

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 2022



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 2022.

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 2022 and of the financial performance, changes in funds and cash flows of the company for the financial year then ended.

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 Schedule 12(2), 12(5) and 12(6) of the Companies Act 1967 are not relevant.

Names of Directors

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

Moses Lee Kim Poo
Cyril Chua Yeow Hooi
Quek Soo Hoon
Tang Hang Wu
Tina Hung @ Ong Geok Tin
Beck Gek Suan Charlotte
Dilys Charmaine Boey Mengyi
J R Karthikeyan
Mark Tham Mun Chun
Yee Chen Fah

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



YEE CHEN FAH
DIRECTOR

Singapore, 04 AUG 2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SPECIAL NEEDS TRUST COMPANY LIMITED
(Incorporated in Singapore)
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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 2022, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act), the Charities Act 1994 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 2022 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 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, **04 AUG 2022**

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	Accumulated Fund 2022 SGD	Financial Assistance Fund 2022 SGD	Care and Share Fund 2022 SGD	GOAL Sponsorship Fund 2022 SGD	Total 2022 SGD	Total 2021 SGD
RESTRICTED FUNDS							
Accumulated Fund	3	4,109,196	-	-	-	4,109,196	3,761,392
Financial Assistance Fund	4	-	471,638	-	-	471,638	462,044
Care and Share Fund	5	-	-	57,278	-	57,278	137,977
GOAL Sponsorship Fund	6	-	-	-	983,240	983,240	-
		<u>4,109,196</u>	<u>471,638</u>	<u>57,278</u>	<u>983,240</u>	<u>5,621,352</u>	<u>4,361,413</u>
Represented by:							
NON CURRENT ASSETS							
Plant and equipment	7	12,266	-	52,478	-	64,744	37,489
Right-of-use asset	8A	9,999	-	-	-	9,999	-
CURRENT ASSETS							
Trade and fund receivables	9	5,213	-	-	-	5,213	9,616
Other receivables, deposits and prepayments	10	48,586	-	-	-	48,586	26,637
Fixed deposits	11	4,100,000	400,000	-	-	4,500,000	5,050,000
Cash at banks and on hand		787,313	71,638	4,800	983,240	1,846,991	1,136,793
		<u>4,941,112</u>	<u>471,638</u>	<u>4,800</u>	<u>983,240</u>	<u>6,400,790</u>	<u>6,223,046</u>
Less:							
CURRENT LIABILITIES							
Other payables and accruals	12	841,684	-	-	-	841,684	1,267,937
Grant received in advance	13	-	-	-	-	-	629,075
Deferred income		2,363	-	-	-	2,363	2,110
Lease liability	8B	2,368	-	-	-	2,368	-
		<u>846,415</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>846,415</u>	<u>1,899,122</u>
NET CURRENT ASSETS		<u>4,094,697</u>	<u>471,638</u>	<u>4,800</u>	<u>983,240</u>	<u>5,554,375</u>	<u>4,323,924</u>
		<u>4,116,962</u>	<u>471,638</u>	<u>57,278</u>	<u>983,240</u>	<u>5,629,118</u>	<u>4,361,413</u>
Less:							
NON CURRENT LIABILITY							
Lease liability	8B	7,766	-	-	-	7,766	-
		<u>4,109,196</u>	<u>471,638</u>	<u>57,278</u>	<u>983,240</u>	<u>5,621,352</u>	<u>4,361,413</u>

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

SPECIAL NEEDS TRUST COMPANY LIMITED
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STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022 (CONTINUED)

	Note	2022 SGD	2021 SGD
TRUST FUND			
Trust amount held by Public Trustee Office ("PTO")	15	42,636,342	38,974,025
Less: SNTC Trust Fund due to principals	16	(42,636,342)	(38,974,025)
Cash at bank held on behalf of Social Service Hub ("SSH")	14	16,682	43,331
Less: Monies held on behalf of SSH	14	<u>(16,682)</u>	<u>(43,331)</u>
		<u>-</u>	<u>-</u>

