

**SPECIAL NEEDS TRUST COMPANY LIMITED**  
**(Incorporated in Singapore)**  
**(Company Limited by Guarantee)**

**Company Registration No: 200812120W**

**STATUTORY REPORTS FOR THE FINANCIAL YEAR ENDED**  
**31 MARCH 2020**



**SPECIAL NEEDS TRUST COMPANY LIMITED**  
**(Incorporated in Singapore)**  
**(A Company Limited by Guarantee)**

**DIRECTORS' STATEMENT**

The directors present this statement to the members together with the audited financial statements of the company for the financial year ended 31 March 2020.

**Opinion on Financial Statements**

In the opinion of the directors, the accompanying financial statements and the notes thereon are drawn up so as to give a true and fair view of the financial position of the company as at 31 March 2020 and of the financial performance, changes in funds and cash flows of the company for the year ended 31 March 2020.

**Ability to Pay Debts**

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

**Options**

As the company is a company limited by guarantee and has no share capital, the matters to be disclosed under Sections 201(11) and 201(12) of the Companies Act, Cap.50 are not relevant.

**Names of Directors**

The directors of the company in office at the date of this report are:

Moses Lee Kim Poo  
Chee Yoh Chuang  
Cyril Chua Yeow Hooi  
Lim Cheng Teck  
Quek Soo Hoon  
Dr Balbir Singh  
Dr Tang Hang Wu  
Tina Hung @ Ong Geok Tin  
Beck Gek Suan Charlotte  
Abdul Majeed Bin Abdul Khader  
Jeremy Lim Fung Yen  
Dilys Charmaine Boey Mengyi

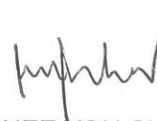
**Arrangements to Enable Directors to Acquire Shares Or Debentures**

The company is limited by guarantee and has no share capital and debentures.

ON BEHALF OF THE BOARD



MOSES LEE KIM POO  
CHAIRMAN



CHEE YOH CHUANG  
DIRECTOR

Singapore, 03 AUG 2020

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SPECIAL NEEDS TRUST COMPANY LIMITED  
(Incorporated in Singapore)  
(A Company Limited by Guarantee)**

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS**

**Opinion**

We have audited the financial statements of Special Needs Trust Company Limited (the company), which comprise the statement of financial position as at 31 March 2020, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year ended 31 March 2020, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 March 2020 and of the financial performance, changes in funds and cash flows of the company for the financial 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 company 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 Matter**

The financial statements of the company for the year ended 31 March 2019 were audited by another auditor who expressed an unmodified opinion on these statements on 13 August 2019.

**Other Information**

Management is responsible for the other information. The other information comprises the Directors' Statement.

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SPECIAL NEEDS TRUST COMPANY LIMITED  
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**(Continued)**

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act 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 company'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 company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors and the governing board. Their responsibilities include overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SPECIAL NEEDS TRUST COMPANY LIMITED  
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**(Continued)**

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

- 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 company'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 company 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

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

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

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



CYPRESS SINGAPORE PAC  
Public Accountants and  
Chartered Accountants  
Singapore

Date, 03 AUG 2020

**SPECIAL NEEDS TRUST COMPANY LIMITED**  
(Incorporated in Singapore)  
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**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020**

