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THYE HUA KWAN MORAL CHARITIES

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FINANCIAL STATEMENTS

FY2022-2023

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THYE HUA KWAN MORAL CHARITIES LIMITED
(Registration No. 201130733N)

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

YEAR ENDED 31 MARCH 2023

THYE HUA KWAN MORAL CHARITIES LIMITED

DIRECTORS' STATEMENT AND FINANCIAL STATEMENTS

C O N T E N T S

DIRECTORS' STATEMENT

The directors present their statement together with the audited financial statements of the Company for the financial year ended 31 March 2023.

In the opinion of the directors,

(a) the financial statements set out on pages 6 to 41 are 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 2023 and the financial performance, changes in funds and cash flows of the Company for the financial year ended 31 March 2023;

(b) the Company has complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations;

(c) the use of donation monies are in accordance with the objectives of the Company as required under Regulations 11 of the Charities (Institutions of a Public Character) Regulations;

(d) the accounting records required by the Act have been properly kept in accordance with the provision of the Act; and

(e) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors in office at the date of this statement are as follows:

Lee Kim Siang
Ng Kok Kiang Lawrence
Ong Ser Huan
Chang Long Jong
Koh Juay Meng
Ching Chiat Kwong
Koh Poh Kwang
Shawn Ching Wei Hung (Alternate to Ching Chiat Kwong)
Ramasamy Dhinakaran
Ardi Saban Hardjoe
Cheong Kah Meng
Teng Su Chin
Tan Hong Boon
Sim Gim Guan
Siow Yuen Khong Alex
Shamsul Kamar Bin Mohamed Razali (Appointed on 15 June 2023)

2 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

Not applicable as the Company is limited by guarantee.

3 AUDITORS

The auditors, Deloitte & Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE BOARD OF DIRECTORS

Chang Long Jong
Director

Ramasamy Dhinakaran
Director

31 August 2023

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

THYE HUA KWAN MORAL CHARITIES LIMITED

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Thye Hua Kwan Moral Charities Limited ('the Company'), which comprise the statement of financial position as at 31 March 2023, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 6 to 41.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Act'), the Singapore 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 2023 and of the financial performance, changes in funds and cash flows of the Company 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 '*Auditors' 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 *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ('ACRA Code') together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of Thye Hua Kwan Moral Charities Limited for the year ended 31 March 2022 were audited by another auditor who expressed an unmodified opinion on those financial statements on 26 August 2022.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information comprises the Directors' Statement, but does not include the financial statements and our auditors' report thereon.

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.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

THYE HUA KWAN MORAL CHARITIES LIMITED

Responsibilities of management and directors 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, the Charities 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.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditors' 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 auditors' 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 controls.

- Obtain an understanding of internal controls 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 controls.

- 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

Deloitte.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF

THYE HUA KWAN MORAL CHARITIES LIMITED

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

- 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 controls 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.

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

(a) the use of the donation moneys was not in accordance with the objectives of the Company 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 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Deloitte & Touche LLP

Public Accountants and
Chartered Accountants
Singapore

31 August 2023

THYE HUA KWAN MORAL CHARITIES LIMITED

Statement of financial position
As at 31 March 2023

	Note	2023	2022
		$	$
ASSETS			
Current assets			
Cash and cash equivalents	6	72,843,438	62,108,393
Trade and other receivables	7	8,467,630	13,718,912
Financial assets at fair value through profit or loss	8	15,665,512	15,592,219
Financial assets at fair value through other comprehensive income	9	18,560,795	18,110,710
		115,537,375	109,530,234
Non-current assets			
Financial assets at fair value through profit or loss	8	22,100,289	22,181,438
Financial assets at fair value through other comprehensive income	9	25,451,867	24,651,657
Property, plant and equipment	10	7,844,524	7,611,741
Right-of-use assets	11	2,489,634	2,708,732
		57,886,314	57,153,568
Total assets		173,423,689	166,683,802
LIABILITIES, FUNDS AND RESERVES			
Current liabilities			
Deferred income	12	3,478,813	5,871,940
Lease liabilities	13	1,134,237	1,353,976
Trade and other payables	14	11,274,664	10,071,903
Provision for restoration cost	15	532,452	183,596
		16,420,166	17,481,415
Non-current liabilities			
Deferred income	12	4,518,562	4,444,870
Lease liabilities	13	1,363,142	1,398,679
Provision for restoration cost	15	135,613	486,864
		6,017,317	6,330,413
Funds			
Accumulated funds		53,388,821	49,856,978
Fair value reserve	16	(212,344)	598,049
Restricted funds	17	97,809,729	92,416,947
		150,986,206	142,871,974
Total funds and liabilities		173,423,689	166,683,802

See accompanying notes to financial statements.