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

SPECIAL NEEDS TRUST COMPANY LIMITED
(Incorporated in Singapore)
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	Accumulated Fund	Financial Assistance Fund	Care and Share Fund	GOAL Sponsorship Fund	Total 2022	Total 2021
		SGD	SGD	SGD	SGD	SGD	SGD
INCOME							
Trustee's fee		16,670	-	-	-	16,670	14,060
Tax-deductible donations		-	59,008	-	874,581	933,589	14,570
Non-tax deductible donations		-	582	-	132,565	133,147	2,446
Donation-in-kind		8,441	-	-	-	8,441	8,441
Wage credit scheme		23,275	-	-	-	23,275	50,585
Interest income		9,593	-	-	-	9,593	26,236
Other income		8,974	-	-	-	8,974	5,915
		66,953	59,590	-	1,007,146	1,133,689	122,253
Less: OPERATING EXPENSES							
Auditors' remuneration		(19,771)	-	-	-	(19,771)	(8,237)
Communications		(15,612)	-	-	-	(15,612)	(8,988)
Community engagement		(7,423)	-	-	(1,606)	(9,029)	(8,077)
Depreciation of plant and equipment		(12,268)	-	(8,584)	-	(20,852)	(23,295)
Depreciation of right-of-use asset		(2,245)	-	-	-	(2,245)	-
Employee benefits expenses	17	(1,856,199)	-	-	-	(1,856,199)	(1,672,865)
Fee on staff seconded from MSF		-	-	-	-	-	(23,494)
Sponsorship of initial trust capital/ matching top up	4/6	-	(49,996)	-	(22,300)	(72,296)	(20,187)
Interest expenses on lease liability		(310)	-	-	-	(310)	-
IT maintenance		(27,996)	-	-	-	(27,996)	(26,195)
Miscellaneous		(10,039)	-	-	-	(11,039)	(9,363)
Professional fee		(8,988)	-	(1,000)	-	(8,988)	(17,988)
Rental and service charges		(82,081)	-	-	-	(82,081)	(78,675)
Secretarial fee		(4,731)	-	-	-	(4,731)	(3,896)
Staff benefits		(2,575)	-	-	-	(2,575)	(8,510)
Supplies and materials		(3,581)	-	-	-	(3,581)	(1,802)
Transport		(212)	-	-	-	(212)	(280)
Utilities		(567)	-	-	-	(567)	(374)
		(2,054,598)	(49,996)	(9,584)	(23,906)	(2,138,084)	(1,912,226)
(DEFICIT) SURPLUS BEFORE GRANT INCOME BROUGHT FORWARD TO THE NEXT PAGE		(1,987,645)	9,594	(9,584)	983,240	(1,004,395)	(1,789,973)

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

SPECIAL NEEDS TRUST COMPANY LIMITED
(Incorporated in Singapore)
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STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022 (CONTINUED)

	Note	Accumulated Fund 2022 SGD	Financial Assistance Fund 2022 SGD	Care and Share Fund 2022 SGD	GOAL Sponsorship Fund 2022 SGD	Total 2022 SGD	2021 SGD
(DEFICIT)/ SURPLUS BEFORE GRANT INCOME CARRIED FORWARD FROM PERVIOUS PAGE		(1,987,645)	9,594	(9,584)	983,240	(1,004,395)	(1,789,973)
GOVERNMENT GRANT INCOME							
Grants from Ministry of Social and Family Development ("MSF")		2,516,300	-	-	-	2,516,300	2,475,700
Grants from National Council of Social Service ("NCSS")		4,955	-	21,645	-	26,600	-
		2,521,255	-	21,645	-	2,542,900	2,475,700
SURPLUS BEFORE TAXATION		533,610	9,594	12,061	983,240	1,538,505	685,727
TAXATION	18	-	-	-	-	-	-
NET SURPLUS FOR THE YEAR		533,610	9,594	12,061	983,240	1,538,505	685,727
OTHER COMPREHENSIVE INCOME							
Items that may be reclassified subsequently to profit or loss		-	-	-	-	-	-
Items that will not be reclassified subsequently to profit or loss		-	-	-	-	-	-
Other comprehensive income, net of tax		-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		533,610	9,594	12,061	983,240	1,538,505	685,727

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

SPECIAL NEEDS TRUST COMPANY LIMITED
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STATEMENT OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 MARCH 2022