	Note	Accumulated Fund 31.03.2020 SGD	Financial Assistance Fund 31.03.2020 SGD	Care and Share Fund 31.03.2020 SGD	Total 31.03.2020 SGD	(restated) 31.03.2019 SGD	(restated) 01.04.2018 SGD
<b>RESTRICTED FUNDS</b>							
Accumulated Fund	3	3,954,380	-	-	3,954,380	5,024,735	4,252,861
Financial Assistance Fund	4	-	465,215	-	465,215	580,160	645,725
Care and Share Fund	5	-	-	149,320	149,320	159,433	205,839
		<u>3,954,380</u>	<u>465,215</u>	<u>149,320</u>	<u>4,568,915</u>	<u>5,764,328</u>	<u>5,104,425</u>
Represented by :							
NON CURRENT ASSET	6	2,903	-	24,297	27,200	14,724	22,670
Plant and equipment							
<b>CURRENT ASSETS</b>							
Trade and fund receivables	7	2,157	-	-	2,157	4,833	15,651
Other receivables, deposits and prepayments	8	153,428	300	-	153,728	29,044	19,044
Fixed deposits	9	4,150,000	400,000	-	4,550,000	5,300,000	4,350,000
Cash at banks and on hand		900,131	64,915	125,023	1,090,069	709,784	1,395,779
		<u>5,205,716</u>	<u>465,215</u>	<u>125,023</u>	<u>5,795,954</u>	<u>6,043,661</u>	<u>5,780,474</u>
Less :							
CURRENT LIABILITIES							
Other payables and accruals	10	535,336	-	-	535,336	294,057	173,845
Grant received in advance	11	618,925	-	-	618,925	-	524,874
Deferred grant income		99,978	-	-	99,978	-	-
		<u>1,254,239</u>	<u>-</u>	<u>-</u>	<u>1,254,239</u>	<u>294,057</u>	<u>698,719</u>
<b>NET CURRENT ASSETS</b>		<u>3,951,477</u>	<u>465,215</u>	<u>125,023</u>	<u>4,541,715</u>	<u>5,749,604</u>	<u>5,081,755</u>
		<u>3,954,380</u>	<u>465,215</u>	<u>149,320</u>	<u>4,568,915</u>	<u>5,764,328</u>	<u>5,104,425</u>

**SPECIAL NEEDS TRUST COMPANY LIMITED**  
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**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020 (CONTINUED)**

	Note	31.03.2020 SGD	(restated) 31.03.2019 SGD	(restated) 01.04.2018 SGD
<b>TRUST FUND</b>				
Trust amount held by Public Trustee Office	13	32,417,313	26,596,566	21,400,004
Less: SNTC Trust Fund due to principals	14	(32,417,313)	(26,596,566)	(21,400,004)
Monies held on behalf of SSH	12	4,999	16,562	10,728
Less: Monies held on behalf of SSH	12	<u>(4,999)</u>	<u>(16,562)</u>	<u>(10,728)</u>
		<u>-</u>	<u>-</u>	<u>-</u>

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



**SPECIAL NEEDS TRUST COMPANY LIMITED**  
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**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Accumulated Fund SGD	Financial Assistance Fund SGD	Care and Share Fund SGD	2020 SGD	2019 SGD
<b>INCOME</b>						
Grants from Ministry of Social and Family Development ("MSF")		2,476,400	-	-	2,476,400	2,443,449
Trustee's fee		14,330	-	-	14,330	14,210
Tax-deductible donations		-	8,050	-	8,050	8,900
Non-tax deductible donations		-	2,005	-	2,005	535
Donation-in-kind		8,441	-	-	8,441	9,160
Wage credit scheme		15,906	-	-	15,906	11,996
Interest income		79,283	-	-	79,283	68,009
Other income		7,900	-	-	7,900	-
		2,602,260	10,055	-	2,612,315	2,556,259
<b>LESS : OPERATING EXPENSES</b>						
Auditors' remuneration		(17,327)	-	-	(17,327)	(12,752)
Communications		(6,421)	-	-	(6,421)	(8,848)
Community engagement		(4,112)	-	-	(4,112)	(11,568)
Contract for service		-	-	-	-	(11,375)
Depreciation of plant and equipment		(1,246)	-	(6,973)	(8,219)	(24,496)
Employee benefits expenses	15	(1,611,907)	-	-	(1,611,907)	(1,333,587)
Financial assistance - Initial trust capital	4	-	(125,000)	-	(125,000)	(75,000)
IT maintenance		(31,317)	-	-	(31,317)	(54,346)
Loss on disposal of plant and equipment		(4)	-	-	(4)	-
Miscellaneous		(9,057)	-	-	(9,057)	(9,349)
Professional fees		(4,670)	-	-	(4,670)	(36,396)
Rental and service charges		(82,521)	-	(572)	(83,093)	(87,933)
Secretarial fees		(3,020)	-	-	(3,020)	(4,091)
Staff benefits		(12,012)	-	(2,568)	(14,580)	(7,271)
Fees on staff seconded from MSF		(186,119)	-	-	(186,119)	(207,033)
Supplies and materials		(4,675)	-	-	(4,675)	(9,190)
Transport		(1,645)	-	-	(1,645)	(1,946)
Utilities		(1,141)	-	-	(1,141)	(1,175)
		(1,977,194)	(125,000)	(10,113)	(2,112,307)	(1,896,356)
<b>SURPLUS/(DEFICIT) BEFORE TAXATION</b>		625,066	(114,945)	(10,113)	500,008	659,903

