COUNSELLING AND CARE CENTRE
(REGISTERED UNDER THE SOCIETIES ACT 1966)

UEN No: S75SS0014F
Charity Registration No: 000013
IPC No: IPC000463

STATUTORY REPORTS FOR THE
FINANCIAL YEAR ENDED 31 MARCH 2022

CYPRESS

COUNSELLING AND CARE CENTRE
(REGISTERED UNDER THE SOCIETIES ACT 1966)

GENERAL INFORMATION

Chair
Eng Bak Yeow

Vice Chair
Ng Pak Shun

Honorary Secretary
Ho Kit Choy

Honorary Treasurer
Chan Fook Kay

Committee Members
Liong Mee San Mrs Boon Suan Lee
Teo Poh Wah Mavis
Tan Yew How
Fung Swee Kim Maureen
Lau Yoke Soon

Executive Director
Ruth Chua Wang Soon

Registered Office
Blk 536 Upper Cross Street #05-241
Hong Lim Complex
Singapore 050536

Auditors
Cypress Singapore PAC
Public Accountants and
Chartered Accountants
Singapore

Banker
DBS Bank

COUNSELLING AND CARE CENTRE
(REGISTERED UNDER THE SOCIETIES ACT 1966)

STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the management committee, the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of Counselling and Care Centre ("the Centre") as at 31 March 2022 and of the results of the activities, changes in accumulated funds and cash flows of the Centre for the year ended on that date, and at the date of this statement, there are reasonable grounds to believe that the Centre will be able to pay its debts as and when they fall due.

ON BEHALF OF THE MANAGEMENT COMMITTEE

ENG BAK YEOW Chair	CHAN FOOK KAY Honorary Treasurer	HO KIT CHOY Honorary Secretary

Singapore, 22 JUN 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNSELLING AND CARE CENTRE (REGISTERED UNDER THE SOCIETIES ACT 1966)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Counselling and Care Centre (the Centre), which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the Societies Act), the Charities Act 1994 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the financial position as at 31 March 2022 and of the financial performance, changes in accumulated fund and cash flows of the Centre for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Centre in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee.

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

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

Co. Registration No: 200501392M
1 Finlayson Green,
#11-02 One Finlayson Green
Singapore 049246

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNSELLING AND CARE CENTRE (REGISTERED UNDER THE SOCIETIES ACT 1966) **(Continued)**

Responsibilities of Management and Committee Members for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 centre internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the centre'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 centre to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF COUNSELLING AND CARE CENTRE (REGISTERED UNDER THE SOCIETIES ACT 1966) **(Continued)**

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required to be kept by the Centre have been properly kept with the provisions of the Societies Regulations enacted under the Societies Act, 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 Centre has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institution of a Public Character) Regulations; and

b) the Centre has not complied with the requirements of Regulation 15 of the Charities (Institution of a Public Character) Regulations.

Cypress

CYPRESS SINGAPORE PAC
Public Accountants and
Chartered Accountants
Singapore

Date: 22 JUN 2022

COUNSELLING AND CARE CENTRE
(REGISTERED UNDER THE SOCIETIES ACT 1966)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 SGD	2021 SGD
ACCUMULATED FUNDS			
Restricted Funds			
Counselling	3	3,246,743	2,624,580
Anthony Yeo staff development fund	4	130,568	128,877
		3,377,311	2,753,457
Unrestricted Funds			
Consultancy and training	5	4,493,063	3,667,734
Gratuity fund	6	577,440	517,706
Fair value adjustment reserve		(28,922)	-
		5,041,581	4,185,440
		8,418,892	6,938,897
Represented by :			
NON-CURRENT ASSETS			
Plant and equipment	7	63,880	62,864
Intangible asset	8	61,820	57,900
Investments	9	1,103,640	690,126
Right-of-use asset	10(a)	65,684	11,463
CURRENT ASSETS			
Investments	9	517,878	-
Inventories	11	14,465	10,622
Fees receivable and accrued revenue	12	176,544	187,837
Other receivables, deposits and prepayments	13	18,856	37,103
Fixed deposits	14	3,562,835	3,057,547
Cash at banks and on hand	16	3,615,178	3,478,797
		7,905,756	6,771,906
Less :			
CURRENT LIABILITIES			
Lease liability	10(b)	2,934	11,576
Advance receipts, deposits received and accruals	15	778,954	643,786
		781,888	655,362
NET CURRENT ASSETS		7,123,868	6,116,544
		8,418,892	6,938,897

