134,561
Total non-current liabilities		<u>936,799</u>	<u>1,134,561</u>
<u>Current liabilities</u>			
Lease liabilities	19	207,934	197,722
Other liabilities	20	–	22,700
Trade and other payables	21	557,458	570,129
Total current liabilities		<u>765,392</u>	<u>790,551</u>
Total liabilities		<u>1,702,191</u>	<u>1,925,112</u>
Total funds and liabilities		<u>9,332,020</u>	<u>9,357,852</u>

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

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Statement of Changes in Funds Reporting Year Ended 31 December 2022

	Unrestricted Funds			Restricted Funds									
	General Fund S\$	Investment Fund S\$	Total unrestricted funds S\$	Care and Share Matching Fund S\$	Tech Booster S\$	President's Challenge S\$	CDC Bless Our City Grant S\$	Invictus Fund S\$	Donations S\$	SCORE S\$	Total restricted funds S\$	Total Funds S\$	
Current year:													
Opening balance at 1 January 2022	6,963,793	—	6,963,793	73,458	—	114,493	—	29,897	10,416	240,683	468,947	7,432,740	
Changes in funds:													
Surplus for the year	161,831	(11,294)	150,537	(20,807)	171,616	19,797	—	(13,999)	15,520	(125,575)	46,552	197,089	
Transfer from general fund to investment fund	(500,000)	500,000	—	—	—	—	—	—	—	—	—	—	
Closing balance at 31 December 2022	6,625,624	488,706	7,114,330	52,651	171,616	134,290	—	15,898	25,936	115,108	515,499	7,629,829	
Previous year:													
Opening balance at 1 January 2021	6,552,422	—	6,552,422	103,443	—	40,696	—	30,154	27,293	366,258	567,844	7,120,266	
Changes in funds:													
Surplus / (deficit) for the year	384,078	—	384,078	(29,985)	—	73,797	—	(257)	10,416	(125,575)	(71,604)	312,474	
Transfer from restricted fund to unrestricted fund	27,293	—	27,293	—	—	—	—	—	(27,293)	—	(27,293)	—	
Closing balance at 31 December 2021	6,963,793	—	6,963,793	73,458	—	114,493	—	29,897	10,416	240,683	468,947	7,432,740	

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

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Statement of Cash Flows Reporting Year Ended 31 December 2022

	<u>2022</u> S\$	<u>2021</u> S\$
<u>Cash flows from operating activities</u>		
(Deficit)/surplus for the year	197,089	312,474
Adjustments for:		
Depreciation of plant and equipment	578,243	588,749
Fair value losses	19,241	-
Loss on disposal of plant and equipment	1,096	4,764
Gain on derecognition of right-of-use asset	(645)	(49,654)
Interest expense on lease liabilities	61,439	41,142
Interest income	(45,844)	(19,442)
Operating surplus before changes in working capital	810,619	878,033
Inventories	10,680	(15,283)
Trade and other receivables	(238,756)	(244,112)
Other assets	44,758	(170,918)
Trade and other payables	(12,671)	(73,742)
Other liabilities	(22,700)	(91,074)
Cash restricted in use	10,416	19,193
Net cash flows from operating activities	602,346	302,097
<u>Cash flows from investing activities</u>		
Interest received	32,203	16,327
Purchase of plant and equipment	(346,888)	(173,102)
Investment in bonds	(500,000)	-
Net cash flows used in investing activities	(814,685)	(156,775)
<u>Cash flows from financing activities</u>		
Interest paid	(61,439)	(41,142)
Payment of principal portion of lease liabilities	(197,768)	(220,257)
Net cash flows used in financing activities	(259,207)	(261,399)
Net decrease in cash and cash equivalents	(471,546)	(116,077)
Cash and cash equivalents, beginning balance	6,043,566	6,159,643
Cash and cash equivalents, ending balance (Note 17A)	5,572,020	6,043,566

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

THE HELPING HAND

Notes to the Financial Statements 31 December 2022

1. General

The Helping Hand (the "Society") is a society registered in Singapore under the Societies Act 1966. It was granted the status of an Institutions of a Public Character (IPC Registration No. IPC000344) under the Charities Act 1994 until 30 September 2023 subject to renewal. The financial statements are presented in Singapore Dollars.

The Governing Board approved and authorised these financial statements for issue on the date of statement by the Governing Board.

The objective of the Society is to promote social concern in the community and to establish halfway house programmes based on Christian principles to help recovering addicts and ex-offenders rehabilitate and re-integrate into society.

The registered office is located at 819 Upper Serangoon Road, Singapore 534678. The Society is situated in Singapore.

Covid-19 pandemic and the aftermath

Management has considered the current economic conditions i.e. the Covid-19 pandemic and the war in Ukraine are affecting customers, supply chains, staffing and the countries in which the reporting entity operates. There does not currently appear to be either any material impact upon the financial statements or any material uncertainties with respect to events or conditions that may impact the reporting entity unfavourably as at the reporting date or subsequently because of the current economic conditions.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Financial Reporting Standards ("FRS") and the related interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

THE HELPING HAND

1. General (cont'd)

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C below, where applicable.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Incoming resources

(i) Government grants and similar non-government grants

Government grants and similar non-government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is recognised as income when such assets are used in the project subsidised by the grant. The relevant fund will then be reduced over the useful life of the asset in line with its depreciation. The deferred grants recognised in the Statement of Financial Position represent grants received not yet utilised.

(ii) Donations subject to restrictions

Income from donations subject to restrictions are recognised at a point in time when the Society has entitlement to the income and accounted for as restricted funds. The relevant restricted fund will then be reduced when the donation is utilised for its restricted purpose.

(iii) Donations and sponsorships

Income from donations and sponsorships are recognised at a point in time when received, except for committed donations and sponsorships that are rewarded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations and sponsorships. Income from any fund raising event is recognised when the event has occurred.

(iv) Sale of merchandise

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer on delivery of the goods.

(v) Interest income

Interest revenue is recognised on a time-proportion basis using the effective interest rate.

THE HELPING HAND

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Gifts-in-kind

A gift-in-kind (if any) is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is certainty that it will be received. Gifts-in-kind received for some events that are deemed not of substantial values though can be reasonably quantified, are not recorded as income of the Society. No value is ascribed to volunteer services.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The Society's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Borrowing costs

Borrowing costs are interest and other costs incurred in connection with the lease liabilities and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

Income tax

As an approved charity under the Charities Act 1994, the Society is exempted from income tax under section 13(1)(zm) of the Income Tax Act 1947.

Foreign currency transactions

The functional currency is the Singapore Dollar as it reflects the primary economic environment in which the Society operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in the statement of financial activities. The presentation is in the functional currency.