	Note	Restricted Funds			Total SGD	
		Accumulated Fund SGD	Financial Assistance Fund SGD	Care and Share Fund SGD		GOAL Sponsorship Fund SGD
BALANCE AS AT 1 APRIL 2020		3,954,380	465,215	149,320	-	4,568,915
Total comprehensive income for the year		700,241	(3,171)	(11,343)	-	685,727
Recovery of excess reserves from the company by MSF for the financial year 2021	3	(893,237)	-	-	-	(893,237)
Reversal of excess accrual on recovery of excess reserves from the company by MSF from prior financial year	3	8	-	-	-	8
BALANCE AS AT 31 MARCH 2021		<u>3,761,392</u>	<u>462,044</u>	<u>137,977</u>	<u>-</u>	<u>4,361,413</u>
Total comprehensive income for the year		533,610	9,594	12,061	983,240	1,538,505
Utilisation of Care and Share Fund for recurring expenses	3	92,760	-	(92,760)	-	-
Recovery of excess reserves from the company by MSF for the financial year 2022	3	(278,566)	-	-	-	(278,566)
BALANCE AS AT 31 MARCH 2022		<u>4,109,196</u>	<u>471,638</u>	<u>57,278</u>	<u>983,240</u>	<u>5,621,352</u>

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

SPECIAL NEEDS TRUST COMPANY LIMITED
(Incorporated in Singapore)
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 SGD	2021 SGD
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus before taxation		1,538,505	685,727
Adjustments for:			
Interest income		(9,593)	(26,236)
Depreciation of plant and equipment		20,852	23,295
Depreciation of right-of-use asset		2,245	-
Interest expenses on lease liability		310	-
Operating cash flows before working capital changes		<u>1,552,319</u>	<u>682,786</u>
Working capital changes:			
Trade and other receivables		(17,722)	116,685
Trade and other payables		(426,000)	(69,918)
Grant received in advance		(629,075)	10,150
		<u>(1,072,797)</u>	<u>56,917</u>
NET CASH EFFECT OF OPERATING ACTIVITIES		<u>479,522</u>	<u>739,703</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(48,107)	(1,584)
Net withdrawal in fixed deposits with maturity of more than 3 months		-	3,800,000
Interest income received		9,769	29,183
NET CASH EFFECT OF INVESTING ACTIVITIES		<u>(38,338)</u>	<u>3,827,599</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
Payment of lease liability	8B	(2,420)	-
Recovery of excess reserves from the company by MSF		(278,566)	(220,578)
NET CASH EFFECT OF FINANCING ACTIVITIES		<u>(280,986)</u>	<u>(220,578)</u>
NET CHANGES IN CASH AND CASH EQUIVALENTS		160,198	4,346,724
CASH AND CASH EQUIVALENTS AS AT 1 APRIL	20	5,936,793	1,590,069
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	20	<u>6,096,991</u>	<u>5,936,793</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2022

1. GENERAL INFORMATION

The company is a public company limited by guarantee, incorporated under Singapore Companies Act 1967 and is domiciled in Singapore.

The company is a company limited by each and every of its members' 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 1994 and Trustees Act 1967. The company is also an approved Institution of a Public Character (1 August 2019 to 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 address and principal place of business is at 298 Tiong Bahru Road, #10-01 Central Plaza, Singapore 168730.

With the occurrence of COVID-19 pandemic globally, the management continues to closely monitor the negative impact of the pandemic on its operation. As at the 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 2022 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 2021. 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, no relevant new or revised Financial Reporting Standards that have been issued but not yet come into effect have been applied. These relevant new or revised standards upon adoption will not have significant impact on the financial statements except for: -

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

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

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

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

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

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

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

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

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

Amendments to FRS 8: Definition of Accounting Estimates

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Amendments to FRS 8: Definition of Accounting Estimates (continued)

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

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

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

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

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

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

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

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

Amendments to FRS 37: Onerous Contracts – Cost of Fulfilling a Contract

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Amendments to FRS 37: Onerous Contracts – Cost of Fulfilling a Contract (continued)

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

2.4 Significant judgements by directors in applying accounting policies

In the process of applying the company's accounting policies, the directors did not have to make any significant judgments that have significant effect on the amounts recognised in the financial statements. Only estimates are involved in applying accounting policies.

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.