THYE HUA KWAN MORAL CHARITIES LIMITED

Statement of comprehensive income
Year ended 31 March 2023

	Note	2023	2022
		$	$
Incoming resources			
Incoming resources from generated funds:			
- Government grants	18	74,213,313	70,939,825
- Matching grants	18	883,860	1,989,635
- Other grants	18	5,730,392	4,955,789
- COVID-19 grants and concession	18 (iv)	-	2,493,745
- Donation income	19	838,586	1,279,994
- Other income	20	6,736,014	6,543,871
Incoming resources from charitable activities	21	5,845,052	4,745,506
Total incoming resources		94,247,217	92,948,365
Resources expended			
Staff costs		(63,778,983)	(60,770,006)
Cost of generating donation income	22	(78,775)	(46,934)
Cost of provision of charitable activities	23	(6,807,596)	(6,157,782)
Administrative expenses		(3,735,011)	(2,799,125)
Other operating expenses		(10,539,332)	(10,379,463)
Loss allowance on programme receivables	7	(310,902)	(274,898)
Programme receivables written off	24	(33,874)	-
Interest expense from lease liabilities	13	(38,119)	(41,946)
Total resources expended		(85,322,592)	(80,470,154)
Surplus for the year	24	8,924,625	12,478,211
Other comprehensive income (loss)			
Item that will not be reclassified to profit or loss:			
Equity investments at FVOCI - net change in fair value		(1,967,270)	720,419
Item that is or may be reclassified subsequently to profit or loss:			
Debt investments at FVOCI - net change in fair value		(365,980)	(1,950,804)
Debt investments at FVOCI - reclassified to surplus or deficit		1,522,857	451,781
Other comprehensive loss for the year		(810,393)	(778,604)
Total comprehensive income for the year		8,114,232	11,699,607

See accompanying notes to financial statements.

Statement of changes in funds
Year ended 31 March 2023

	Accumulated funds (Unrestricted)	Fair value reserve (Note 16)	Restricted funds (Note 17)	Total funds
	$	$	$	$
At 1 April 2021	43,459,240	1,376,653	86,336,474	131,172,367
Total comprehensive income for the year				
Surplus for the year	6,397,738	-	6,080,473	12,478,211
Other comprehensive income (loss)				
Net change in fair value:				
- equity instruments at FVOCI	-	720,419	-	720,419
- debt instruments at FVOCI	-	(1,950,804)	-	(1,950,804)
Debt investments at FVOCI - reclassified to surplus or deficit	-	451,781	-	451,781
Total other comprehensive loss	-	(778,604)	-	(778,604)
Total comprehensive income for the year	6,397,738	(778,604)	6,080,473	11,699,607
At 31 March 2022	49,856,978	598,049	92,416,947	142,871,974
At 1 April 2022	49,856,978	598,049	92,416,947	142,871,974
Total comprehensive income for the year				
Surplus for the year	3,531,843	-	5,392,782	8,924,625
Other comprehensive income (loss)				
Net change in fair value				
- equity instruments at FVOCI	-	(1,967,270)	-	(1,967,270)
- debt instruments at FVOCI	-	(365,980)	-	(365,980)
Debt investments at FVOCI - reclassified to surplus or deficit	-	1,522,857	-	1,522,857
Total other comprehensive loss	-	(810,393)	-	(810,393)
Total comprehensive income for the year	3,531,843	(810,393)	5,392,782	8,114,232
At 31 March 2023	53,388,821	(212,344)	97,809,729	150,986,206

See accompanying notes to financial statements.

THYE HUA KWAN MORAL CHARITIES LIMITED

Statement of cash flows
Year ended 31 March 2023

	Note	2023	2022
		$	$
Operating activities			
Surplus for the year		8,924,625	12,478,211
Adjustments for:			
Depreciation of:			
Property, plant and equipment	10	2,653,785	2,622,649
Right-of-use assets	11	1,598,027	1,580,800
Loss allowance on programme receivables	7	310,902	274,898
Property, plant and equipment written off	10	65,944	-
Programme receivables written off	24	33,874	-
Deferred capital grants	12(a)	(1,712,405)	(1,648,855)
Gain on derecognition of right-of-use assets	24	-	(2,421)
Loss on disposal of investments	24	1,522,857	451,781
Net change in fair value of financial assets designated at fair value through profit or loss	24	1,008,855	1,497,836
Dividend income	20	(912,421)	(825,036)
Interest income	20	(1,772,136)	(1,239,220)
Interest expense	13	38,119	41,946
Rent concessions	27	-	(165,497)
		11,760,026	15,067,092
Changes in:			
Trade and other receivables		4,906,506	(1,062,823)
Trade and other payables		1,200,366	(410,035)
Deferred income		(1,990,713)	(1,554,911)
Net cash from operating activities		15,876,185	12,039,323
Investing activities			
Acquisition of property, plant and equipment		(2,952,512)	(1,996,522)
Acquisition of investment, net		(5,391,085)	(29,383,232)
Dividends received		912,421	825,036
Proceeds from disposal of other investments		806,540	14,079,157
Interest received		1,772,136	1,256,084
Net cash used in investing activities		(4,852,500)	(15,219,477)
Financing activities			
Capital grants received		1,383,683	1,273,483
Payment of lease liabilities		(1,634,204)	(1,422,710)
Interest paid		(38,119)	(41,946)
Net cash used in financing activities		(288,640)	(191,173)
Net increase (decrease) in cash and cash equivalents		10,735,045	(3,371,327)
Cash and cash equivalents at beginning of year		62,108,393	65,479,720
Cash and cash equivalents at end of year	6	72,843,438	62,108,393

See accompanying notes to financial statements.

1 GENERAL

Thye Hua Kwan Moral Charities Limited (the 'Company') is incorporated in Singapore as a company limited by guarantee and is the welfare arm of Thye Hua Kwan Moral Society ("THKMS") since its establishment on 13 October 2011.