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

COUNSELLING AND CARE CENTRE
(REGISTERED UNDER THE SOCIETIES ACT 1966)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2022

	Note	Restricted Funds		Unrestricted Funds			2022	2021
		Counselling SGD	Anthony Yeo Staff Development Fund SGD	Consultancy and Training SGD	Gratuity Fund SGD	Fair Value Adjustment Reserve SGD	Total SGD	Total SGD
Grants and Donations								
Grant from NCSS-Comm Chest		1,218,926	-	-	-	-	1,218,926	1,343,332
Grant from NCSS-Charity Support Fund		50,000	-	-	-	-	50,000	50,000
Grant from NCSS-Invictus Fund		712,234	-	-	-	-	712,234	78,400
Grant from NCSS-Others		11,071	-	-	-	-	11,071	4,578
Grant from Government		-	-	124,589	-	-	124,589	13,128
Subsidy from Singtel		540	-	-	-	-	540	540
Tax deductible donations		-	-	17,130	-	-	17,130	13,335
Tax deductible donations - The Care Project		-	-	6,710	-	-	6,710	-
Non-tax deductible donations		-	-	286	-	-	286	30,686
		1,992,771	-	148,715	-	-	2,141,486	1,533,999
Income from Programmes	18							
Counselling fees		290,539	-	-	-	-	290,539	338,312
Consultancy fees		-	-	267,691	-	-	267,691	287,655
Training fees		-	-	1,019,059	-	-	1,019,059	809,937
Employee Assistance Programme fees		-	-	156,452	-	-	156,452	92,125
Mandatory Counselling fees		-	-	14,995	-	-	14,995	13,630
Non-subsidised Counselling fees		-	-	116,099	-	-	116,099	116,948
		290,539	-	1,574,296	-	-	1,864,835	1,658,607
Other income								
Grant income from Jobs Support Scheme		-	-	25,613	-	-	25,613	319,364
Membership fees		393	-	-	-	-	393	477
Sale of books		-	3,451	-	-	-	3,451	3,991
Interest and dividends		34,263	-	34,264	-	-	68,527	49,754
Miscellaneous income		1,821	191	1,413	-	-	3,425	1,660
		36,477	3,642	61,290	-	-	101,409	375,246
TOTAL INCOME		2,319,787	3,642	1,784,301	-	-	4,107,730	3,567,852
DIRECT COSTS								
Salaries	19	913,632	-	439,821	-	-	1,353,453	1,238,824
Bonus	19	235,052	-	102,698	-	-	337,750	301,781
CPF	19	176,161	-	85,863	3,944	-	265,968	237,912
Provision for employees' unutilised leave	19	3,399	-	1,572	-	-	4,971	13,754
Staff benefits	19	12,644	-	5,211	-	-	17,855	11,234
Staff training & development	19	39,551	-	16,652	-	-	56,203	48,801
Communication		11,408	-	1,857	-	-	13,265	16,682
Depreciation of right-of-use asset		7,114	-	4,349	-	-	11,463	7,642
Gratuity		-	-	-	24,582	-	24,582	20,520
Interest expense on lease liability		99	-	61	-	-	160	297
Publicity		308	-	132	-	-	440	6,238
Conservancy		368	-	224	-	-	592	562
Sabbatical expenses		2,809	-	1,204	-	-	4,013	-
Utilities		5,376	-	2,430	-	-	7,806	6,393
Training expenses		-	-	30,521	-	-	30,521	29,198
Transport		6,275	-	1,948	-	-	8,223	7,463
		1,414,196	-	694,543	28,526	-	2,137,265	1,947,301

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

COUNSELLING AND CARE CENTRE
(REGISTERED UNDER THE SOCIETIES ACT 1966)