**SPECIAL NEEDS TRUST COMPANY LIMITED**  
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**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Accumulated Fund SGD	Financial Assistance Fund SGD	Care and Share Fund SGD	2020 SGD	2019 SGD
SURPLUS/(DEFICIT) BEFORE TAXATION (CONTINUED)		625,066	(114,945)	(10,113)	500,008	659,903
TAXATION	16	-	-	-	-	-
<b>NET SURPLUS/(DEFICIT) FOR THE YEAR</b>		<u>625,066</u>	<u>(114,945)</u>	<u>(10,113)</u>	<u>500,008</u>	<u>659,903</u>
<b>OTHER COMPREHENSIVE INCOME</b>						
Items that may be reclassified subsequently to profit or loss						
Items that will not be reclassified subsequently to profit or loss						
Other comprehensive income, net of tax						
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>625,066</u>	<u>(114,945)</u>	<u>(10,113)</u>	<u>500,008</u>	<u>659,903</u>

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

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**STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 MARCH 2020**

	Note	Restricted Funds			Total SGD
		Accumulated Fund SGD	Financial Assistance Fund SGD	Care and Share Fund SGD	
BALANCE AS AT 1 APRIL 2018		4,252,861	645,725	205,839	5,104,425
Total comprehensive income for the year		771,874	(65,565)	(46,406)	659,903
BALANCE AS AT 31 MARCH 2019		<u>5,024,735</u>	<u>580,160</u>	<u>159,433</u>	<u>5,764,328</u>
Total comprehensive income for the year		625,066	(114,945)	(10,113)	500,008
Recovery of excess reserves from the company by MSF from prior financial year	3	(1,474,835)	-	-	(1,474,835)
Recovery of excess reserves from the company by MSF for the financial year 2020	3	(220,586)	-	-	(220,586)
BALANCE AS AT 31 MARCH 2020		<u><u>3,954,380</u></u>	<u><u>465,215</u></u>	<u><u>149,320</u></u>	<u><u>4,568,915</u></u>

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

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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 SGD	2019 SGD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before taxation		500,008	659,903
Adjustments for:			
Depreciation of plant and equipment		8,219	24,496
Loss on disposal of property, plant and equipment		4	-
Operating cash flows before working capital changes		<u>508,231</u>	<u>684,399</u>
Working capital changes:			
Trade and other receivables		(122,008)	818
Trade and other payables		120,671	120,213
Grant received in advance		618,925	(524,875)
		<u>617,588</u>	<u>(403,844)</u>
<b>NET CASH EFFECT OF OPERATING ACTIVITIES</b>		<u>1,125,819</u>	<u>280,555</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of plant and equipment		(20,699)	(16,550)
Placement of fixed deposits		(4,050,000)	-
<b>NET CASH EFFECT OF INVESTING ACTIVITIES</b>		<u>(4,070,699)</u>	<u>(16,550)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Recovery of excess reserves from the company by MSF		(1,474,835)	-
<b>NET CASH EFFECT OF FINANCING ACTIVITY</b>		<u>(1,474,835)</u>	<u>-</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		(4,419,715)	264,005
CASH AND CASH EQUIVALENTS AS AT 1 APRIL 2019/2018	18	6,009,784	5,745,779
CASH AND CASH EQUIVALENTS AS AT 31 MARCH 2020/2019	18	<u>1,590,069</u>	<u>6,009,784</u>

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

**SPECIAL NEEDS TRUST COMPANY LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2020**

**1. GENERAL INFORMATION**

The company is a public company limited by guarantee, incorporated under Singapore Companies Act, Cap. 50 and is domiciled in Singapore.