On 1 April 2012, THKMS restructured its nine institutions of public character (IPCs) and five senior activity centre (SACs) agencies and injected the assets and liabilities of these IPCs and SACs into the Company.

The address of the Company's registered office is 1 North Bridge Road, #03-33, High Street Centre, Singapore 179094.

The Company was registered as a charity under the Singapore Charities Act 1994 on 8 November 2011. The Company is an approved Institution of a Public Character in accordance with Section 37 of the Income Tax Act 1947.

The principal activities of the Company are those relating to the carrying on of the business of charitable and other supporting activities aimed at humanitarian work. The Company is a not-for-profit entity whose mission is:

- To help all people and to give relief to anyone in hardship, disaster or need, with due respect to be given to their race, colour, language, creed or religion.
- To promote good family life and interpersonal relationships.

Each member of the Company has undertaken to contribute such amounts not exceeding $100 to the assets of the Company in the event the Company is wound up and the monies are required for payment of the liabilities of the Company. The Company has 1 member at the end of the reporting period.

The financial statements were authorised for issue by the Board of Directors on 31 August 2023.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

The financial statements have been prepared on the historical cost basis except as otherwise described in the notes below, and are drawn up in accordance with the provisions of Charities Act and Regulations and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of FRS 116 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as value in use in FRS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

2.2 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency.

2.3 Adoption of new and revised standards

On 1 April 2022, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following new/revised FRSs that are relevant to the Company were issued but not effective:

<u>Effective for annual periods beginning on or after 1 January 2023</u>

- Amendments to FRS 1 and FRS Practice Statement 2: *Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*
- Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

<u>Effective for annual reporting periods beginning on or after 1 January 2024</u>

- Amendments to FRS 1: *Classification of Liabilities as Current or Non-current*
- Amendments to FRS 1: *Non-current Liabilities with Covenants*
- Amendments to FRS 116: *Lease Liability in a Sale and Leaseback*

The management anticipates that the adoption of the above FRS in future periods will not have a material impact on the financial statements of the Company in the period of their initial adoption.

2.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour; any other costs directly attributable to bringing the asset to a working condition for their intended use; when the Company has an obligation to remove the asset or restore the site, an estimate of the cost of dismantling and removing the items and restoring the site on which they are located; and capitalised borrowing costs.

Low value assets costing less than $3,000 individually are written off in the period of outlay.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

• Leasehold properties	30 years
• Furniture and fittings	5 years
• Office and computer equipment	3 years
• Motor vehicles	5 to 10 years
• Renovation and improvements	5 years

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

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

Renovation in progress is stated at cost and is not depreciated. Cost includes direct related expenditure incurred during the period of renovation and up to the completion of the renovation. The accumulated costs will be reclassified to the appropriate property, plant and equipment account when the renovation is substantially completed and the asset is ready for its intended use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset is included in the surplus or deficit in the year the asset is derecognised.

2.5 Financial instruments

Financial assets and financial liabilities are recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

Financial assets

All financial assets are recognised and de-recognised on a trade date basis where the purchase or sale of financial assets is under a contract whose terms require delivery of assets within the time frame established by the market concerned.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

<u>Classification of financial assets</u>

Debt instruments that meet the following conditions and are subsequently measured at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are subsequently measured at fair value through other comprehensive income ("FVOCI"):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are subsequently measured at fair value through profit or loss ("FVTPL").

Despite the aforegoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment in other comprehensive income if certain criteria are met; and
- the Company may irrevocably designate a debt investment that meets the amortised cost or FVOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

<u>Amortised cost and effective interest method</u>

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Debt investments at FVOCI

Quoted debt investments held by the Company are classified as at FVOCI (Note 9). The quoted debt investments are initially measured at fair value plus transaction costs. Subsequently, changes in the carrying amount of these quoted debt investments as a result of foreign exchange gains and losses, impairment gains or losses, and interest income calculated using the effective interest method are recognised in surplus or deficit. The amounts that are recognised in surplus or deficit are the same as the amounts that would have been recognised in surplus or deficit if these quoted debt investments had been measured at amortised cost. All other changes in the carrying amount of these quoted debt investments are recognised in other comprehensive income and accumulated under the heading of fair value reserve. When these quoted debt investments are derecognised, the cumulative gains or losses previously recognised in other comprehensive income are reclassified to surplus or deficit.

Equity investments at FVOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVOCI. Designation at FVOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination to which FRS 103 applies.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has evidence of a recent actual pattern of short-term profit-taking; or
- It is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

Investments in equity instruments at FVOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the fair value reserve. The cumulative gain or loss will not be reclassified to surplus or deficit on disposal of the equity investments.

The Company has designated all investment in equity instruments that is not held for trading as at FVOCI on initial recognition.

Dividends on these investments in equity instruments are recognised in surplus or deficit when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the "other income" line item in surplus or deficit.

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value as at each reporting date, with any fair value gains or losses recognised in surplus or deficit to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in surplus or deficit is included in the "other income" or "other operating expenses" line item and any dividend or interest earned on the financial asset is included in the "other income" line item.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

Irrespective of the outcome of the above assessment, the Company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Company has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Company considers that default has occurred when a financial asset is more than 365 days past due unless the Company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in surplus or deficit.

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with FRS 116 *Leases*.