THE HELPING HAND

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The useful lives are as follows:

Computer equipment	3 years
Electrical equipment	3 years
Furniture and fittings	5 years
Motor vehicles	5 to 10 years
Office equipment	3 years
Renovation	5 years
Right-of-use asset – premise	6 years
Right-of-use asset – copiers	4 to 5 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in the statement of financial activities. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of financial activities when they are incurred.

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.

THE HELPING HAND

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through statement of financial activities to its estimated recoverable amount.

The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in statement of financial activities unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

At the end of each reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

THE HELPING HAND

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Classification and measurement of financial liabilities:

Financial liabilities are classified at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on-demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances).

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2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The Society's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Funds

Funds balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated for specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so.

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2. Significant accounting policies and other explanatory information (cont'd)

2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Estimating useful lives of plant and equipment

The estimates for the useful lives and related depreciation charges for plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of plant and equipment at the end of the reporting year affected by the assumption is disclosed in Note 12.

Recognising government grants

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

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

A related party includes the committee members and key management of the Society. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. Key management personnel include the Chief Executive Officer ("CEO"), Executive Director ("ED") and the direct reporting senior members.

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3. Related party relationships and transactions (cont'd)

All members of the Governing Board, sub-committees and staff members of the Society are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships that could potentially result in a conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The members of the Governing Board and sub-committees are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any claimed.

There are no paid staff who are close members of the family of the Governing Board, and whose remuneration each exceeds \$50,000 during the year.

3A. Related party transactions:

There are transactions and arrangements between the Society and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

	<u>2022</u> S\$	<u>2021</u> S\$
Insurance expenses paid to a company in which the Managing Director is also a board member	<u>74,123</u>	<u>109,490</u>

3B. Key management compensation:

	<u>2022</u> S\$	<u>2021</u> S\$
Short-term employee benefits	754,076	688,010
Defined contribution plan	<u>75,907</u>	<u>65,701</u>
	<u>829,983</u>	<u>753,711</u>

The above amounts are included under employee benefit expense and other administrative expense.

Number of key management in remuneration bands:	<u>2022</u>	<u>2021</u>
S\$100,001 – S\$200,000	2	2
S\$50,001 – S\$100,000	6	6
Below S\$50,000	<u>1</u>	<u>1</u>

Key management personnel comprise CEO, ED and the direct reporting senior members.

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4. Voluntary income

	<u>2022</u> S\$	<u>2021</u> S\$
Donations	407,580	450,682
Government and other grants (Note 4A)	801,156	779,072
Singapore Prison Service Grant (Note 4B)	<u>2,011,673</u>	<u>1,728,809</u>
	<u>3,220,409</u>	<u>2,958,563</u>

4A. Government and other grants

	<u>2022</u> S\$	<u>2021</u> S\$
Jobs Support Scheme (i)	25,802	174,111
Special employment and wage credit	97,861	98,748
Premises Rental Grant (ii)	252,948	255,516
Other grants	<u>424,545</u>	<u>250,697</u>
	<u>801,156</u>	<u>779,072</u>

(i) The purpose of the Jobs Support Scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19.

(ii) The purpose of the premises rental grant is to provide rental support to the Society for the rental of the rehabilitation facility by Singapore Prison Service.

4B. Singapore Prison Service Grant

Included in the Singapore Prison Service Grant is an adjustment of \$1,027,399 (2021: \$755,100) which has been confirmed after the financial year end but yet to be received.

5. Fund-raising income

	<u>2022</u> S\$	<u>2021</u> S\$
Income resources from fund-raising activities:		
Annual magazine revenue	176,026	29,831
Charity golf	188,150	216,670
Ride to restore	242,910	291,141
Run to restore	—	30,272
Total	<u>607,086</u>	<u>567,914</u>
Expenditure of fund-raising activities:		
Annual magazine printing cost	3,964	3,121
Charity golf	35,259	35,279
Ride to restore	36,965	15,293
Run to restore	—	7,471
Total	<u>76,188</u>	<u>61,164</u>
Net proceeds	<u>530,898</u>	<u>506,750</u>

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5. Fund-raising income

Annual magazine revenue recognised in 2022 of \$176,026 relates to the annual magazine 2022 edition.

Annual magazine revenue recognised in 2021 and 2020 of \$29,831 and \$99,734 respectively relate to the annual magazine 2021 edition.

6. Income from charitable activities

	<u>2022</u> S\$	<u>2021</u> S\$
Income resources from charitable activities:		
Sale of furniture and plants	506,473	499,570
Revenue from removal services and contract delivery	1,053,006	1,126,248
Revenue from home baked products	54,254	37,523
Revenue from bike servicing and sales	6,799	–
Total	<u>1,620,532</u>	<u>1,663,341</u>
Expenditure of charitable activities:		
Advertisement	80	479
Containers transport and freight	18,504	18,903
Cost of furniture and plants	185,517	175,439
Cost of removal services and contract delivery	89,852	103,667
Cost of home baked products	22,865	16,410
Cost of bike servicing and sales	443	–
Depreciation of vehicles	135,554	145,671
Upkeep of vehicles	253,812	190,059
Overseas shipping fee	2,648	2,668
Rental fees for tentage	5,503	–
Employee benefits expense (Note 11)	1,215,958	1,136,813
Total	<u>1,930,736</u>	<u>1,790,109</u>
Net proceeds	<u>(310,204)</u>	<u>(126,768)</u>

7. (Losses) / income from investment

	<u>2022</u> S\$	<u>2021</u> S\$
Fair value losses (Note 13)	(19,241)	–
Interest income	7,947	–
	<u>(11,294)</u>	<u>–</u>

8. Other income

	<u>2022</u> S\$	<u>2021</u> S\$
Gain on derecognition of right-of-use asset	645	49,654
Interest on auto-save accounts	124	124
Interest on fixed deposits	37,773	19,318
Others	23,362	9,791
	<u>61,904</u>	<u>78,887</u>

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9. Tax exempt receipts

Qualifying donors are granted tax deduction for donations made to the Society. The quantum of the tax deduction for each calendar year may vary as announced in the Singapore budget. The Institutions of a Public Character status granted to the Society is for the period from 1 October 2020 to 30 September 2023.