The company is a company limited by each and every of its member's guarantee to contribute to the assets of the company an amount not exceeding SGD10 in the event of its winding up.

The company is registered as a charity (since 1 August 2008) under the Singapore Charities Act (Cap.37) and Trustees Act (Cap 2). The company is also an approved Institution of a Public Character ("IPC") (1 August 2019 – 31 July 2022) under the Singapore Charities Act.

The company's objective is to provide trust services for the benefit of persons with special needs.

The company's registered office is at 298 Tiong Bahru Road, #10-01 Central Plaza, Singapore 168730.

With the occurrence of COVID-19 pandemic globally, the management is closely monitoring the negative impact of the pandemic on its operation. As at date of the report, the management is confident that the company has the resources to meet its obligations and continue its operations.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of accounting**

The financial statements are prepared in compliance with Singapore Financial Reporting Standards issued by Accounting Standards Council.

The financial statements are presented in Singapore dollar.

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

The financial statements for the financial year ended 31 March 2020 are authorised to be issued on the date of the Directors' Statement.

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

The accounting policies adopted in the financial year are consistent with those used in the previous financial year except for the adoption of certain new and revised Financial Reporting Standards effective for the financial year beginning 1 April 2019. These new and revised Financial Reporting Standards have no significant effects on the company's accounting policies used.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

#### Amendments to FRS 1 and FRS 8

The amendment stated that an information is material if omitting, misstating or obscuring could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity

### 2.4 Significant judgements by directors in applying accounting policies

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

### 2.5 Key sources of estimation uncertainty

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

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

#### *Depreciation of plant and equipment*

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

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

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

### 2.6 Plant and equipment and depreciation

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Plant and equipment and depreciation (continued)

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

	% per annum
Computer	33
Furniture and fittings	33
Renovation	33

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

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

When events or changes in circumstances indicate that the carrying amount of an asset is not recoverable, impairment loss is recognised in the statement of comprehensive income.

### 2.7 Financial assets

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

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

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

An equity instrument not held for trading may, on initial recognition, elect to be classified as fair value through other comprehensive income financial asset. This classification is irrevocable and any change in fair value, including foreign exchange difference, will be recognised in other comprehensive income. The cumulative gains or losses recognised in other comprehensive income will not be reclassified to profit or loss following the derecognition of the financial asset.

A contract to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contract was a financial instrument, may be irrevocably designated as measured at fair value through profit or loss even if it was entered into for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements. This designation is available only at inception of the contract and only if it eliminates or significantly reduces a recognition inconsistency.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Trade and other receivables

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

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

For trade receivables, the company applied the simplified approach permitted by the FRS109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

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

### 2.9 Fixed deposits, cash at bank and hand

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

Gains or losses are recognised in the statement of comprehensive income when these loans and receivables are derecognised or impaired, as well as through the amortisation process.

### 2.10 Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise cash on hand, non restricted bank balances and fixed deposits with maturity of up to three months.

### 2.11 Impairment of non-financial assets

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Impairment of non-financial assets (continued)

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

### 2.12 Trade and other payables

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

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

### 2.13 Provisions

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

### 2.14 Revenue from contracts with customers

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

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

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

For performance obligations satisfied over time, an appropriate method for measuring the progress towards completion of that performance obligation is selected to recognise revenue over time.

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

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Revenue from contracts with customers (continued)

- (ii) Trustee's fee is recognised as income in the relevant period the service is provided.
- (iii) Interest income is recognised as it accrues in the statement of comprehensive income using the effective interest method.

### 2.15 Government grants

Government grants are recognised as income when there is reasonable assurance that the company will comply with required conditions associated with the grants and that the grants will be received.

Government grants are recognised as grant income over the periods necessary to match with the current year's operating expenses are recognised in the same year when these operating expenses were incurred.