If the Company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis, except for short-term payables when the effect of discounting is immaterial.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in surplus or deficit.

Offsetting arrangements

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. A right to set-off must be available today rather than being contingent on a future event and must be exercisable by any of the counterparties, both in the normal course of business and in the event of default, insolvency or bankruptcy.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

2.6 Leases

The Company as lessee

The Company assesses whether a contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses the incremental borrowing 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.

The right-of-use-assets and lease liability are presented as a separate line in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Company incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset as below. The depreciation starts at the commencement date of the lease.

The Company applies FRS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2.

As a practical expedient, FRS 116 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Company has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

2.7 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset’s recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss be recognised previously. Such reversal is recognised in surplus or deficit.

2.8 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in surplus or deficit in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.9 Incoming resources

Donation income

Donation income is recognised in surplus or deficit when the Company's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability. This normally coincides with the period of receipt.

Programme income

Programme income is recognised when services are rendered.

Interest income

Interest income is recognised on a time-proportion basis, using the effective interest method.

2.10 Government and other grants

Government and other grants are accounted for on an accrual basis in the statement of financial position when there is reasonable assurance that the Company has complied with all the terms and conditions attached to the grant and that there is reasonable certainty that the grant will be received.

Grants related to assets

Grants which are utilised for the purchase of property, plant and equipment are taken to deferred capital grants. The deferred capital grant is amortised over the useful lives of the property, plant and equipment by crediting to surplus or deficit an amount so as to match the corresponding depreciation expense.

Grants related to income

Grants received are recognised initially as deferred income when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grants.

Grants that compensate the Company for expenses incurred are recognised as government and other grants income in surplus or deficit on a systematic basis in the periods in which the expenses are recognised, unless the conditions for receiving the grant are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

2.11 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.12 Funds structure

Unrestricted funds are available for use at the discretion of the management in furtherance of the general objectives of the Company.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

2.13 Tax

As a registered charity under the Singapore Charities Act 1994, the Company is exempted from income tax under Section 13 of the Income Tax Act 1947.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

Management is of the opinion that any instances of application of judgements on the Company's accounting policies are not expected to have a significant effect of the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amount of trade and other receivables including the loss allowances is disclosed in Note 7 to the financial statements.

4 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2023	2022
	$	$
Financial assets		
Financial assets at FVOCI	44,012,662	42,762,367
Financial assets at FVTPL	37,765,801	37,773,657
Financial assets at amortised cost	80,967,931	75,159,670
Financial liabilities		
Financial liabilities at amortised cost	9,521,504	9,565,718
Lease liabilities	2,497,379	2,752,655

(b) Financial risk management policies and objectives

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. Management is responsible for developing and monitoring the Company's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures these risk. The Company does not hold or issue derivative financial instruments for speculative purposes.

The Company's policies for managing its financial risks are summarised as follows:

(i) Credit risks

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers.

The Company develops and maintains its credit risk gradings to categorise exposures according to their degree of risk of default. The Company has a significant concentration of credit risk with various government and other grant agencies representing 64% (2022 : 78%) of the total trade and other receivable of the Company. The majority of the Company's receivables relate to grant receivables from government and other grant agencies which are assessed as having low credit risk.

The Company has adopted procedures in monitoring its credit risk. Cash and bank balances are held with reputable institutions and are subject to immaterial credit loss.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses represents the Company's maximum exposure to credit risk without taking account of the value of any collateral which can reduce the exposure.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and to mitigate the effects of fluctuation in cash flows. The Company receives donations from the public and fund-raising activities organised by Thye Hua Kwan Moral Society and subvention income from the Government.

All the financial assets and liabilities are generally short-term in nature and payable within one year from end of reporting period, except for financial assets at FVPL, FVOCI and lease liabilities as disclosed in Note 8, 9 and 13 respectively.

(iii) Interest rate risk

The Company is exposed to interest rate risk through the impact of rate changes on interest bearing financial assets. The interest rate of these interest bearing financial assets are disclosed in Notes 6, 8 and 9 to the financial statements.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and the stipulated change taking place at the beginning of the financial period and held constant throughout the reporting period in the case of instruments that have floating rates. A 100 basis point increase or decrease represents management's assessment of the possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant, the Company's surplus for the financial year ended 31 March 2023 would increase or decrease by $156,655 (2022 : 155,922). This is mainly attributable to the Company's exposure to interest rates on its variable rate short-term investments funds.

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(iv) Foreign currency risk

The Company is exposed to foreign currency risk on monetary assets and liabilities that are denominated in currencies other than the functional currency of the Company. The currency giving rise to this is primarily the United States Dollar ("USD").

The Company's exposure to the USD is as follows:

	2023	**2022**
	$	**$**
Investments	2,435,128	4,638,088
Cash and cash equivalents	1,651,040	1,052,938
	4,086,168	5,691,026

Sensitivity analysis

In managing its foreign currency risks, the Company strive to prudently balance its portfolio so as to minimise the impact on earnings.

A reasonably possible strengthening (weakening) in Singapore dollar against USD at 31 March 2023 would have increased (decreased) the Company's surplus by approximately $40,862 (2022 : $56,910). The analysis assumed that all other variables, in particular interest rates, remain constant.