	<u>2022</u> S\$	<u>2021</u> S\$
Tax-exempt receipts issued for donations collected	<u>747,208</u>	<u>802,387</u>

10. Governance and other administrative costs

	<u>2022</u> S\$	<u>2021</u> S\$
Depreciation of plant and equipment	442,689	443,078
Employee benefits expense (Note 11)	1,934,286	1,944,707
NCSS secondment fee	158,651	155,022
Finance cost	61,439	41,142
Kitchen related cost	213,305	201,433
Others	484,254	319,576
	<u>3,294,624</u>	<u>3,104,958</u>

11. Employee benefits expense

	<u>2022</u> S\$	<u>2021</u> S\$
CPF and SDL contributions	304,343	297,438
Residents costs	458,797	489,183
Staff incentive	176,800	126,527
Staff insurance	51,972	71,058
Staff medical expenses	19,589	18,374
Staff salaries and bonus	2,068,819	2,070,506
Staff training expenses	19,479	18,333
Staff uniforms	1,549	1,029
Staff unutilised leave	—	(20,848)
Staff welfare / benefits	48,896	9,920
	<u>3,150,244</u>	<u>3,081,520</u>

The staff costs were allocated as follows:

Expenditure of charitable activities (Note 6)	1,215,958	1,136,813
Governance and other administration costs (Note 10)	1,934,286	1,944,707
	<u>3,150,244</u>	<u>3,081,520</u>

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12. Plant and equipment

	Computer Equipment S\$	Electrical Equipment S\$	Furniture and Fittings S\$	Motor Vehicles S\$	Office Equipment S\$	Renovation S\$	Right-of-use Premise S\$	Right-of-use Copiers S\$	Total S\$
<u>Cost:</u>									
At 1 January 2021	39,152	145,829	62,557	1,888,549	20,659	845,690	1,327,650	28,174	4,358,260
Additions	7,383	18,908	10,058	97,043	–	39,710	1,314,307	12,505	1,499,914
Disposals	–	(2,800)	–	(176,765)	–	–	(1,327,650)	(14,870)	(1,522,085)
At 31 December 2021	46,535	161,937	72,615	1,808,827	20,659	885,400	1,314,307	25,809	4,336,089
Additions	22,223	9,979	13,911	260,672	–	40,103	–	15,963	362,851
Disposals	(7,701)	(1,545)	(4,384)	(99,300)	–	–	–	(13,303)	(126,233)
At 31 December 2022	61,057	170,371	82,142	1,970,199	20,659	925,503	1,314,307	28,469	4,572,707
<u>Accumulated depreciation:</u>									
At 1 January 2021	14,049	106,057	20,758	1,450,893	13,485	392,987	442,550	17,296	2,458,075
Depreciation for the year	14,401	29,386	13,165	145,671	3,498	156,163	221,275	5,190	588,749
Disposals	–	(2,800)	–	(172,001)	–	–	(663,825)	(14,127)	(852,753)
At 31 December 2021	28,450	132,643	33,923	1,424,563	16,983	549,150	–	8,359	2,194,071
Depreciation for the year	17,072	18,216	15,611	135,555	3,498	163,457	219,051	5,783	578,243
Disposals	(7,701)	(1,545)	(3,288)	(99,300)	–	–	–	(8,203)	(120,037)
At 31 December 2022	37,821	149,314	46,246	1,460,818	20,481	712,607	219,051	5,939	2,652,277
<u>Carrying value:</u>									
At 1 January 2021	25,103	39,772	41,799	437,656	7,174	452,703	885,100	10,878	1,900,185
At 31 December 2021	18,085	29,294	38,692	384,264	3,676	336,250	1,314,307	17,450	2,142,018
At 31 December 2022	23,236	21,057	35,896	509,381	178	212,896	1,095,256	22,531	1,920,430

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12. Plant and equipment (cont'd)

The depreciation expense is charged to Statement of Financial Activities under:

	<u>2022</u> S\$	<u>2021</u> S\$
Administrative expenses	384,087	405,679
Care and Share Matching Fund	20,807	29,985
TechBooster	6,119	—
President's Challenge	27,453	13,953
Invictus Fund	13,999	13,557
Donation	203	—
SCORE	125,575	125,575
Total	<u>578,243</u>	<u>588,749</u>

13. Other financial assets

	<u>2022</u> S\$	<u>2021</u> S\$
Investments at FVTPL	<u>480,759</u>	<u>—</u>

Investments at fair value through profit or loss

	<u>2022</u> S\$	<u>2021</u> S\$
Movements during the year:		
Fair value at beginning of the year	—	—
Additions	500,000	—
Decrease in fair value through profit or loss under other losses (Note 7)	<u>(19,241)</u>	<u>—</u>
Fair value at end of the year	<u>480,759</u>	<u>—</u>

Details of the investment portfolio, including the fair value hierarchy, are as follows:

<u>Name</u>	<u>Level</u>	<u>2022</u> S\$	<u>2021</u> S\$	<u>2022</u> %	<u>2021</u> %
LGI Short Duration Bond	2	284,491	—	60	—
UOBAM United SGD Fund	2	196,268	—	40	—

The unquoted funds are exposed to the market price risk arising from uncertainties about future values of the investment securities.

Sensitivity analysis: The effect is as follows:

	<u>2022</u> S\$	<u>2021</u> S\$
A hypothetical 10% increase in the market index that relate to funds would have a favourable effect on fair value of :	<u>48,076</u>	<u>—</u>

For similar price decreases in the fair value of the above financial assets, there would be comparable impact in the opposite direction.

The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

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14. Inventories

	<u>2022</u> S\$	<u>2021</u> S\$
Furniture at cost	<u>64,636</u>	<u>75,316</u>

15. Trade and other receivables

	<u>2022</u> S\$	<u>2021</u> S\$
<u>Trade receivables</u>		
Outside parties (Note 15A)	<u>5,624</u>	<u>22,187</u>
<u>Other receivables</u>		
Grant receivables – Singapore Prison Service (Note 4B)	1,027,399	755,100
Grant receivables – Pass it on	60,003	20,003
Grant receivables – JSS Grant	–	57,000
Interest receivable on fixed deposit	17,092	5,409
Interest receivable on investment	1,958	–
Other	20	–
Total other receivables (Note 15B)	<u>1,106,472</u>	<u>837,512</u>
Total	<u>1,112,096</u>	<u>859,699</u>

15A. Trade receivables

Trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. These amounts have been settled after the end of reporting year.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivables customer is about 30 days (2021: 30 days).

15B. Other receivables

Other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. Other receivables at amortised cost and which can be graded as low risk individually are considered to have low credit risk. No loss allowance is necessary.

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16. Other assets

	<u>2022</u> S\$	<u>2021</u> S\$
Deposits to secure services	114,748	16,518
Prepayments	<u>57,331</u>	<u>200,319</u>
	<u>172,079</u>	<u>216,837</u>

17. Cash and cash equivalents

	<u>2022</u> S\$	<u>2021</u> S\$
Cash and bank balances	1,364,005	1,467,982
Fixed deposits with financial institutions	<u>4,218,015</u>	<u>4,596,000</u>
	<u>5,582,020</u>	<u>6,063,982</u>

The fixed deposits earn interest at 0.10% to 3.5% (2021: 0.30%) per annum.