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

	% per annum
Computer and software	33
Furniture and fittings	33
Renovation	33

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Plant and equipment and depreciation (continued)

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 Right-of-use asset

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

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

	No. of year
Multifunction printer	5

2.8 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial assets (continued)

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.

2.9 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 receivables 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 amount unless 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 applies the simplified approach permitted by the FRS 109, 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.

2.10 Fixed deposits, cash at banks and on hand

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

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

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

2.11 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 three months or less.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 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.

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.

2.13 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.

2.14 Provisions

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

2.15 Lease liability

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Lease liability (continued)

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

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.16 Revenue from contracts with customers

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

Revenue is 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 is 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.

2.17 Income

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.

Trustee's fee is recognised as income in the relevant period the service is provided.

2.18 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 MSF and NCSS 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 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.

2.20 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.

2.21 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.

2.22 Trust funds held by PTO

Trust funds under the company's Special Needs Trust Company ("SNTC") Trusteeship Scheme are held and managed by the PTO. 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 SNTC 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.

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3. ACCUMULATED FUND/ RECOVERY OF EXCESS RESERVES (CONTINUED)

The movements of accumulated fund are as follows:

	2022 SGD	2021 SGD
As at 1 April	3,761,392	3,954,380
Accumulated fund income	533,610	700,241
Utilisation of Care and Share Fund for recurring expenses	92,760	-
Recovery of excess reserves from the company by MSF for the financial year	(278,566)	(893,237)
Reversal of excess accrual on the company by MSF from prior financial year	-	8
As at 31 March	<u>4,109,196</u>	<u>3,761,392</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 NCSS on behalf of MSF.

The company's application for C&S Fund matching grant was approved on 30 October 2014 and has to be fully utilised by 31 March 2022. The Fund is applied in the following areas:

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

6. GOAL SPONSORSHIP FUND

The GOAL Sponsorship Fund is to help eligible low-income parents co-pay the premiums for a term life insurance policy which is irrevocably nominated to the child's trust. It also covers the initial capital to set up the trust.

7. PLANT AND EQUIPMENT

	Computer and Software SGD	Furniture and Fittings SGD	Renovation SGD	Total SGD
<u>Cost</u>				
As at 1 April 2020	142,837	5,031	191,645	339,513
Additions	1,584	-	32,000	33,584
As at 31 March 2021	144,421	5,031	223,645	373,097
Additions	21,250	26,857	-	48,107
As at 31 March 2022	165,671	31,888	223,645	421,204
<u>Accumulated depreciation</u>				
As at 1 April 2020	115,640	5,029	191,644	312,313
Depreciation for the year	12,629	-	10,666	23,295
As at 31 March 2021	128,269	5,029	202,310	335,608
Depreciation for the year	10,185	-	10,667	20,852
As at 31 March 2022	138,454	5,029	212,977	356,460
<u>Carrying amount</u>				
As at 31 March 2022	27,217	26,859	10,668	64,744
As at 31 March 2021	16,152	2	21,335	37,489

8. LEASES

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

8A. Right-of-use asset

	Multifunction printer SGD
<u>Cost</u>	
As at 1 April 2020/ 31 March 2021	-
Additions	12,244
As at 31 March 2022	12,244
<u>Accumulated depreciation</u>	
As at 1 April 2020/ 31 March 2021	-
Depreciation for the year	2,245
As at 31 March 2022	2,245
<u>Carrying amount</u>	
As at 31 March 2022	9,999
As at 31 March 2021	-

8. LEASES (CONTINUED)

8B. Lease liability

	2022 SGD	2021 SGD
As at 1 April	-	-
Additions	12,244	-
Interest expenses on lease liability	310	-
Payment of lease liability	(2,420)	-
As at 31 March	<u>10,134</u>	<u>-</u>

The total cash outflow for lease during the year is SGD2,420 (2021: NIL) which includes redemptions of principal and interest payments.