Government grants in the form of funding from Ministry of Social and Family Development are recognised as income in the financial statements over the years necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Grant received in advance usually for the first quarter of the subsequent financial year are recognised on the statement of financial position.

### 2.16 Functional currency

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

### 2.17 Employee benefits

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

Employee entitlement to annual and other leave is recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the year end.

### 2.18 Offsetting financial instruments

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

### 2.19 Trust funds held by Public Trustee's Office

Trust funds under the company's SNTC Trusteeship Scheme are held and managed by the Public Trustee's Office. The net assets of the trust funds are presented at the bottom of the Statement of Financial Position with disclosures in the notes of the financial statements.



### 3. ACCUMULATED FUND / RECOVERY OF EXCESS RESERVES

This fund is applied to operate the Special Needs Trust Company Trusteeship Scheme, the Special Needs Savings Scheme and the Senior Trust Planning Service.

The Board of Directors aims to maintain a reserves level of up to two years' of the company's annual operating expenditure. It believes that this level of reserves is appropriate and prudent to provide financial stability and ensure that its clients will not be abruptly deprived of essential services.

Under the company's Funding Agreement with MSF, reserves in excess of two years of the company's Total Operating Expenditure (TOE) is to be recovered by MSF.

During the year, excess reserves recovered by MSF amounted to:

	2020 SGD
Recovery of excess reserves from the company by MSF from prior financial year	1,474,835
Recovery of excess reserves from the company by MSF for the financial year 2020	<u>220,586</u>
	<u><u>1,695,421</u></u>

### 4. FINANCIAL ASSISTANCE FUND

This fund is to help lower income families with the initial sum to set up trusts for their special needs dependents.

### 5. CARE AND SHARE FUND

The Care and Share ("C&S") Fund is a national fund-raising and volunteerism movement for the social service sector, with the following objectives:

- (i) To bring the nation together to show care and concern for the less fortunate.
- (ii) To recognise contributions made by Volunteer Welfare Organisations over the years;  
and
- (iii) To invest in building capability in the social service sector to future needs beyond 2015.

The C&S Fund is administrated by National Council of Social Service (NCSS) on behalf of MSF.

The company's application for C&S Fund matching grant was approved on 30 October 2014. The Fund is applied in the following areas:

- (i) Capability and capacity building;
- (ii) Critical existing needs; and
- (iii) New programmes to meet emerging unmet needs and enhancements

6. PLANT AND EQUIPMENT

	Computer SGD	Furniture and Fittings SGD	Renovation SGD	Total SGD
<u>Cost</u>				
As at 1 April 2018	127,546	5,031	191,645	324,222
Additions	16,550	-	-	16,550
Disposal	(9,495)	-	-	(9,495)
As at 31 March 2019	134,601	5,031	191,645	331,277
Additions	20,699	-	-	20,699
Disposal	(12,463)	-	-	(12,463)
As at 31 March 2020	142,837	5,031	191,645	339,513
<u>Accumulated depreciation</u>				
As at 1 April 2018	122,221	3,656	175,675	301,552
Depreciation for the year	7,154	1,373	15,969	24,496
Disposal	(9,495)	-	-	(9,495)
As at 31 March 2019	119,880	5,029	191,644	316,553
Additions	8,219	-	-	8,219
Disposal	(12,459)	-	-	(12,459)
As at 31 March 2020	115,640	5,029	191,644	312,313
<u>Carrying amount</u>				
As at 31 March 2020	27,197	2	1	27,200
As at 31 March 2019	14,721	2	1	14,724

7. TRADE AND FUND RECEIVABLES

	2020 SGD	2019 SGD
Trade receivables	300	150
Refund of contributions to SSH expenses	1,857	4,683
	<u>2,157</u>	<u>4,833</u>

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2020 SGD	2019 SGD
Wage Credit Scheme receivable	15,905	-
Jobs Support Scheme receivable	99,978	-
Deposits	11,590	11,590
Expenses reimbursable from NCSS	9,764	-
Prepaid operating expenses	7,646	11,712
Accrued fixed deposit interest	3,451	2,732
Other receivables	5,394	3,010
	<u>153,728</u>	<u>29,044</u>

9. **FIXED DEPOSITS**

Fixed deposits are interest bearing at rates ranging from 1.00% to 1.45% (2019: 1.60% to 1.68%) per annum with placement period of 30 to 185 days (2019: 30 days).