17A. Cash and cash equivalents in the statement of cash flows

	<u>2022</u> S\$	<u>2021</u> S\$
Amount as shown above	5,582,020	6,063,982
Less: Cash restricted in use (a)	<u>(10,000)</u>	<u>(20,416)</u>
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>5,572,020</u>	<u>6,043,566</u>

(a) Cash restricted in use comprise the following:

	<u>2022</u> S\$	<u>2021</u> S\$
Donation income	—	10,416
Fixed deposit (security deposit for e-commerce payment gateway)	<u>10,000</u>	<u>10,000</u>
	<u>10,000</u>	<u>20,416</u>

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18. Fund account transactions and balances

	Unrestricted Fund			Restricted Funds								Total Funds S\$
	General Fund	Investment Fund	Total unrestricted funds	Care and Share Matching Fund	TechBooster	President's Challenge	CDC Bless Our City Grant	Invictus Fund	Donations	SCORE	Total restricted funds	
	S\$ (i)	S\$ (ii)	S\$	S\$ (iii)	S\$ (iv)	S\$ (v)	S\$ (vi)	S\$ (vii)	S\$ (viii)	S\$ (ix)	S\$	
2022:												
Voluntary income												
Donations	380,006	—	380,006	—	—	—	—	—	27,574	—	27,574	407,580
Government and other grants	520,730	—	520,730	—	216,000	64,426	—	—	—	—	280,426	801,156
Singapore Prison Service Grant	2,011,673	—	2,011,673	—	—	—	—	—	—	—	—	2,011,673
	<u>2,912,409</u>	<u>—</u>	<u>2,912,409</u>	<u>—</u>	<u>216,000</u>	<u>64,426</u>	<u>—</u>	<u>—</u>	<u>27,574</u>	<u>—</u>	<u>308,000</u>	<u>3,220,409</u>
Fund-raising income												
Annual magazine advertising revenue	176,026	—	176,026	—	—	—	—	—	—	—	—	176,026
Charity golf	188,150	—	188,150	—	—	—	—	—	—	—	—	188,150
Ride to restore	242,910	—	242,910	—	—	—	—	—	—	—	—	242,910
	<u>607,086</u>	<u>—</u>	<u>607,086</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>607,086</u>
Income from charitable activities												
Revenue from removal services and contract delivery	1,053,006	—	1,053,006	—	—	—	—	—	—	—	—	1,053,006
Sale of furniture and plants	506,473	—	506,473	—	—	—	—	—	—	—	—	506,473
Revenue from home baked products	54,254	—	54,254	—	—	—	—	—	—	—	—	54,254
Revenue from bike servicing and sales	6,799	—	6,799	—	—	—	—	—	—	—	—	6,799
	<u>1,620,532</u>	<u>—</u>	<u>1,620,532</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,620,532</u>
Interest income and investment losses												
Interest on investment	—	7,947	7,947	—	—	—	—	—	—	—	—	7,947
Fair value adjustment	—	(19,241)	(19,241)	—	—	—	—	—	—	—	—	(19,241)
	<u>—</u>	<u>(11,294)</u>	<u>(11,294)</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>(11,294)</u>

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18. Fund account transactions and balances (cont'd)

	Unrestricted Fund			Restricted Funds								Total Funds S\$
	General Fund	Investment Fund	Total unrestricted funds	Care and Share Matching Fund	TechBooster	President's Challenge	CDC Bless Our City Grant	Invictus Fund	Donations	SCORE	Total restricted funds	
	S\$ (i)	S\$ (ii)	S\$	S\$ (iii)	S\$ (iv)	S\$ (v)	S\$ (vi)	S\$ (vii)	S\$ (viii)	S\$ (ix)	S\$	
2022:												
Other income (cont'd)												
Gain on derecognition of right-of-use asset	645	—	645	—	—	—	—	—	—	—	—	645
Interest on auto-save accounts	124	—	124	—	—	—	—	—	—	—	—	124
Interest on fixed deposits	37,773	—	37,773	—	—	—	—	—	—	—	—	37,773
Others	23,362	—	23,362	—	—	—	—	—	—	—	—	23,362
	<u>61,904</u>	<u>—</u>	<u>61,904</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>61,904</u>
Total incoming resources	<u>5,201,931</u>	<u>(11,294)</u>	<u>5,190,637</u>	<u>—</u>	<u>216,000</u>	<u>64,426</u>	<u>—</u>	<u>—</u>	<u>27,574</u>	<u>—</u>	<u>308,000</u>	<u>5,498,637</u>

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18. Fund account transactions and balances (cont'd)

	Unrestricted Fund			Restricted Funds								Total Funds S\$
	General Fund S\$ (i)	Investment Fund S\$ (ii)	Total unrestricted funds S\$	Care and Share Matching Fund S\$ (iii)	TechBooster S\$ (iv)	President's Challenge S\$ (v)	CDC Bless Our City Grant S\$ (vi)	Invictus Fund S\$ (vii)	Donations S\$ (viii)	SCORE S\$ (ix)	Total restricted funds S\$	
2022:												
Expenditure of fund-raising activities												
Annual magazine printing cost	3,964	—	3,964	—	—	—	—	—	—	—	—	3,964
Charity golf	35,259	—	35,259	—	—	—	—	—	—	—	—	35,259
Ride to restore	36,965	—	36,965	—	—	—	—	—	—	—	—	36,965
	<u>76,188</u>	<u>—</u>	<u>76,188</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>76,188</u>
Expenditure of charitable activities												
Advertisement	80	—	80	—	—	—	—	—	—	—	—	80
Containers transport and freight	18,504	—	18,504	—	—	—	—	—	—	—	—	18,504
Cost of furniture and plants	185,517	—	185,517	—	—	—	—	—	—	—	—	185,517
Cost of removal services and contract delivery	89,852	—	89,852	—	—	—	—	—	—	—	—	89,852
Cost of home baked products	22,865	—	22,865	—	—	—	—	—	—	—	—	22,865
Cost of bike servicing and sales	443	—	443	—	—	—	—	—	—	—	—	443
Depreciation of vehicles	135,554	—	135,554	—	—	—	—	—	—	—	—	135,554
Upkeep of vehicles	253,812	—	253,812	—	—	—	—	—	—	—	—	253,812
Overseas shipping fee	2,648	—	2,648	—	—	—	—	—	—	—	—	2,648
Employee benefits expense	1,215,958	—	1,215,958	—	—	—	—	—	—	—	—	1,215,958
Rental of tentage	5,503	—	5,503	—	—	—	—	—	—	—	—	5,503
	<u>1,930,736</u>	<u>—</u>	<u>1,930,736</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,930,736</u>
Governance and other administrative costs												
Accounting services	18,760	—	18,760	—	—	—	—	—	—	—	—	18,760
Audit fee	19,668	—	19,668	—	—	—	—	—	—	—	—	19,668
Bank charges	2,747	—	2,747	—	—	—	—	—	—	—	—	2,747