(v) Equity price risk

All of the Company's quoted investments are listed. The Company is exposed to equity price changes arising from quoted investments designated as at FVOCI. An increase in the underlying equity prices of the investments at the reporting date by 10% for the Company would have increased other comprehensive income by $4,401,266 (2022 : $4,276,237). Similarly, a decrease in the underlying equity prices by 10% for the Company would have an equal but opposite effect.

This analysis assumes that all other variables remain constant.

(c) Fair value of financial assets and liabilities

Quoted equity investments

The fair values of quoted equity investments managed by fund manager classified as FVOCI have been determined by reference to the quoted bid prices of the underlying equity securities at the reporting date. The investments are deemed as Level 1 on the fair value hierarchy.

Quoted debt investments and fixed income funds and product

The fair values of quoted debt investments classified as FVOCI, and fixed income funds and product classified as FVTPL have been determined by reference to the bid prices of the underlying quoted debt securities at the reporting date. The investments are deemed as Level 1 on the fair value hierarchy.

Other financial assets and liabilities

As the reporting date, the carrying amounts of other financial assets and liabilities with a maturity of less than one year (including trade and other receivables (excludes prepayments), cash and cash equivalents, and trade and other payables (excludes operating grants received in advance)) approximate their fair values because of the short period to maturity. The fair value of other classes of financial assets and liabilities are disclosed in respective notes to financial statements.

(d) Capital management policies and objectives

The Company's reserve management objectives are to maintain strong and healthy capital ratios in order to support its operations. The Company aims to maintain sufficient level of accumulated funds to meet three years of its budgeted operating expenditure. The Company regularly reviews and manages its reserves to ensure optimal capital structure, taking into consideration the future capital requirements of the Company's projected profitability and projected operating cash flows. The Company's overall strategy remains unchanged from the previous financial year ended.

5 RELATED PARTIES

For the purpose of these financial statements, parties are considered to be related to the Company if the related parties has the ability, directly 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 Company and the party are subject to common control or common significant influence. Related parties may be individuals, charities or other entities.

Key management personnel compensation

Key management personnel of the Company are those persons having the authority and responsibility for planning, directing and controlling activities of the Company. The Board of Directors, Chief Executive Officer, Chief Operating Officer, and Divisional Directors are considered as key management personnel of the Company.

Key management personnel compensation comprised:

	2023	2022
	$	$
Short-term employee benefits	2,151,568	1,986,480
Contribution to defined contribution plan	141,501	137,756
	2,293,069	2,124,236

The Company receives services from the Board of Directors and no remuneration is paid for their services.

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Other related party transactions

During the year, other than disclosed elsewhere in the financial statements, the following are transactions with related parties carried out on terms agreed between the parties:

	2023	2022
	$	$
Programme income from related parties	109,575	336,237
Donation income received from related parties	296,549	187,736
Service fees paid to related parties	(75,139)	(46,934)
Purchase of goods from related parties	(3,132,665)	(2,978,684)
Rental of premises	(459,480)	(462,405)
Compensation paid to close family members of key management personnel of the Company	(573,396)	(554,883)

The annual remuneration of the Company's close family members of key management personnel who each received remuneration exceeding $50,000, in the following bands in the year were as follow:

	2023	2022
Number of employees in bands		
$50,000 to $150,000	-	-
$150,001 to $250,000	1	1
$250,001 to $350,000	-	-
$350,001 to $450,000	1	1

6 CASH AND CASH EQUIVALENTS

	2023	2022
	$	$
Bank balances and cash on hand	45,843,438	56,108,393
Fixed deposits with financial institutions	27,000,000	6,000,000
	72,843,438	62,108,393

Included in the bank balances are $4,419,012 (2022 : $4,914,706) held by fund managers.

The weighted average effective interest rates per annum relating to bank balances and fixed deposits are 0.20% (2022 : 0.17%) and 4.25% (2022 : 0.20%) respectively. Interest rates reprice between one month to six months. The fixed deposits have maturity period ranging from 5 to 7 months (2022 : 1 month).

7 TRADE AND OTHER RECEIVABLES

	2023	2022
	$	$
Programme receivables	2,229,702	2,015,564
Amounts due from related parties (trade)	67,558	180,001
Interest receivables	261,326	276,372
Other receivables	288,589	173,650
Deposits	410,630	410,459
Government and other grants receivables	5,396,123	10,747,034
Prepayments	343,137	667,635
	8,997,065	14,470,715
Less: Loss allowance for programme receivables	(529,435)	(751,803)
	8,467,630	13,718,912

Transactions with related parties are unsecured and priced on terms agreed between the parties.

Loss allowance for programme receivables has been measured at an amount equal to lifetime expected credit losses (“ECL”). The ECL on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate.

Other receivables are considered to have low credit risk as they are not due for payment at the end of the reporting period and there has been no significant increase in the risk of default on the receivables since initial recognition. Accordingly, for the purpose of impairment assessment for these receivables, the loss allowance is measured at an amount equal to 12-month ECL. In determining the ECL, the Company has taken into account the historical default experience and the financial position of the counterparties, adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate, in estimating the probability of default of each of these financial assets occurring within their respective loss assessment time horizon, as well as the loss upon default in each case.

There has been no change in the estimation techniques or significant assumptions made during the current reporting period.

A receivable is written off when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery.