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

	Note	Restricted Funds		Unrestricted Funds			2022	2021
		Counselling	Anthony Yeo Staff Development Fund	Consultancy and Training	Gratuity Fund	Fair Value Adjustment Reserve	Total	Total
		SGD	SGD	SGD	SGD	SGD	SGD	SGD
SUPPORT COSTS								
Salaries	19	105,429	-	45,881	-	-	151,310	105,819
Bonus	19	27,578	-	11,818	-	-	39,396	22,131
CPF	19	12,474	-	5,331	1,276	-	19,081	11,279
Provision for employees' unutilised leave	19	842	-	360	-	-	1,202	757
Staff benefits	19	1,856	-	816	-	-	2,672	1,733
Staff training & development	19	2,142	-	1,516	-	-	3,658	1,120
Amortisation of intangible asset		15,302	-	5,778	-	-	21,080	19,200
Depreciation of plant and equipment		16,921	-	4,998	-	-	21,919	21,305
Affiliation fees		2,692	-	1,098	-	-	3,790	2,240
Bank fees		327	91	200	-	-	618	557
Communication		18	228	8	-	-	254	20
Cost of books		-	1,620	-	-	-	1,620	1,877
Gifts		-	12	-	-	-	12	753
Gratuity		-	-	-	14,812	-	14,812	-
Insurance		6,382	-	2,735	-	-	9,117	8,789
Maintenance of Centre		11,831	-	7,215	-	-	19,046	29,415
Maintenance of equipment		7,071	-	1,842	-	-	8,913	3,182
Professional fee		30,705	-	58,199	-	-	88,904	35,414
Supplies & materials		41,245	-	12,050	-	-	53,295	26,654
Transport		175	-	48	-	-	223	601
Miscellaneous expenses		438	-	188	-	-	626	748
		283,428	1,951	160,081	16,088	-	461,548	293,594
TOTAL EXPENDITURE		1,697,624	1,951	854,624	44,614	-	2,598,813	2,240,895
NET SURPLUS FOR THE YEAR		622,163	1,691	929,677	(44,614)	-	1,508,917	1,326,957
OTHER COMPREHENSIVE INCOME								
Items that will not be reclassified to profit or loss		-	-	-	-	-	-	-
Items that may be reclassified subsequently to profit or loss								
Fair value adjustments during the year		-	-	-	-	(28,922)	(28,922)	-
Reclassification to profit and loss		-	-	-	-	-	-	-
Other comprehensive income for the year, net of tax		-	-	-	-	(28,922)	(28,922)	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		622,163	1,691	929,677	(44,614)	(28,922)	1,479,995	1,326,957

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

COUNSELLING AND CARE CENTRE
(REGISTERED UNDER THE SOCIETIES ACT 1966)

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

	Note	Restricted Funds		Unrestricted Funds			
		Counselling SGD	Anthony Yeo Staff Development Fund SGD	Consultancy and Training SGD	Gratuity Fund SGD	Fair value Adjustment Reserve SGD	Total SGD
BALANCE AS AT 1 APRIL 2020		2,258,363	127,528	2,790,144	435,905	-	5,611,940
Total comprehensive income for the year		366,217	1,349	983,399	(24,008)	-	1,326,957
Transfer between funds		-	-	(105,809)	105,809	-	-
BALANCE AS AT 31 MARCH 2021		2,624,580	128,877	3,667,734	517,706	-	6,938,897
Total comprehensive income for the year		622,163	1,691	929,677	(44,614)	(28,922)	1,479,995
Transfer between funds	25	-	-	(104,348)	104,348	-	-
BALANCE AS AT 31 MARCH 2022		3,246,743	130,568	4,493,063	577,440	(28,922)	8,418,892

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

COUNSELLING AND CARE CENTRE
(REGISTERED UNDER THE SOCIETIES ACT 1966)

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2022

	Note	2022 SGD	2021 SGD
CASH FLOWS FROM OPERATING ACTIVITIES			
Net surplus for the year		1,508,917	1,326,957
Adjustments for non-cash items:			
Amortisation of intangible asset		21,080	19,200
Depreciation of plant and equipment		21,919	21,305
Depreciation of right-of-use asset		11,463	7,642
Miscellaneous income		-	(59)
Interest on lease liability		160	297
Interest and dividend income		(68,527)	(36,668)
Operating cash flows before working capital changes		1,495,012	1,338,674
Working capital changes			
Inventories		(3,843)	2,630
Fees receivables		11,293	26,480
Other receivables, deposits and prepayments		11,561	(5,989)
Advance receipts, deposit received and accruals		72,418	22,970
		91,429	46,091
NET CASH EFFECT OF OPERATING ACTIVITIES		1,586,441	1,384,765
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of investments		(960,314)	(690,126)
Purchase of intangible asset		(25,000)	-
Purchase of plant and equipment		(22,935)	(36,994)
(Placement)/ Withdrawal of fixed deposit (net)		(505,288)	803,377
Repayment of lease liability		(11,736)	(7,824)
Interest and dividend income received		75,213	49,107
NET CASH EFFECT OF INVESTING ACTIVITIES		(1,450,060)	117,540
NET CHANGE IN CASH AND CASH EQUIVALENTS		136,381	1,502,305
CASH AND CASH EQUIVALENTS AS AT 1 APRIL	16	3,478,797	1,976,492
CASH AND CASH EQUIVALENTS AS AT 31 MARCH	16	3,615,178	3,478,797

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

NOTES TO THE FINANCIAL STATEMENTS - 31 MARCH 2022

1. GENERAL INFORMATION

Counselling and Care Centre is registered with Registry of Societies on 16 July 1975 and a registered charity under the Charities Act 1994 since 30 November 1983. The Centre is an Institute of Public Character from 1 September 2020 to 31 August 2023.