THE HELPING HAND

18. Fund account transactions and balances (cont'd)

	Unrestricted Fund			Restricted Funds								
	General Fund	Investment Fund	Total unrestricted funds	Care and Share Matching Fund	TechBooster	President's Challenge	CDC Bless Our City Grant	Invictus Fund	Donations	SCORE	Total restricted funds	Total Funds
2022:	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
	(i)	(ii)		(iii)	(iv)	(v)	(vi)	(vii)	(viii)	(ix)		
Governance and other administrative costs (cont'd)												
Board management strategic expense	14,000	—	14,000	—	—	—	—	—	—	—	—	14,000
Computers	3,233	—	3,233	—	33,514	—	—	—	—	—	33,514	36,747
Condolences and gifts	785	—	785	—	—	—	—	—	—	—	—	785
Cost of urban farming	6,410	—	6,410	—	—	—	—	—	—	—	—	6,410
Depreciation of plant and	248,533	—	248,533	20,807	6,119	27,453	—	13,999	203	125,575	194,156	442,689
Donation	378	—	378	—	—	—	—	—	3,180	—	3,180	3,558
Equipment	984	—	984	—	—	—	—	—	—	—	—	984
Furniture and fittings	39,388	—	39,388	—	—	17,177	—	—	389	—	17,566	56,954
GST expensed off	16,411	—	16,411	—	—	—	—	—	—	—	—	16,411
Impairment of stock written off	148	—	148	—	—	—	—	—	—	—	—	148
Interest expenses on lease liabilities	61,439	—	61,439	—	—	—	—	—	—	—	—	61,439
Loss on disposal of fixed assets	1,096	—	1,096	—	—	—	—	—	—	—	—	1,096
Membership fee / licence fee (utilities)	1,856	—	1,856	—	—	—	—	—	—	—	—	1,856
NCSS Secondment fee	158,651	—	158,651	—	—	—	—	—	—	—	—	158,651
Other expenses	3,218	—	3,218	—	—	—	—	—	—	—	—	3,218
Other professional fee	22,075	—	22,075	—	—	—	—	—	—	—	—	22,075
Postage	1,992	—	1,992	—	—	—	—	—	—	—	—	1,992
Printing and stationery	11,736	—	11,736	—	—	—	—	—	—	—	—	11,736
Removal repairs	1,732	—	1,732	—	—	—	—	—	—	—	—	1,732
Repairs and maintenance	63,935	—	63,935	—	4,750	—	—	—	1,000	—	5,750	69,685
Small value office expenses	4,616	—	4,616	—	—	—	—	—	—	—	—	4,616

THE HELPING HAND

18. Fund account transactions and balances (cont'd)

	Unrestricted Fund			Restricted Funds								Total Funds S\$
	General Fund S\$ (i)	Investment Fund S\$ (ii)	Total unrestricted funds S\$	Care and Share Matching Fund S\$ (iii)	TechBooster S\$ (iv)	President's Challenge S\$ (v)	CDC Bless Our City Grant S\$ (vi)	Invictus Fund S\$ (vii)	Donations S\$ (viii)	SCORE S\$ (ix)	Total restricted funds S\$	
2022:												
Governance and other administrative costs (cont'd)												
Speaker's honorarium	2,800	—	2,800	—	—	—	—	—	—	—	—	2,800
Transport expenses	2,734	—	2,734	—	—	—	—	—	—	—	—	2,734
Employee benefits expense	1,934,286	—	1,934,286	—	—	—	—	—	—	—	—	1,934,286
Telecommunication	27,537	—	27,537	—	—	—	—	—	—	—	—	27,537
Testing kits	8,041	—	8,041	—	—	—	—	—	—	—	—	8,041
Upkeep of kitchen	206,023	—	206,023	—	—	—	—	—	7,282	—	7,282	213,305
Utilities	147,237	—	147,237	—	—	—	—	—	—	—	—	147,237
Visitation expenses	727	—	727	—	—	—	—	—	—	—	—	727
	<u>3,033,176</u>	<u>—</u>	<u>3,033,176</u>	<u>20,807</u>	<u>44,383</u>	<u>44,630</u>	<u>—</u>	<u>13,999</u>	<u>12,054</u>	<u>125,575</u>	<u>261,448</u>	<u>3,294,624</u>
Total resources expended	<u>5,040,100</u>	<u>—</u>	<u>5,040,100</u>	<u>20,807</u>	<u>44,383</u>	<u>44,630</u>	<u>—</u>	<u>13,999</u>	<u>12,054</u>	<u>125,575</u>	<u>261,448</u>	<u>5,301,548</u>
Surplus / (deficit) for the year	<u>161,831</u>	<u>(11,294)</u>	<u>150,537</u>	<u>(20,807)</u>	<u>171,617</u>	<u>19,796</u>	<u>—</u>	<u>(13,999)</u>	<u>15,520</u>	<u>(125,575)</u>	<u>46,552</u>	<u>197,089</u>

THE HELPING HAND

18. Fund account transactions and balances (cont'd)

	Unrestricted Fund	Restricted Funds						Total Restricted Funds	Total Funds
	General Fund	Care and Share Matching Fund	President's Challenge	CDC Bless Our City Grant	Invictus Fund	Donations	SCORE	S\$	S\$
2021:	S\$ (i)	S\$ (iii)	S\$ (v)	S\$ (vi)	S\$ (vii)	S\$ (viii)	S\$ (ix)		
Voluntary Income									
Donations	432,232	—	—	—	—	18,450	—	18,450	450,682
Government and other grants	674,342	—	87,750	512	16,468	—	—	104,730	779,072
Singapore Prison Service Grant	1,728,809	—	—	—	—	—	—	—	1,728,809
	<u>2,835,383</u>	<u>—</u>	<u>87,750</u>	<u>512</u>	<u>16,468</u>	<u>18,450</u>	<u>—</u>	<u>123,180</u>	<u>2,958,563</u>
Fund-raising income									
Annual magazine advertising revenue	29,831	—	—	—	—	—	—	—	29,831
Charity golf	216,670	—	—	—	—	—	—	—	216,670
Ride to restore	291,141	—	—	—	—	—	—	—	291,141
Run to restore	30,272	—	—	—	—	—	—	—	30,272
	<u>567,914</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>567,914</u>
Income from charitable activities									
Revenue from removal services and contract delivery	1,126,248	—	—	—	—	—	—	—	1,126,248
Sale of furniture and plants	499,570	—	—	—	—	—	—	—	499,570
Revenue from home baked products	37,523	—	—	—	—	—	—	—	37,523
	<u>1,663,341</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,663,341</u>
Other income									
Gain on derecognition of right-of-use asset	49,654	—	—	—	—	—	—	—	49,654
Interest on auto-save accounts	124	—	—	—	—	—	—	—	124
Interest on fixed deposits	19,318	—	—	—	—	—	—	—	19,318
Others	9,791	—	—	—	—	—	—	—	9,791
	<u>78,887</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>78,887</u>
Total incoming resources	<u>5,145,525</u>	<u>—</u>	<u>87,750</u>	<u>512</u>	<u>16,468</u>	<u>18,450</u>	<u>—</u>	<u>123,180</u>	<u>5,268,705</u>