Maturity of the lease liability is analysed as follows:-

	2022 SGD	2021 SGD
Within 1 year	2,368	-
Between 2 to 5 years	7,766	-
	<u>10,134</u>	<u>-</u>

9. TRADE AND FUND RECEIVABLES

	2022 SGD	2021 SGD
Trade receivables	-	150
Excess of contributions refundable from SSH	5,213	9,466
	<u>5,213</u>	<u>9,616</u>

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022 SGD	2021 SGD
Rental and related deposits	11,590	11,590
Expenses reimbursable from NCSS	4,955	1,953
Care and Share grant from NCSS	21,645	-
Prepaid operating expenses	10,013	11,640
Accrued fixed deposit interest	328	504
Other receivables	55	950
	<u>48,586</u>	<u>26,637</u>

11. FIXED DEPOSITS

Fixed deposits are interest bearing at rates ranging from 0.05% to 0.28% (2021: 0.15% to 0.35%) per annum with placement period ranging from 91 to 181 (2021: 90 to 182) days.

12. OTHER PAYABLES AND ACCRUALS

	2022 SGD	2021 SGD
Accrued operating expenses	31,513	18,858
Excess reserves recovered by MSF	278,566	893,237
Other payables	146,316	3,575
CPF payable	29,408	28,261
Provision for reinstatement cost of renovation	32,000	32,000
Provision for bonus	257,704	226,057
Provision for unutilised staff annual leave	66,177	65,949
	<u>841,684</u>	<u>1,267,937</u>

13. GRANT RECEIVED IN ADVANCE

The amount represents MSF grant received in advance.

14. CASH AT BANK HELD ON BEHALF OF SSH/ (MONIES HELD ON BEHALF OF SSH)

The company operates within the premises known as 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.

15. TRUST AMOUNT HELD BY PTO

Trust funds under the company's SNTC Trusteeship Scheme amounting to SGD42,636,342 (2021: SGD38,974,025) are invested and managed by PTO. Upon activation of the trust, the trust funds will be administered by the company according to the wishes of the settlor.

16. SNTC TRUST FUND DUE TO PRINCIPALS

	2022 SGD	2021 SGD
As at 1 April	38,974,025	32,417,313
Add: Trust fund injection	7,133,704	8,061,540
Less: Disbursements	(3,471,387)	(1,504,828)
As at 31 March	<u>42,636,342</u>	<u>38,974,025</u>

Trust funds are placed by the principals with the company and the funds are managed by PTO (Note 15 to the financial statements).

17. EMPLOYEE BENEFITS EXPENSES

	2022 SGD	2021 SGD
Salaries, allowances and bonuses	1,627,137	1,447,087
Defined contribution plan	228,834	208,705
Unutilised staff annual leave	228	17,073
	<u>1,856,199</u>	<u>1,672,865</u>

18. TAXATION

The company is a registered Charity under the Charities Act 1994 and is exempted from tax under Section 13(1)(zm) of the Singapore Income Tax Act.

19. RELATED PARTY TRANSACTIONS

(i) Transactions with SSH

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

	2022 SGD	2021 SGD
Service charges paid to SSH	<u>39,721</u>	<u>36,315</u>

(ii) Transactions with key management personnel

a) Key management personnel compensation

	2022 SGD	2021 SGD
Salaries, bonus and allowances	273,040	235,851
Defined contribution plan	9,660	12,025
	<u>282,700</u>	<u>247,876</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.

19. **RELATED PARTY TRANSACTIONS (CONTINUED)**

(ii) **Transactions with key management personnel (continued)**

b) 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:

	2022 SGD	2021 SGD
SGD75,000 - SGD99,999	3	4
SGD100,000 - SGD149,999	5	5
SGD150,000 - SGD199,999	1	-
SGD200,000 - SGD249,999	-	1
SGD250,000 - SGD299,999	1	-
SGD300,000 and above	-	-
	<u> </u>	<u> </u>

20. **CASH AND CASH EQUIVALENTS**

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

	2022 SGD	2021 SGD
Cash on hand	10	246
Cash at banks	1,846,981	1,136,547
Fixed deposits	<u>4,500,000</u>	<u>5,050,000</u>
	6,346,991	6,186,793
Less: Fixed deposit with maturity of more than three months	<u>(250,000)</u>	<u>(250,000)</u>
	<u>6,096,991</u>	<u>5,936,793</u>

21. **TRANSACTIONS WITH THE SINGAPORE GOVERNMENT**

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

	2022 SGD	2021 SGD
Ministry of Social and Family Development ("MSF")		
Grants income	2,516,300	2,475,700
Fees on staff seconded from MSF	-	(23,494)
Recovery of excess reserves for the financial year	(278,566)	(893,237)
Reversal of excess accrual from prior financial year	<u> </u>	<u> 8</u>
National Council of Social Service		
Grant income	26,600	-
Membership fees paid	-	(125)
Training and developments fees paid	<u> </u>	<u> (694)</u>