Movements in credit loss allowance are as follows:

	2023	2022
	$	$
Balance as at beginning of the year	751,803	476,905
Allowance during the year	310,902	289,103
Written off during the year	(533,270)	(14,205)
Balance as at end of the year	529,435	751,803

Other than for the credit impaired receivables, no allowance for impairment was necessary in respect of the remaining trade and other receivables, as the Company believe that the amounts were still receivable, based on historical payment patterns and good credit terms.

8 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	$	$
Current		
Short-term investment funds	15,665,512	15,592,219
Non-current		
Fixed income funds	9,701,728	10,267,013
Fixed income products	12,398,561	11,914,425
	22,100,289	22,181,438
	37,765,801	37,773,657

Fixed income funds bear fixed interest rates of 2.43% to 3.90% (2022 : 2.75% to 3.73%) per annum.

Fixed income products bear fixed interest rates of 3.00% to 4.13% (2022 : 3.00% to 4.25%) per annum.

Short-term investment funds bear variable interest rates of 1.75% to 2.30% (2022 : 1.78% to 3.30%) per annum.

9 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023	2022
	$	$
Current		
Quoted debt investments	4,837,952	3,691,113
Quoted equity investments	13,722,843	14,419,597
	18,560,795	18,110,710
Non-current		
Quoted debt investments	25,451,867	24,651,657
	44,012,661	42,762,367

Quoted debt investments bear interest rates of 2.12% to 5.40% (2022 : 1.30% to 6.00%) per annum with maturity dates from 2024 to 2029 (2022: 2023 to 2041).

10 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties	Renovation and improvements	Furniture and fittings	Office and computer equipment	Motor vehicles	Renovation in progress	Total
	$	$	$	$	$	$	$
Cost:							
At 1 April 2021	5,974,498	15,544,452	2,420,044	4,303,476	2,267,299	118,429	30,628,198
Additions	-	1,275,882	37,938	682,702	-	-	1,996,522
Reclassification	-	118,429	-	-	-	(118,429)	-
At 31 March 2022	5,974,498	16,938,763	2,457,982	4,986,178	2,267,299	-	32,624,720
Additions	-	1,435,814	21,080	1,495,618	-	-	2,952,512
Disposal	(2,393)	(2,940)	(12,805)	(112,383)	-	-	(130,521)
At 31 March 2023	5,972,105	18,371,637	2,466,257	6,369,413	2,267,299	-	35,446,711
Accumulated depreciation:							
At 1 April 2021	5,363,886	12,022,416	1,206,082	2,918,263	879,683	-	22,390,330
Depreciation for the year	140,376	1,125,275	391,326	775,074	190,598	-	2,622,649
At 31 March 2022	5,504,262	13,147,691	1,597,408	3,693,337	1,070,281	-	25,012,979
Depreciation for the year	110,101	1,231,663	440,903	678,377	192,741	-	2,653,785
Disposal for the year	(1,869)	(2,940)	(12,805)	(46,963)	-	-	(64,577)
At 31 March 2023	5,612,494	14,376,414	2,025,506	4,324,751	1,263,022	-	27,602,187
Carrying amounts:							
At 31 March 2022	470,236	3,791,072	860,574	1,292,841	1,197,018	-	7,611,741
At 31 March 2023	359,611	3,995,223	440,751	2,044,662	1,004,277	-	7,844,524

11 RIGHT-OF-USE ASSETS

	Leasehold lands	Leasehold properties	Office and computer equipment	Total
	$	$	$	$
Cost:				
At 1 April 2021	1,928,668	4,426,928	116,462	6,472,058
Additions	-	138,255	-	138,255
Modification/Re-assessment of leases	-	565,707	-	565,707
Derecognition of right-of-use assets	-	(447,066)	(59,562)	(506,628)
At 31 March 2022	1,928,668	4,683,824	56,900	6,669,392
Modification/Re-assessment of leases	1,102,333	276,596	-	1,378,929
At 31 March 2023	3,031,001	4,960,420	56,900	8,048,321
Accumulated depreciation:				
At 1 April 2021	739,351	2,018,478	40,418	2,798,247
Depreciation for the year	477,253	1,079,774	23,773	1,580,800
Derecognition of right-of-use assets	-	(381,238)	(37,149)	(418,387)
At 31 March 2022	1,216,604	2,717,014	27,042	3,960,660
Depreciation for the year	476,566	1,109,801	11,660	1,598,027
At 31 March 2023	1,693,170	3,826,815	38,702	5,558,687
Carrying amounts:				
At 31 March 2022	712,064	1,966,810	29,858	2,708,732
At 31 March 2023	1,337,831	1,133,605	18,198	2,489,634

12 DEFERRED INCOME

Deferred income relates to the grants received by the Company and comprises the following:

		2023	2022
		$	$
Deferred capital grants	(a)	5,313,636	5,642,358
Deferred grants:			
- Community Silver Trust matching grant	(b)	1,970,506	2,057,469
- Care & Share matching grant	(c)	-	-
- Other grants		713,233	2,616,983
		7,997,375	10,316,810
Current		3,478,813	5,871,940
Non-current		4,518,562	4,444,870
		7,997,375	10,316,810

(a) Deferred capital grants

	2023	2022
	$	$
At beginning of year	5,642,358	6,017,730
Grants received during the year	1,383,683	1,273,483
Transferred to income or expenditure (Note 20)	(1,712,405)	(1,648,855)
At end of year	5,313,636	5,642,358

(b) Community Silver Trust matching grant

	2023	2022
	$	$
At beginning of year	2,057,469	3,242,408
Grant received	1,323,805	577,192
Unutilised grant returned	-	(3,241)
Grant utilised for qualifying expenses	-	(230,877)
Grant utilised for Enhancement Projects	(1,410,768)	(1,528,013)
At end of year	1,970,506	2,057,469

The Agency for Integrated Care (AIC) will provide a matching grant of one dollar for every donation dollar raised for Intermediate and Long-term Care (ILTC) programmes by the Company.