THE HELPING HAND

18. Fund account transactions and balances (cont'd)

	Unrestricted Fund	Restricted Funds						Total Restricted Funds S\$	Total Funds S\$
	General Fund	Care and Share Matching Fund	President's Challenge	CDC Bless Our City Grant	Invictus Fund	Donations	SCORE		
	S\$ (i)	S\$ (iii)	S\$ (v)	S\$ (vi)	S\$ (vii)	S\$ (viii)	S\$ (ix)		
2021:									
Expenditure of fund-raising activities									
Annual magazine printing cost	3,121	—	—	—	—	—	—	—	3,121
Charity golf	35,279	—	—	—	—	—	—	—	35,279
Ride to restore	15,293	—	—	—	—	—	—	—	15,293
Run to restore	7,471	—	—	—	—	—	—	—	7,471
	<u>61,164</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>61,164</u>
Expenditure of charitable activities									
Advertisement	479	—	—	—	—	—	—	—	479
Containers transport and freight	18,903	—	—	—	—	—	—	—	18,903
Cost of furniture and plants	175,439	—	—	—	—	—	—	—	175,439
Cost of removal services and contract delivery	103,667	—	—	—	—	—	—	—	103,667
Cost of home baked products	16,410	—	—	—	—	—	—	—	16,410
Depreciation of vehicles	145,671	—	—	—	—	—	—	—	145,671
Upkeep of vehicles	190,059	—	—	—	—	—	—	—	190,059
Overseas shipping fee	2,668	—	—	—	—	—	—	—	2,668
Employee benefits expense	1,136,813	—	—	—	—	—	—	—	1,136,813
	<u>1,790,109</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,790,109</u>

THE HELPING HAND

18. Fund account transactions and balances (cont'd)

	Unrestricted	Restricted Funds						Total Restricted Funds S\$	Total Funds S\$
	Fund	Care and Share	President's	CDC Bless	Invictus	Donations	SCORE		
	<u>General</u> <u>Fund</u> S\$ (i)	<u>Matching Fund</u> S\$ (iii)	<u>Challenge</u> S\$ (v)	<u>Our City</u> <u>Grant</u> S\$ (vi)	<u>Fund</u> S\$ (vii)	<u>S\$</u> (viii)	<u>S\$</u> (ix)		
2021:									
Governance and other administrative costs									
Accounting services	15,280	—	—	—	—	—	—	—	15,280
Audit fee	13,060	—	—	—	—	—	—	—	13,060
Bad debts written off	908	—	—	—	—	—	—	—	908
Bank charges	3,393	—	—	—	—	—	—	—	3,393
Computers	4,382	—	—	—	1,389	1,404	—	2,793	7,175
Condolences and gifts	200	—	—	—	—	—	—	—	200
Cost of urban farming	3,979	—	—	512	—	—	—	512	4,491
Depreciation of plant and equipment	260,008	29,985	13,953	—	13,557	—	125,575	183,070	443,078
Donation	—	—	—	—	—	3,500	—	3,500	3,500
Equipment	985	—	—	—	—	—	—	—	985
Event expenses	3,502	—	—	—	—	—	—	—	3,502
Furniture and fittings	333	—	—	—	—	—	—	—	333
GST expensed off	11,770	—	—	—	931	—	—	931	12,701
Impairment of stock written off	721	—	—	—	—	—	—	—	721
Interest expenses on lease liabilities	41,142	—	—	—	—	—	—	—	41,142
Loss on disposal of fixed assets	4,764	—	—	—	—	—	—	—	4,764
Membership fee / licence fee (utilities)	1,813	—	—	—	—	—	—	—	1,813
NCSS Secondment fee	155,022	—	—	—	—	—	—	—	155,022
Other expenses	4,487	—	—	—	—	—	—	—	4,487
Other professional fee	8,740	—	—	—	—	—	—	—	8,740
Postage	2,395	—	—	—	—	—	—	—	2,395
Printing and stationery	12,558	—	—	—	—	—	—	—	12,558
Removal repairs	1,820	—	—	—	—	—	—	—	1,820

THE HELPING HAND

18. Fund account transactions and balances (cont'd)

	Unrestricted Fund	Restricted Funds						Total Restricted Funds S\$	Total Funds S\$
	General Fund	Care and Share Matching Fund	President's Challenge	CDC Bless Our City Grant	Invictus Fund	Donations	SCORE		
	S\$ (i)	S\$ (iii)	S\$ (v)	S\$ (vi)	S\$ (vii)	S\$ (viii)	S\$ (ix)		
2021:									
Governance and other administrative costs (cont'd)									
Repairs and maintenance	64,226	—	—	—	848	—	—	848	65,074
Small value office expenses	6,669	—	—	—	—	309	—	309	6,978
Speaker's honorarium	2,860	—	—	—	—	—	—	—	2,860
Transport expenses	290	—	—	—	—	—	—	—	290
Employee benefits expense	1,941,886	—	—	—	—	2,821	—	2,821	1,944,707
Telecommunication	31,458	—	—	—	—	—	—	—	31,458
Testing kits	14,618	—	—	—	—	—	—	—	14,618
Upkeep of kitchen	201,433	—	—	—	—	—	—	—	201,433
Utilities	94,745	—	—	—	—	—	—	—	94,745
Visitation expenses	727	—	—	—	—	—	—	—	727
	<u>2,910,174</u>	<u>29,985</u>	<u>13,953</u>	<u>512</u>	<u>16,725</u>	<u>8,034</u>	<u>125,575</u>	<u>194,784</u>	<u>3,104,958</u>
Total resources expended	<u>4,761,447</u>	<u>29,985</u>	<u>13,953</u>	<u>512</u>	<u>16,725</u>	<u>8,034</u>	<u>125,575</u>	<u>194,784</u>	<u>4,956,231</u>
Surplus / (deficit) for the year	<u>384,078</u>	<u>(29,985)</u>	<u>73,797</u>	<u>—</u>	<u>(257)</u>	<u>10,416</u>	<u>(125,575)</u>	<u>(71,604)</u>	<u>312,474</u>