The principal activities of the Centre are to provide counselling services to the public and to provide education in counselling.

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

The Centre's registered office is at Block 536 Upper Cross Street, # 05-241, Hong Lim Complex Singapore 050536.

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 Statement by Management Committee.

2.2 Adoption of new and revised Financial Reporting Standards

The accounting policies adopted in the financial year are consistent with those used in the previous financial year except for the adoption of certain new and revised Financial Reporting Standards effective for the financial year beginning 1 January 2022. These new and revised Financial Reporting Standards have no significant effects on the society'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 centre has not applied any new or revised Financial Reporting Standards that have been issued but not yet come into effect. These new or revised standards upon adoption will not have significant impact on the financial statements except for:-

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

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

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

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

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

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 the 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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

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

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

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

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

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

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

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

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: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of fulfilling a contract

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

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

<u>Amendments to FRS 37: Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of fulfilling a contract (continued)</u>

The amendment clarified that the direct costs of fulfilling a contract consist of both the incremental costs and an allocation of other costs directly related to fulfilling contracts.

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 adjustment to retained earnings (or other component of equity, as appropriate). The comparatives are not restated.

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

2.4 Significant judgments by the Management Committee in applying accounting policies

In the process of applying the centre's accounting policies, the management committee did not make any significant judgement, apart from those involving estimations, that have significant effect on the amounts recognised in the financial statements.

2.5 Key sources of estimation uncertainty

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

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

(i) Depreciation of plant and equipment

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

The Centre 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Key sources of estimation uncertainty (continued)

(ii) Amortisation of intangible asset

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

The Centre anticipates that the residual values of its intangible asset will be insignificant. As a result, residual values are not being taken into consideration for the computation of the amortisable 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 amortisation charges could be revised.

(iii) Impairment of non-financial assets

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

2.6 Plant and equipment and depreciation

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

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

	% per annum
Office equipment and furnitures	20
Renovation	20

The residual value and the useful life of an asset are reviewed at each year end, and if expectations are different from previous estimate, 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 is 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. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Right-of-use asset

The Centre recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use assets are initially measured at cost, which comprises the present value of the total lease liabilities adjusted for any lease payments made at or before the commencement date, plus any lease payments made at or before the commencement date, plus an initial direct cost incurred and an estimate of costs to dismantle and remove the underlying asset or to restore of the site which the underlying assets are located, less any lease incentives received. Subsequent to initial recognition, right-of-use assets are 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 lives are as follows:

	No. of years
Office premises	1.33

2.8 Intangible asset

Acquired computer software licenses are initially capitalised at cost which includes the purchase price (net of any discounts and rebates) and other directly attributable costs of preparing the software for its intended use. Direct expenditure which enhances or extends the performance of computer software beyond its specifications and which can be reliably measured is added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software licenses are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to statement of comprehensive income using the straight-line method over their estimated useful lives of 5 years.

2.9 Investments

Equity investments are non-derivative financial assets not held for trading and on initial recognition, these investments were elected to be classified as fair value through other comprehensive income financial asset. 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. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

For quoted investments, fair value is determined with reference to the published price quotation in an active public securities market.

For unquoted investments, fair value is determined using valuation techniques. Such techniques include using recent arm’s length market transactions. Reference to the current market value of another instrument (which is substantially the same) or discounted cash flow analysis. For investments where there is no active market and where fair value cannot be reliably measured, they are measured at cost less accumulated impairment losses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Investments (continued)

Unquoted bond investments are non-derivative financial assets classified as amortised cost financial assets as the financial asset gives rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Unquoted bond investments are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified, or impaired.

2.10 Inventories

Inventories consisting of books are valued at the lower of cost or net realisable value, cost being determined using the weighted average method. In arriving at net realisable value, due allowance is made for all obsolete, damaged and slow moving items.

2.11 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 Centre 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.

2.12 Fees receivable and other receivables

Fee receivable and other receivables are classified and accounted for as financial assets at amortised cost as they are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method.