The purpose of the CST matching grant is to enhance the Company's capabilities and provide value-added services in relation to ILTC programmes to achieve higher quality care and affordable step down care. The CST matching grant may be used to fund recurring operating expenses and Enhancement Projects as described below.

Enhancement Projects are programmes or initiatives introduced by certain Operating Units to:

(i) enhance the range of and innovate existing ILTC services;

(ii) improve their organisational capabilities; and

(iii) increase their capacity.

Upon utilising the grant to purchase property, plant and equipment for Enhancement Projects, the grant is transferred to deferred capital grant and is amortised over the useful life of the property, plant and equipment so as to match the corresponding depreciation expense.

The CST matching grant has to be utilised before 31 March 2024 for different projects and AIC has the right to clawback the balance amounts in the event the grants are not used by the stipulated deadline.

(c) Care & Share matching grant

	2023	2022
	$	$
At beginning of year	-	326,623
Grant utilised for Enhancement Projects	-	(326,623)
At end of year	-	-

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Ministry of Social and Family Development (MSF) will provide a matching grant of one dollar for every donation dollar raised for non-ILTC programmes by the Company before 31 March 2016.

The purpose of the Care & Share matching grant is to develop the Company's capabilities and capacity in the provision of social services and programmes for its beneficiaries.

Enhancement Projects are programmes or initiatives introduced by certain Operating Units to:

(i) enhance the range of and innovate existing non-ILTC services;

(ii) improve their organisational capabilities; and

(iii) increase their capacity.

Upon utilising the grant to purchase property, plant and equipment for Enhancement Projects, the grant is transferred to deferred capital grant and is amortised over the useful life of the property, plant and equipment so as to match the corresponding depreciation expense.

The Care & Share matching grant has to be utilised before 31 March 2023 and MSF has the right to clawback the balance amounts in the event the grants are not used by the stipulated deadline.

13 LEASE LIABILITIES

	2023	2022
	$	$
Maturity analysis:		
Within one year	1,177,530	1,421,360
Within two to five years	1,415,172	1,373,931
	2,592,702	2,759,291
Less: Unearned interest	(95,323)	(6,636)
Total	2,497,379	2,752,655
Analysed as:		
Current	1,134,237	1,353,976
Non-current	1,363,142	1,398,679
Total	2,497,379	2,752,655

The Company does not face a significant liquidity risk with regard to its lease liabilities. Lease liabilities are monitored within the Company's treasury function. The effective interest rate applied to the lease liabilities on 31 March 2023 is 3.17% (2022 : 0.92%).

Reconciliation of movements to cash flows arising from financing activities

The following is the disclosure of the reconciliation of liabilities arising from financing activities:

	2023	2022
	$	$
Lease liabilities		
At beginning of the year	2,752,655	3,727,562
Financing cash flows	(1,672,323)	(1,464,656)
New lease liabilities/modifications	1,378,928	447,803
Interest expense	38,119	41,946
At end of the year	2,497,379	2,752,655

Leases as lessee

The Company leases its properties for its centre premises. The leases typically run for a period of 3 years (2022 : 3 years), with an option to renew the lease after that date depending on the renewal of the funding agreement of the programme. Lease payments are usually non-negotiable.

The Company leases office equipment with contract terms of 1 to 5 years. Some of these leases are short-term and/or leases of low-value items. The Company has elected not to recognise ROU assets and lease liabilities for these leases.

Information about leases for which the Company is a lessee is presented below.

Amounts recognised in surplus or deficit

	2023	2022
	$	$
Interest on lease liabilities	(38,119)	(41,946)
Expenses relating to short-term leases	(611,627)	(660,373)
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	(54,824)	(56,959)
Rent concession on lease liabilities	-	165,497

Amounts recognised in statement of cash flows

	2023	2022
	$	$
Total cash outflow for leases	(1,672,323)	(1,464,656)

Extension options

Some property leases contain extension options exercisable by the Company up to 3 years before the end of the non-cancellable contract period. Where practicable, the Company seeks to include extension options in new leases to provide operational flexibility. The Company assesses at lease commencement date whether it is reasonably certain to exercise the extension options. The Company reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

The Company has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $2,072,579 (2022 : $371,105).

14 TRADE AND OTHER PAYABLES

	2023	2022
	$	$
Amounts due to related parties (trade)	755,673	660,506
Accrued operating expenses	5,850,990	5,923,676
Other payables	2,246,776	2,311,076
	8,853,439	8,895,258
Operating grants received in advance	2,421,225	1,176,645
	11,274,664	10,071,903

Transactions with related parties are unsecured and priced on terms agreed between the parties.