THE HELPING HAND

18. Fund account transactions and balances (cont'd)

2022:	Unrestricted Fund			Restricted Funds								
	General Fund	Investment Fund	Total unrestricted funds	Care and Share Matching Fund	TechBooster	President's Challenge	CDC Bless Our City Grant	Invictus Fund	Donations	SCORE	Total Restricted Funds	Total
	S\$ (i)	S\$ (ii)	S\$	S\$ (iii)	S\$ (iv)	S\$ (v)	S\$ (vi)	S\$ (vii)	S\$ (viii)	S\$ (ix)	S\$	S\$
ASSETS												
Non-current assets												
Plant and equipment	1,587,256	—	1,587,256	52,651	—	134,290	—	15,898	15,227	115,108	333,174	1,920,430
Other financial assets	—	480,759	480,759	—	—	—	—	—	—	—	—	480,759
	<u>1,587,256</u>	<u>480,759</u>	<u>2,068,015</u>	<u>52,651</u>	<u>—</u>	<u>134,290</u>	<u>—</u>	<u>15,898</u>	<u>15,227</u>	<u>115,108</u>	<u>333,174</u>	<u>2,401,189</u>
Current assets												
Inventories	64,636	—	64,636	—	—	—	—	—	—	—	—	64,636
Trade and other receivables	1,110,138	1,958	1,112,096	—	—	—	—	—	—	—	—	1,112,096
Other assets	77,879	—	77,879	—	94,200	—	—	—	—	—	94,200	172,079
Cash and cash equivalents	5,487,906	5,989	5,493,895	—	77,416	—	—	—	10,709	—	88,125	5,582,020
Total current assets	<u>6,740,559</u>	<u>7,947</u>	<u>6,748,506</u>	<u>—</u>	<u>171,616</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>10,709</u>	<u>—</u>	<u>182,325</u>	<u>6,930,831</u>
Total assets	<u>8,327,815</u>	<u>488,706</u>	<u>8,816,521</u>	<u>52,651</u>	<u>171,616</u>	<u>134,290</u>	<u>—</u>	<u>15,898</u>	<u>25,936</u>	<u>115,108</u>	<u>515,499</u>	<u>9,332,020</u>
Non-current liabilities												
Lease liabilities	936,799	—	936,799	—	—	—	—	—	—	—	—	936,799
Current liabilities												
Lease liabilities	207,934	—	207,934	—	—	—	—	—	—	—	—	207,934
Trade and other payables	557,458	—	557,458	—	—	—	—	—	—	—	—	557,458
Total current liabilities	<u>765,392</u>	<u>—</u>	<u>765,392</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>765,392</u>
Total liabilities	<u>1,702,191</u>	<u>—</u>	<u>1,702,191</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>1,702,191</u>
Net assets	<u>6,625,624</u>	<u>488,706</u>	<u>7,114,330</u>	<u>52,651</u>	<u>171,616</u>	<u>134,290</u>	<u>—</u>	<u>15,898</u>	<u>25,936</u>	<u>115,108</u>	<u>515,499</u>	<u>7,629,829</u>

THE HELPING HAND

18. Fund account transactions and balances (cont'd)

2021:	Unrestricted Fund	Restricted Funds						Total Restricted Funds	Total
	General Fund	Care and Share Matching Fund	President's Challenge	CDC Bless Our City Grant	Invictus Fund	Donations	SCORE		
	S\$ (i)	S\$ (iii)	S\$ (v)	S\$ (vi)	S\$ (vii)	S\$ (viii)	S\$ (ix)	S\$	S\$
ASSETS									
<u>Non-current assets</u>									
Plant and equipment	1,771,237	73,458	26,743	–	29,897	–	240,683	370,781	2,142,018
<u>Current assets</u>									
Inventories	75,316	–	–	–	–	–	–	–	75,316
Trade and other receivables	859,699	–	–	–	–	–	–	–	859,699
Other assets	129,087	–	87,750	–	–	–	–	87,750	216,837
Cash and cash equivalents	6,053,566	–	–	–	–	10,416	–	10,416	6,063,982
Total current assets	7,117,668	–	87,750	–	–	10,416	–	98,166	7,215,834
Total assets	8,888,905	73,458	114,493	–	29,897	10,416	240,683	468,947	9,357,852
<u>Non-current liabilities</u>									
Lease liabilities	1,134,561	–	–	–	–	–	–	–	1,134,561
Total non-current liabilities	1,134,561	–	–	–	–	–	–	–	1,134,561
<u>Current liabilities</u>									
Lease liabilities	197,722	–	–	–	–	–	–	–	197,722
Other liabilities	22,700	–	–	–	–	–	–	–	22,700
Trade and other payables	570,129	–	–	–	–	–	–	–	570,129
Total current liabilities	790,551	–	–	–	–	–	–	–	790,551
Total liabilities	1,925,112	–	–	–	–	–	–	–	1,925,112
Net assets	6,963,793	73,458	114,493	–	29,897	10,416	240,683	468,947	7,432,740

THE HELPING HAND

18. Fund account transactions and balances (cont'd)

(i) General fund

This represents cumulative surpluses available for general use for the furtherance of the Society's objectives.

(ii) Investment fund

This represents the income generated from the investment in other financial asset made through the S\$500,000 designated investment funds.

(iii) Care and Share Matching Fund

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

The Care and Share Matching Fund is restricted and is to be utilised for the following purposes:

(a) Capability building

i. Organisational development

Examples include engaging consultants or developing training in areas of strategic planning, business contingency planning, business process re-design, workplace health research, improving organisation models to ensure financial viability and fund raising capacity.

ii. Manpower development

Examples include the awarding of scholarships to the Society's staff, manpower training, human resource management and development like leadership management, learning needs analysis for Society staff and talent development.

(b) Capacity building

Examples include the purchase of additional equipment to enhance social service delivery (eg: wheelchairs). Investment in technology (eg: the purchase of electronic devices for staff to boost productivity so as to better serve the Society's beneficiaries) and physical infrastructure developments (eg: renovation of the Society's premises, expansion of physical space).

(c) New programmes to meet emerging or unmet needs and enhancement/expansion of existing services. Examples include inter-agency projects to meet specific needs in the community or enhanced services to provide more upstream intervention.

(d) Critical existing needs

Examples include the Society's recurring operating costs and costs that are crucial to the continued operations of the Society.

THE HELPING HAND

18. Fund account transactions and balances (cont'd)

(iv) TechBooster

TechBooster a project is initiated by NCSS to ramp up ready technologies adoption to enhance operational efficiency, alleviate demand for vacant positions and increase client centricity of services. This project involves engaging consultancy services to support the organisation in the implementation of technologies, along with change management of stakeholders and redesigning of processes affected by adoption of technologies.

(v) President's Challenge

President's Challenge is a movement supported by the kindness and generosity of the people from all walks of life, regardless of culture, religion or family background, to help those less fortunate. The main bodies involved in the organisation and administration of President's Challenge are the President's Office, Ministry of Social and Family Development ("MSF") and National Council of Social Service ("NCSS"). The Society has been selected as one of the beneficiaries for the funding of its cyclical maintenance works by NCSS. This fund has to be utilised within 2 years upon receipt of the monies, or risk being revoked.