The carrying amount of receivables impaired by measuring expected credit losses is reduced by an allowance account unless on the date of which the impairment loss is recognised, the centre ascertains the amount to be uncollectible whereby it would be reduced directly. In subsequent periods, when a receivable is ascertained to be uncollectible, it is written off against the allowance account.

Expected credit losses is measured in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the year end about past events, current conditions and forecasts of future economic conditions. Gains or losses are recognised in the statement of comprehensive income when these amortised cost financial assets are derecognised or impaired, as well as through the amortisation process.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Cash at banks, cash on hand and fixed deposits

Cash at banks, cash on hand and fixed deposits are classified and accounted for as 'financial assets at amortised cost' as they are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. 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 assets are derecognised or impaired, as well as through the amortisation process.

2.14 Cash and cash equivalents

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

2.15 Impairment of non-financial assets

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

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

2.16 Government grant

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Centre will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

National Council of Social Service (NCSS) grant is recognised as income in the same year of which the grant is received to meet the operating expenses.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Provision

Provisions are recognised when the Centre 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.

2.18 Lease liability

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 Centre's incremental borrowing rate of similar asset. Generally, the Centre uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprises 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 Centre is reasonably certain to exercise, lease payments in an optional renewal period if the Centre is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Centre is reasonably certain not to terminate early

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 Centre's estimate of the amount expected to be payable under a residual value guarantee, or if the Centre 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 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.

2.19 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services, net of goods and services tax, rebates and discounts.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow in and specific criteria have been met for each of the activities as described below. The amount of revenue is not considered to be reliably measured until all contingencies relating to the transaction have been resolved. In recognising revenue, estimates based on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement are considered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Revenue recognition (continued)

(i) Income from programmes

Consultancy/training/counselling fees are recognised over the duration of the services rendered.

(ii) Membership fee

Membership fee is recognised in the year the membership is subscribed.

(iii) Interest and dividend income

Interest income is recognised on a time apportioned basis using the effective interest method and dividend income is recognised when the right to receive payment is established.

(iv) Grants and donations

Donations and income from fund raising projects are recognised as and when the Centre's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability.

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 Expenditure

All expenditure is accounted for on an accrual basis and has been classified under the heading that aggregate all costs related to that activity. Cost comprises employee benefits expense attributable to the activity. Where cost cannot be wholly attributable to an activity, they have been apportioned on a basis consistent with the use of resources. These included rental of equipment, utilities, and support cost.

(i) Direct costs

Direct costs are costs attributable to generating income from all programs of the Centre.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.20 Expenditure (continued)

(ii) Support costs

Support costs comprise all costs attributable to the general running of the Centre, in providing the governance infrastructure and in ensuring public accountability. These costs include costs related to constitutional and statutory requirements, and include an apportionment of overhead.

2.21 Functional currency

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

2.22 Foreign currency transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. All transactions in currencies other than the functional currency are treated as transactions in foreign currencies.

At each year end, foreign currency monetary assets and liabilities are converted into the functional currency at the spot rate on the year end. Exchange differences are taken to the statement of comprehensive income.

2.23 Offsetting financial instruments

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

3. COUNSELLING

This is a restricted designated fund arising from subsidy received for the purpose of providing counselling service to public.

4. ANTHONY YEO STAFF DEVELOPMENT FUND

This is a restricted designated fund arising from donations received for the purpose of financing programmes for staff training and development.

5. CONSULTANCY AND TRAINING

This is an unrestricted designated fund to meet the expenditure in accordance with the general objectives of the Centre.

6. **GRATUITY FUND**

This is an unrestricted designated fund to award staff for their long service with the Centre.

7. **PLANT AND EQUIPMENT**

	Office equipment SGD	Renovation SGD	Total SGD
Cost			
As at 1 April 2020	211,817	419,082	630,899
Additions	34,369	2,625	36,994
Disposals	(7,436)	-	(7,436)
As at 31 March 2021	238,750	421,707	660,457
Additions	22,935	-	22,935
Disposals	(17,868)	-	(17,868)
As at 31 March 2022	243,817	421,707	665,524
Accumulated Depreciation			
As at 1 April 2020	179,801	403,923	583,724
Depreciation for the year	17,536	3,769	21,305
Disposals	(7,436)	-	(7,436)
As at 31 March 2021	189,901	407,692	597,593
Depreciation for the year	17,844	4,075	21,919
Disposals	(17,868)	-	(17,868)
As at 31 March 2022	189,877	411,767	601,644
Carrying amount			
As at 31 March 2022	53,940	9,940	63,880
As at 31 March 2021	48,849	14,015	62,864