22. 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 instruments 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 of 1% (2021: 1%) on interest bearing financial assets as at the year end will have the effect on the financial statements as follows:

	2022 SGD	2021 SGD
Surplus before taxation	45,000	50,500
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 company is exposed to concentration of credit risk on its fixed deposits and bank balances. However, the company places its fixed deposits and bank balances with creditworthy financial institutions.

The maximum exposure to credit risk is represented by the carrying amount of financial assets which are mainly trade and other receivables, fixed deposits and bank balances.

Impairment of financial assets

The company has no significant financial assets except for fixed deposits and 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.

22. FINANCIAL RISK MANAGEMENT (CONTINUED)

b) Credit risk (continued)

Financial assets that are past due and/ or impaired

There is no other class of 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.

c) Fair value risk

The fair value of the company's financial assets and financial liabilities recorded in the statement of financial position approximates 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.

The table below analyses the company's maturity profile of the financial liabilities with obligations of more than 1 year based on contractual undiscounted cash flows:-

	Less than 1 year SGD	Between 2 and 5 years SGD	Total SGD
<u>As at 31 March 2022</u>			
Lease liability	<u>2,640</u>	<u>8,140</u>	<u>10,780</u>

All the financial liabilities as at 31 March 2021 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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23. FINANCIAL INSTRUMENTS

Classification of financial instruments

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

	Financial assets at amortised cost SGD	Financial liabilities at amortised cost SGD	Total SGD
As at 31 March 2022			
<u>Assets</u>			
Trade and fund receivables	5,213	-	5,213
Other receivables and deposits	16,928	-	16,928
Fixed deposits	4,500,000	-	4,500,000
Cash at banks and on hand	1,846,991	-	1,846,991
Total financial assets	<u>6,369,132</u>	<u>-</u>	<u>6,369,132</u>
Total non-financial assets			106,401
Total assets			<u>6,475,533</u>
<u>Liabilities</u>			
Other payables	-	(454,290)	(454,290)
Lease liability	-	(10,134)	(10,134)
Total financial liabilities	<u>-</u>	<u>(464,424)</u>	<u>(464,424)</u>
Total non-financial liabilities			(389,757)
Total liabilities			<u>(854,181)</u>
As at 31 March 2021			
<u>Assets</u>			
Trade and fund receivables	9,616	-	9,616
Other receivables and deposits	14,997	-	14,997
Fixed deposits	5,050,000	-	5,050,000
Cash at banks and on hand	1,136,793	-	1,136,793
Total financial assets	<u>6,211,406</u>	<u>-</u>	<u>6,211,406</u>
Total non-financial assets			49,129
Total assets			<u>6,260,535</u>
<u>Liabilities</u>			
Other payables	-	(925,073)	(925,073)
Total financial liability	<u>-</u>	<u>(925,073)</u>	<u>(925,073)</u>
Total non-financial liabilities			(974,049)
Total liabilities			<u>(1,899,122)</u>

24. 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.

	2022 SGD	2021 SGD
Current assets	6,400,790	6,223,046
Current liabilities	<u>(846,415)</u>	<u>(1,899,122)</u>
Net current assets	<u>5,554,375</u>	<u>4,323,924</u>
Total assets	6,475,533	6,260,535
Total liabilities	<u>(854,181)</u>	<u>(1,899,122)</u>
Fund surplus	<u>5,621,352</u>	<u>4,361,413</u>

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

The company is not subject to any externally imposed fund 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.

25. COMPARATIVE INFORMATION

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

	Before reclassification SGD	Reclassification SGD	After reclassification SGD
Statement of comprehensive income			
For the year ended 31 March 2021			
<u>Income</u>			
Grants from Ministry of Social and Family Development ("MSF")	<u>2,475,700</u>	<u>(2,475,700)</u>	<u>-</u>
<u>Government grant income</u>			
Grants from Ministry of Social and Family Development ("MSF")	<u>-</u>	<u>2,475,700</u>	<u>2,475,700</u>