(vi) CDC Bless Our City Grant

CDC Bless Our City Grant aims to provide assistance to communities in need. The grant is limited to supported expenditure items only.

(vii) Invictus Fund

The Invictus Fund supports Social Service Agencies in their transformation of service delivery and operations through digital solutions and business continuity plans incorporating safe management measures.

(viii) Donations and donation in kind

Donations relate to cash donation and donation in kind for specific purposes.

(ix) Singapore Corporation of Rehabilitative Enterprises ("SCORE")

Funding from SCORE is based on programme cost for the contracted caseload and outcomes achieved. Programme-based funding is meant to help the Halfway House (HWH) to meet the operating expenditure based on the service model while the outcome-based funding component would serve as an impetus for HWHs to achieve the specified targets from the outset, thus leading to improvements in service standards.

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19. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

	<u>2022</u> S\$	<u>2021</u> S\$
Lease liabilities, current	207,934	197,722
Lease liabilities, non-current	<u>936,799</u>	<u>1,134,561</u>
	<u>1,144,733</u>	<u>1,332,283</u>

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets. The right-of-use assets are disclosed in Note 12.

The weighted average incremental borrowing rate applied to lease liabilities is 5% (2021:5%).

A summary of the maturity analysis of lease liabilities is disclosed in Note 23E.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

At reporting year date there were no commitments on leases which had not yet commenced.

20. Other liabilities

	<u>2022</u> S\$	<u>2021</u> S\$
<u>Deferred income</u>		
Donation income (a)	<u>—</u>	<u>22,700</u>

(a) Donation income relates to the amount received for annual magazine publication in the following financial year. The donation has been recognised during the financial year.

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21. Trade and other payables

	<u>2022</u> S\$	<u>2021</u> S\$
<u>Trade payables</u>		
Outside parties and accrued liabilities	22,891	24,368
<u>Other payables</u>		
- Accrual for audit fees	18,000	12,500
- Accrual for payroll liabilities	346,922	387,067
- Customer deposits	32,979	17,158
- GST payable	24,603	13,534
- Provision for unutilised leave	36,000	36,000
- Payables to vendors	76,063	79,502
Total other payables	<u>534,567</u>	<u>545,761</u>
Total trade and other payables	<u>557,458</u>	<u>570,129</u>

22. Reserve policy

The primary objective of the Society's reserves management policy is to ensure that it maintains a strong and healthy fund ratio in order to support its operations and potential initiatives.

The reserves that the Society has set aside provide financial stability and the means for the development of the Society's principal activity. The Board aspires to establish its reserves at a level equivalent to 2 years of operating expenditure. This excludes restricted funds. The Board reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil our continuing obligations.

	<u>2022</u> S\$	<u>2021</u> S\$
Unrestricted Fund	7,114,330	6,963,793
Annual operating expenditure (unrestricted)	5,040,100	4,761,447
Number of years of reserves to annual operating expenditure	<u>1.41</u>	<u>1.46</u>

The Governing Board closely monitors the investment of surplus funds and reserves of the Society. It oversees the management of all fund investment activities of the Society and is guided by the Investment Policy Framework approved by the Governing Board.

The Society is not subject to externally imposed capital requirements.

There were no changes to the Society's approach to reserves management during the year.

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23. Financial instruments: information on financial risks

23A. Categories of financial assets and liabilities

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

	<u>2022</u> S\$	<u>2021</u> S\$
<u>Financial assets:</u>		
At amortised cost	6,694,116	6,923,681
At fair value through profit or loss (FVTPL)	480,759	–
At the end of the year	<u>7,174,875</u>	<u>6,923,681</u>
<u>Financial liabilities:</u>		
At amortised cost	<u>1,702,191</u>	<u>1,902,412</u>

Further quantitative disclosures are included throughout these financial statements.

23B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Society's operating, investing and financing activities. There are exposure to the financial risks on the financial instruments such as credit risk and liquidity risk. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no change to the exposures to risk, the objectives, policies and processes for managing the risk and methods used to measure the risk.

23C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

23D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired.

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23. Financial instruments: information on financial risks (cont'd)

23D. Credit risk on financial assets (cont'd)

However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables and contract assets. For credit risk on trade receivables, contract assets and other financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents balances as disclosed in Note 17 represent balances with less than 90 days maturity. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

23E. Liquidity risk – financial liabilities maturity analysis

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 60 days (2021: 60 days). The other payables are with short-term durations.

The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows):

	Less than 1 year S\$	2 to 5 years S\$	Later than five years S\$	Total S\$
2022:				
Lease liabilities	259,368	1,030,777	–	1,290,145
Trade and other payables	557,458	–	–	557,458
At end of the year	<u>816,826</u>	<u>1,030,777</u>	<u>–</u>	<u>1,847,603</u>
	Less than 1 year S\$	2 to 5 years S\$	Later than five years S\$	Total S\$
2021:				
Lease liabilities	258,768	1,025,647	252,948	1,537,363
Trade and other payables	570,129	–	–	570,129
At end of the year	<u>828,897</u>	<u>1,025,647</u>	<u>252,948</u>	<u>2,107,492</u>

The undiscounted amounts on the borrowings with fixed and floating interest rates are determined by reference to the conditions existing at the reporting date.

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23. Financial instruments: information on financial risks (cont'd)

23F. Interest rate risk

The interest rate risk exposure is mainly from changes in fixed interest rates and floating interest rates. The interest from financial assets including cash balances is not significant.

23G. Foreign currency risk

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured.

The Society is not exposed to significant foreign currency risks.

24. Changes and adoption of financial reporting standards

For the current reporting year the Singapore Accounting Standards Council issued new or revised financial reporting standards. These applicable new or revised standards did not require any material modification of the measurement methods or the presentation in the financial statements. Those applicable to the reporting entity are listed below.

<u>FRS No.</u>	<u>Title</u>
FRS 16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments
FRS 116	Covid-19 Related Rent Concessions beyond 30 June 2021 – Amendments
Various	Annual Improvements to SFRS (I)s 2018-2020 - Amendments to FRS 101 First-time Adoption of FRS; FRS 109 Financial Instruments; FRS 116 Leases; and FRS 41 Agriculture

25. New or amended standards in issue but not yet effective

For the future reporting years the Singapore Accounting Standards Council issued certain new or revised financial reporting standards. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application. Those applicable to the reporting entity for future reporting years are listed below.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 1	Presentation of Financial Statements - amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2023
FRS 1	Disclosure of Accounting Policies - Amendments to FRS 1 and FRS Practice Statement 2 Making Materiality Judgements	1 Jan 2024
FRS 8	Amendments to Definition of Accounting Estimates	1 Jan 2023