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8. INTANGIBLE ASSET

	Computer software SGD
Cost	
As at 1 April 2020	96,300
Additions	-
As at 31 March 2021	96,300
Addtions	25,000
As at 31 March 2022	121,300
Accumulated Amortisation	
As at 1 April 2020	19,200
Amortisation for the year	19,200
As at 31 March 2021	38,400
Amortisation for the year	21,080
As at 31 March 2022	59,480
Carrying amount	
As at 31 March 2022	61,820
As at 31 March 2021	57,900

9. INVESTMENTS

The Centre designated the investments in equity and debt instruments shown below as investments at fair value through other comprehensive income (FVOCI) and amortised cost respectively:

	2022 SGD	2021 SGD
Non-current		
Quoted equity investments - at FVOCI	420,971	-
Unquoted bond investments - at amortised cost	682,669	690,126
	1,103,640	690,126
Current		
Unquoted bond investments - at amortised cost	517,878	-

Quoted equity investments at FVOCI comprised:

	Fair value as at 31 March 2022 SGD	Dividend income recognised in 2022 SGD
Unit trusts	356,087	12,251
Stocks	64,884	992
	420,971	13,243

Unquoted bond investments at amortised cost earns interest rates of 3.50% to 4.80% (2021: 3.75% to 4.80%) and matures between 2022 and 2029.

10. LEASES

The Centre leases office premises which are accounted for under FRS116. The Centre depreciates the right-of-use asset and recognises interest on lease liability during the year. Information about lease for which the Centre is a lessee is summarised as follows:-

(a) **Right-of-use asset**

	Office premises SGD
Cost	
As at 1 April 2020	222,608
Additions	19,103
Disposal	(3,837)
As at 31 March 2021	237,874
Additions	65,684
As at 31 March 2022	303,558
Accumulated depreciation	
As at 1 April 2020	218,769
Depreciation during the year	7,642
As at 31 March 2021	226,411
Depreciation during the year	11,463
As at 31 March 2022	237,874
Carrying amount	
As at 31 March 2022	65,684
As at 31 March 2021	11,463

(b) **Lease liability**

	SGD	SGD
As at 1 April	11,576	3,896
Additions	2,934	19,103
Disposal	-	(3,896)
Interest expenses on lease liability	160	297
Payment of lease liability	(11,736)	(7,824)
As at 31 March	2,934	11,576

The total cash outflow in 2022 was SGD11,736 (2021: SGD7,824) which includes redemption of principal and interest payments.

11. INVENTORIES

	2022 SGD	2021 SGD
Books	14,465	10,622

The cost of inventories recognised as an expense amounted to SGD1,620. (2021: SGD1,877).

12. FEES RECEIVABLE AND ACCRUED REVENUE

	2022 SGD	2021 SGD
Consultancy/ Training fees receivable	134,288	178,631
Accrued revenue – training and counselling	42,256	9,206
	176,544	187,837

Accrued revenue is contract assets that primarily relates to the Centre's rights to consideration for services rendered but not billed at year end on its revenue from contract with customers. The amounts recognised as contract assets are reclassified to trade receivables when considerations are billed.

13. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2022 SGD	2021 SGD
Accrued interest income	7,018	10,060
Deposits	2,240	2,240
Prepaid operating expenses	9,598	24,803
	18,856	37,103

14. FIXED DEPOSITS

Fixed deposits of SGD3,562,835 (2021: SGD3,057,547) have maturity period of not more than 12 months with interest rates ranging from 0.50% to 0.70% (2021: 0.45% to 2.10%) per annum.

15. ADVANCE RECEIPTS, DEPOSITS RECEIVED AND ACCRUALS

	2022 SGD	2021 SGD
Provision for reinstatement of centre	270,000	207,250
Accrued employees' bonus	325,376	250,897
Deferred training, consultancy and counselling fees	75,269	86,564
GST payable	26,881	35,858
Other accrued operating expenses	12,000	8,680
Provision for employees' unutilised leave	47,554	41,382
Other payables	21,874	13,155
	778,954	643,786

15. **ADVANCE RECEIPTS, DEPOSITS RECEIVED AND ACCRUALS (CONTINUED)**

Deferred training, consultancy and counselling fees are contract liabilities that primarily relates to advance billing to customers for which revenue is recognised on completion of services to be rendered.