10. **OTHER PAYABLES AND ACCRUALS**

	2020 SGD	2019 SGD
Accrued operating expenses	88,841	78,145
Excess reserves recovered by MSF	220,586	-
Provision for bonus	177,033	169,374
Provision for unutilised leave	48,876	46,538
	<u>535,336</u>	<u>294,057</u>

11. **GRANT RECEIVED IN ADVANCE**

	2020 SGD	2019 SGD
Balance as at 1 April	-	-
Grant received	618,925	-
Balance as at 31 March	<u>618,925</u>	<u>-</u>

The amount represents MSF grant received in advance.

12. **MONIES HELD ON BEHALF OF SSH**

The company operates within the premises known as Social Service Hub (SSH) and shares the premises with 5 other social service agencies. The operating expenditures of SSH are shared among the 6 social service agencies. The fund is kept separately from the company's own fund in a specific bank account in the company.

13. **TRUST AMOUNT HELD BY PUBLIC TRUSTEE OFFICE**

Trust funds under the company's SNTC Trusteeship Scheme amounting to SGD32,417,313 (2019: SGD26,596,566) are invested and managed by the Public Trustee's Office ('PTO'). Upon activation of the trust, the trust funds will be administered by the company according to the wishes of the settlor.

14. **SNTC TRUST FUND DUE TO PRINCIPALS**

	2020 SGD	2019 SGD
Balance as at 1 April	26,596,566	21,400,004
Add: Trust fund injection	8,471,914	7,208,340
Less: Disbursements	(2,651,167)	(2,011,778)
Balance as at 31 March	<u>32,417,313</u>	<u>26,596,566</u>

Trust funds are placed by the principals with the company and the funds are managed by the Public Trustee's Office (Note 13).

## 15. EMPLOYEE BENEFITS EXPENSE

	2020 SGD	2019 SGD
Salaries, allowances and bonuses	1,404,532	1,145,734
Defined contribution plan	205,038	173,211
Unutilised leave expenses	2,337	14,642
	<u>1,611,907</u>	<u>1,333,587</u>

## 16. TAXATION

The company is a registered Charity under the Charities Act, Chapter 37 and is exempted from tax under Section 13(1)(zm) of the Singapore Income Tax Act.

## 17. RELATED PARTY TRANSACTIONS

### (a) Transactions with SSH

During the financial year, the company has the following monetary transactions with SSH:

	2020 SGD	2019 SGD
Service charges paid to SSH	<u>40,733</u>	<u>45,808</u>

### (b) Transactions with key management personnel

#### (i) Key management personnel compensation

	2020 SGD	2019 SGD
Salaries, bonus and allowances	207,441	212,307
Defined contribution plan	11,927	13,260
	<u>219,368</u>	<u>225,567</u>

Key management personnel of the company are those persons having the authority and responsibility for planning, directing and controlling the activities of the company.

The Board of Directors and the General Manager are key management personnel of the company.

All directors do not receive any remuneration from the company.

There is no paid staff who are close members of the family of the General Manager or Board Member, who receives more than SGD50,000 during the year.

## 17. RELATED PARTY TRANSACTIONS

### (b) Transactions with key management personnel (continued)

#### (ii) Remuneration banding

Staff with annual remuneration (comprising basic salary, bonuses, allowances and employer's contributions to Central Provident Fund) of SGD75,000 and above are as follows:

	2020 SGD	2019 SGD
SGD75,000 - SGD99,999	3	1
SGD100,000 - SGD149,999	4	3
SGD150,000 - SGD199,999	-	-
SGD200,000 - SGD249,000	1	1
SGD250,000 and above	-	-

## 18. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows consist of fixed deposits and cash at banks and on hand as follows:

	2020 SGD	2019 SGD
Cash on hand	273	500
Cash at banks	1,089,796	709,284
Fixed deposits	4,550,000	5,300,000
	<u>5,640,069</u>	<u>6,009,784</u>
Less: Fixed deposits with maturity of more than three months	(4,050,000)	-
	<u>1,590,069</u>	<u>6,009,784</u>

## 19. TRANSACTIONS WITH THE SINGAPORE GOVERNMENT

Transactions with governmental bodies during the year are as follows: -

	2020 SGD	2019 SGD
<b>Ministry of Social and Family Development</b>		
Grants received	2,476,400	2,443,449
Fees on staff seconded from MSF	(186,119)	(207,033)
Recovery of excess reserves	(1,695,421)	-
	<u></u>	<u></u>
<b>National Council of Social Service</b>		
Grants received	3,480	-
Membership fees paid	(125)	(125)
Training and developments fees paid	(4,230)	(2,771)
	<u></u>	<u></u>



## 20. FINANCIAL RISK MANAGEMENT

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

### a) Market risk

#### i) Foreign exchange risk

The company is not exposed to foreign currency risk. All operating expenses are carried out in local currency.

#### ii) Interest rate risk

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

The company is exposed to interest rate risk through the impact of changes in fixed deposits interest rates.

An incremental change in market interest rates if 1% (2019:1%) on interest bearing financial assets as the year end will have the effect on the financial statements as follows:

	2020 SGD	2019 SGD
Surplus before taxation	45,500	53,000
Accumulated fund	<u>-</u>	<u>-</u>

The above analysis assumes all other variables are held constant.

### b) Credit risk

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

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

#### *Impairment of financial assets*

The company has no significant financial assets except for bank balances.

#### *Financial assets that are neither past due nor impaired*

Bank balances are placed with banks of high credit ratings assigned by international credit rating agencies.

#### *Financial assets that are past due and/or impaired*

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

The company obtain fees payments from clients and the age of trade receivables is current. The management is in the opinion that no impairment loss is expected from trade receivables.

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

c) Fair value risk

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

d) Liquidity risk

The company manages its liquidity position with a view to meet its obligations on a timely basis. The company measures and manages its cash flow requirements regularly and constantly monitors its sources of funds to ensure that these sources yields the funds required to meets its obligations. The company depends on funding from MSF for funding of its operations.

All the financial liabilities of the company are due within 1 year.

e) Derivative instruments

The company does not utilise any derivative instruments.

The responsibility for managing the above risks is vested in the directors.

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## 21. FINANCIAL INSTRUMENTS

### Classification of financial instruments

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

	Financial assets at amortised cost SGD	Financial liabilities at amortised cost SGD	Total SGD
As at 31 March 2020			
<u>Assets</u>			
Trade and fund receivables	2,157	-	2,157
Other receivables, deposits and prepayments	146,082	-	146,082
Fixed deposits	4,550,000	-	4,550,000
Cash at banks and on hand	1,090,069	-	1,090,069
Total financial assets	<u>5,788,308</u>	<u>-</u>	<u>5,788,308</u>
Total non-financial assets			34,846
Total assets			<u>5,823,154</u>
<u>Liabilities</u>			
Trade and other payables	-	(535,336)	(535,336)
Total financial liabilities	<u>-</u>	<u>(535,336)</u>	<u>(535,336)</u>
Total non-financial liabilities			(718,903)
Total liabilities			<u>(1,254,239)</u>

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## 21. FINANCIAL INSTRUMENTS (CONTINUED)

Classification of financial instruments (continued)

	Financial assets at amortised cost SGD	Financial liabilities at amortised cost SGD	Total SGD
As at 31 March 2019			
<u>Assets</u>			
Trade and fund receivables	4,833	-	4,833
Other receivables, deposits and prepayments	17,332	-	17,332
Fixed deposits	5,300,000	-	5,300,000
Cash at banks and on hand	709,784	-	709,784
Total financial assets	<u>6,031,949</u>	<u>-</u>	<u>6,031,949</u>
Total non-financial assets			26,436
Total assets			<u>6,058,385</u>
<u>Liabilities</u>			
Trade and other payables	-	(294,057)	(294,057)
Total financial liabilities	<u>-</u>	<u>(294,057)</u>	<u>(294,057)</u>
Total non-financial liabilities			-
Total liabilities			<u>(294,057)</u>

## 22. FUND RISK MANAGEMENT

The company's objectives when managing fund are to safeguard the company's ability to continue as a going concern in order to accomplish the company's objective. The directors regularly review and monitor its fund position to ensure that the business activities and growth are prudently funded. Under the company's Funding Agreement with MSF, the company is to maintain a reserves of no more than two years of the company's TOE within its Accumulated Fund.