16. **CASH AND CASH EQUIVALENTS**

Cash and cash equivalents stated in the statement of cash flows comprised the following:

	2022 SGD	2021 SGD
Fixed deposits	3,562,835	3,057,547
Cash at banks	3,614,972	3,478,368
Cash on hand	206	429
	7,178,013	6,536,344
Less: Fixed deposits with maturity period more than 3 months	(3,562,835)	(3,057,547)
	3,615,178	3,478,797

17. **TAXATION**

The Centre is a registered charity and no provision for income tax is required.

18. **INCOME FROM PROGRAMMES**

Revenues are mainly earned from providing consultancy, counselling and training services. These revenues are derived from the transfer of services over the duration of services rendered and are generated in Singapore. The Centre applies the practical expedient under SFRS115 and decides not to disclose information about remaining performance obligations that have expected durations of one year or less.

19. **EMPLOYEE BENEFITS EXPENSE**

	2022 SGD	2021 SGD
Staff salary and bonus	1,881,909	1,668,555
Employer's CPF and other contributions	285,049	249,191
Provision for employees' unutilised leave	6,173	14,511
Staff benefits	20,527	12,967
Staff training	59,861	49,921
	2,253,519	1,995,145

19. **EMPLOYEE BENEFITS EXPENSE (CONTINUED)**

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

	2022 SGD	2021 SGD
Staff salary and bonus	161,349	143,462
Employer's CPF and other contributions	14,482	15,314
	175,831	158,776

The annual remuneration band of the top 3 executives of the Centre is as follows:

	2022	2021
SGD100,001 to SGD150,000	2	2
Above SGD150,000	1	1
	3	3

20. **RELATED PARTY TRANSACTONS**

For the purpose of these financial statements, parties are considered to be related to the Centre if the Centre has the ability, direct or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Centre and the party are subject to common significant influence. Related parties may be individuals or other entities.

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

During the financial year, there is remuneration within the band of SGD150,000 and above to the executive director as an employee of the Centre. (2021: SGD150,000 and above).

21. **FINANCIAL RISK MANAGEMENT**

The Centre is exposed to the following risk through its normal operations. There are no changes to the Centre's objectives, policies, or processes relating to the management of the Centre's financial risk during the year.

a) Market risk

i) Foreign exchange risk

The Centre has no significant exposure to foreign currency risk as a substantial portion of its transactions is in its functional 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.

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

a) Market risk (continued)

ii) Interest rate risk (continued)

The Centre is exposed to interest rate risk through the impact of rate changes on fixed deposits and its investment in bonds.

Change in market interest rates by 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
Net surplus for the year	47,634	37,477
Accumulated funds	-	-

The above analysis assumes all other variables are held constant.

iii) Price risk

The Centre is exposed to price risk from its investment in quoted equity securities. These quoted equities are mainly listed in Singapore. Price risk arising from these investments are managed by diversification of portfolio and regular monitoring of position held.

Changes of 1% in prices of investments as at year end will have the effect on the financial statements as follows:

	2022 SGD	2021 SGD
Net surplus for the year	-	-
Accumulated funds	4,210	1,602

b) Credit risk

The Centre is exposed to significant concentration of credit risk on its investment in bonds, fixed deposits and cash at banks. However, the Centre minimises the risk through placement of its cash and fixed deposits with few creditworthy financial institutions. Investments in bonds are made with creditworthy institutions.

The maximum exposure to credit risk is represented by the carrying amount of financial assets which are mainly investment in bonds and bank balances.

As at the year end, there is concentration of credit risk on fees receivable as follows:-

	2022 SGD	2021 SGD
Top 1 customer	22,101	34,503
Top 2 customer	17,718	26,217
Top 3 customer	6,830	15,069

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

b) Credit risk (continued)

Financial assets that are neither past due nor impaired

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

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for fees receivable.

The age analysis of fees receivable past due is as follows:-

	2022 SGD	2021 SGD
Past due within 3 months	153,159	173,041
Past due 3 to 6 months	23,385	5,590
	176,544	178,631

Historically there is no major issue on recoverability of the Centre's receivables. Therefore, weighted average loss for all age of receivables is insignificant. All receivable balances as at 31 March 2021 are subsequently recovered during the year.

No impairment has been made on these amounts as the Centre is closely monitoring these receivables and is confident of their eventual recovery.

c) Liquidity risk

The Centre manages its liquidity risk by monitoring and maintaining a level of cash and bank balances deemed adequate by the management to finance the Centre's operations and mitigate the effects of fluctuations in cash flows.

All the Centre's financial liabilities are due within 1 year.

d) Fair value risk

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties at an arm's length transaction, other than in a forced or liquidation sale.

The Centre is exposed to the fluctuations in fair value of its investments in equity securities. The fair value of the Centre's other financial assets and financial liabilities reported in the statement of financial position approximate their carrying value.

i) Fair value hierarchy

The table below analyses financial instruments assets and liabilities carried at fair value, by valuation method. The different levels have been defined as follows:

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

d) Fair value risk (continued)

i) Fair value hierarchy (continued)

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 : inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest input that is significant to the entire measurement.

ii) Assets and liabilities carried at fair value

The following table shows an analysis of each class of assets and liabilities measured at fair value at the year end. All items listed below are the results of recurring fair value measurements. There are no items arising from non-recurring fair value measurements as at the year end.

	Level 1 SGD	Level 2 SGD	Level 3 SGD	Total SGD
As at 31 March 2022				
<u>Financial assets</u>				
Investments	420,971	-	-	420,971

There are no assets or liabilities measured in fair value as at 31 March 2021.

e) Derivative instruments

The Centre does not utilise any derivative instruments.

The responsibility for managing the above risks is vested in the management committee.

22. **RESERVE POLICY**

The Centre aims to maintain a reserve fund of at least 2 years of its annual operating expenses. The reserves will be set aside to provide financial stability and the means for the development of its principal activities. The Finance Sub-committee (FSC) will review the reserves that are required annually in April/ May to ensure that they are adequate to fulfil its obligations. The FSC will review the policy bi-annually in April/May and submit a report to the Management Committee for approval.

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	Fair value through other comprehensive income SGD	Financial liabilities at amortised cost SGD	Total SGD
As at 31 March 2022				
Assets				
Investments	1,200,547	420,971	-	1,621,518
Fees receivable	134,288	-	-	134,288
Other receivables, deposits and prepayments	2,240	-	-	2,240
Fixed deposits	3,562,835	-	-	3,562,835
Cash at banks and on hand	3,615,178	-	-	3,615,178
Total financial assets	8,515,088	420,971	-	8,936,059
Total non-financial assets				264,721
Total assets				9,200,780
Liabilities				
Advance receipts, deposits received and accruals	-	-	(21,874)	(21,874)
Lease liability	-	-	(2,934)	(2,934)
Total financial liabilities	-	-	(24,808)	(24,808)
Total non-financial liabilities				(757,080)
Total liabilities				(781,888)

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23. FINANCIAL INSTRUMENTS (CONTINUED)

Classification of financial instruments (continued)

As at 31 March 2021	Financial assets at amortised cost SGD	Fair value through other comprehensive income SGD	Financial liabilities at amortised cost SGD	Total SGD
Assets				
Investments	690,126	-	-	690,126
Fees receivable	178,631	-	-	178,631
Other receivables, deposits and prepayments	2,240	-	-	2,240
Fixed deposits	3,057,547	-	-	3,057,547
Cash at banks and on hand	3,478,797	-	-	3,478,797
Total financial assets	7,407,341	-	-	7,407,341
Total non-financial assets				186,918
Total assets				7,594,259
Liabilities				
Advance receipts, deposits received and accruals	-	-	(13,155)	(13,155)
Lease liability	-	-	(11,576)	(11,576)
Total financial liabilities	-	-	(24,731)	(24,731)
Total non-financial liabilities				(630,631)
Total liabilities				(655,362)

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24. FUNDS RISK MANAGEMENT

The Centre's objective when managing funds is to safeguard the Centre's ability to continue as a going concern in order to accomplish the Centre's objective. The management committee regularly reviews and monitors its fund position to ensure that the Centre's activities and growth are prudently funded. The Centre seeks to maintain a positive net current asset position and fund surplus position.

	2022 SGD	2021 SGD
Current assets	7,387,878	6,771,906
Current liabilities	(781,888)	(655,362)
Net current assets	6,605,990	6,116,544
Total assets	9,200,780	7,594,259
Total liabilities	(781,888)	(655,362)
Fund surplus	8,418,892	6,938,897

There are no changes to the Centre's policies or processes relating to the management of the Centre and the capital structure during the year.

25. TRANSFER OF FUNDS

From Consultancy and Training Fund

The Committee Members approve the transfer of SGD104,348 (2021: SGD105,809) from Consultancy and Training to Gratuity Fund.