	2020 SGD	2019 SGD
Current assets	5,795,954	6,043,661
Current liabilities	(1,254,239)	(294,057)
Net current assets	<u>4,541,715</u>	<u>5,749,604</u>
Total assets	5,823,154	6,058,385
Total liabilities	(1,254,239)	(294,057)
Capital surplus	<u>4,568,915</u>	<u>5,764,328</u>

## 22. FUND RISK MANAGEMENT (CONTINUED)

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

The company is not subject to any externally imposed capital management except the recovery of excess reserves under its Funding Agreement with MSF, and is not in breach of any debts covenant made with its lenders.

## 23. COMPARATIVE INFORMATION

- (i) Accumulated Fund was previously presented as unrestricted fund. The comparative figures have been restated as follows: -

	Before Restatement SGD	After Restatement SGD
<b>Statement of financial position</b>		
Unrestricted Fund	(5,024,735)	-
Restricted Fund	(739,593)	(5,764,328)

- (ii) Monies held on behalf of SSH was previously omitted. The comparative figures have been restated as follows: -

	Before Restatement SGD	After Restatement SGD
<b>Statement of financial position</b>		
Monies held on behalf of SSH	-	16,562

- (iii) Trust amount held by Public Trustee Office and SNTC trust fund due to Principals as disclosed in Note 13 and 14 respectively in the financial statements were previously shown as assets and liabilities of the company. These items are now separately presented within the Statement of financial position.

- (iv) The following comparative figures have been reclassified to conform to current year's presentation: -

	Before Reclassification SGD	Reclassification SGD	After Reclassification SGD
<b>Statement of financial position</b>			
Trade and other receivables	33,877	(33,877)	-
Trade and fund receivables	-	4,833	4,833
Other receivables, deposits and prepayments	-	29,044	29,044
Cash and cash equivalents	6,009,784	(6,009,784)	-
Fixed deposits	-	5,300,000	5,300,000
Cash at bank and on hand	-	709,784	709,784
Trade and other payables	(78,145)	78,145	-
Provisions	(215,912)	215,912	-
Trade payables	-	(27,693)	(27,693)
Other payables and accruals	-	(266,364)	(266,364)



23. **COMPARATIVE INFORMATION (CONTINUED)**

- (v) The following comparative figures have been reclassified to conform to current year's presentation: -

	Before Reclassification SGD	Reclassification SGD	After Reclassification SGD
<b>Statement of comprehensive income</b>			
Revenue	(14,210)	14,210	-
Other income	(98,600)	98,600	-
Trustee fee	-	(14,210)	(14,210)
Tax-deductible donations	-	(8,900)	(8,900)
Non-tax deductible donations	-	(535)	(535)
Donation in kind	-	(9,160)	(9,160)
Wage credit scheme	-	(11,996)	(11,996)
Interest income	-	(68,009)	(68,009)
Employee benefits expenses	1,331,653	1,934	1,333,587
Skill development levy	1,934	(1,934)	-
	<u>1,331,653</u>	<u>1,934</u>	<u>1,333,587</u>
<b>Statement of cash flows</b>			
Fund receivables	2,624	(2,624)	-
Other receivables	(1,806)	1,806	-
Trade and other receivables	-	818	818
Staff cost provision charged to comprehensive income	184,016	(184,016)	-
Trade and other payables	49,946	70,267	120,213
Provisions	(113,749)	113,749	-
	<u>(113,749)</u>	<u>113,749</u>	<u>-</u>