15 PROVISION FOR RESTORATION COST

	2023	2022
	$	$
Provision for restoration cost	668,065	670,460
Represented by:		
Current	532,452	183,596
Non-current	135,613	486,864
	668,065	670,460

The provisions are made for the restoration of the leased premises to the original condition. They are due within 1 to 3 years (2022 : 1 to 4 years).

16 FAIR VALUE RESERVE

Fair value reserve comprises the cumulative net change in the fair values of financial investments at FVOCI until the investments are derecognised or impaired.

17 RESTRICTED FUNDS

Restricted government grants are funded mainly by Ministry of Social and Family Development, Ministry of Health and Tote Board Social Service Fund. These restricted funds are to be used to benefit specific programmes run by the respective centres.

Included in restricted government grants are the CST and the Care & Share matching grants to be used to fund ILTC programmes and non-ILTC programmes respectively.

18 GOVERNMENT AND OTHER GRANTS

The Company is a voluntary welfare organisation. The Company receives grants from the Government and other organisations to run various welfare programmes. Government Ministries do not provide full funding for its programmes, supplementary grants from other organisations, such as Community Chest and SG Enable are sought. Further information of major grants are as following:

		2023	2022
		$	$
Grants from the Government	(i)	74,213,313	70,939,825
Matching grants	(ii)		
- Community Silver Trust matching grant		844,599	1,587,058
- Care & Share matching grant		39,261	402,577
		883,860	1,989,635
Grants from other organisations	(iii)	5,730,392	4,955,789
		80,827,565	77,885,249

(i) Grants from the Government

Ministry of Social and Family Development ("MSF") grant

The purpose of the MSF grant, including Care and Share matching grant is to fund early childhood, family, disabilities and social service programmes. Funding covers the individual programmes' expenditure on manpower and other operating expenses.

Ministry of Health ("MOH") grant

The purpose of MOH grants is to fund elderly requiring home care services, including meals, escort services for hospital treatment, home medical, personal hygiene and laundry services.

Agency for Integrated Care ("AIC") grant

The purpose of the AIC grant, including Community Silver Trust matching grant is to fund patients requiring continuous medical care at home for certain period after being discharged from hospital and to fund home visits by caring neighbours who monitor the wellbeing of elderly residents.

Tote Board Social Service Fund ("Tote Board") grant

The purpose of Tote Board grants is to supplement MSF and MOH funding.

(ii) Matching grants

Where permissible, grants from the Community Silver Trust and the Care & Share are also sought to cover qualifying operating expenses and to fund Enhancement Projects.

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(iii) Grants from other organisations

SG Enable grant

The purpose of SG Enable grants is to provide transportation for people requiring services at specific locations.

Community Chest ("Com Chest") grant

The purpose of Com Chest grants is to supplement family services and centre for family harmony.

National Council of Social Service ("NCSS") Community S.E.T. grant

The purpose of NCSS Community S.E.T grant is to supplement special education schools, early intervention programmes for infants and children and training and employment programmes.

(iv) COVID-19 grants and concession

		2023	2022
		$	$
Job Support Scheme income	(a)	-	1,290,896
Covid-19 Healthcare award	(b)	-	1,037,352
Rent concessions on lease liabilities		-	165,497
		-	2,493,745

(a) In 2022, Government grant relate to COVID-19 support measure comprising $1,290,896 grants from the Job Support Scheme by the Singapore government. The grants were recognised in surplus for the year in "other income" as the related wages and salaries were recognised (see Note 24).

(b) In 2022, Government grant relate to COVID-19 support measure comprising $1,037,352 grants from the COVID-19 Healthcare Award by the Singapore government. The grants were recognised in surplus for the year in "other income" as the related wages and salaries were recognised (see Note 24).

(c) In 2022, an amount of $165,497 arising from rent concessions to which the Company has applied practical expedient under Amendment to FRS 116 *COVID-19-Related Rent Concessions* (see Note 13).

19 DONATION INCOME

	2023	2022
	$	$
Donations:		
- Tax deductible	478,174	1,174,450
- Non-tax deductible	360,412	105,544
	838,586	1,279,994

Included in the donation income is an amount of $296,549 (2022 : $187,736) received from fund-raising activities organised by THKMS.

For tax deductible donations, tax exempt receipts were issued directly by the Company to the donors.

20 OTHER INCOME

	2023	2022
	$	$
Deferred capital grants (Note 12)	1,712,405	1,648,855
Interest income	1,772,136	1,239,220
Dividend income	912,421	825,036
Wage credit scheme funded by government	-	886,760
Employment credits funded by government	172,544	127,232
Jobs growth incentive by government	1,508,380	1,520,649
Others	658,128	296,119
	6,736,014	6,543,871

21 INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	2023	2022
	$	$
Elderly and disabled programmes	1,738,113	692,093
Early intervention programmes for infants and children	1,539,910	1,329,484
Family service programmes	237,165	38,292
Senior activities programmes	39,299	4,232
Specialised service programmes	-	57,962
Therapy service programmes	1,621,605	1,236,297
Social service programmes	-	27,260
Disability home programmes	668,960	1,359,886
	5,845,052	4,745,506

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The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of goods or services	The Company generates various sources of service revenue from the conduct of programmes during the year.
When income is recognised	Income is recognised when services are rendered.
Significant payment terms	Invoices are issued upon completion of services. Payment is due immediately upon billing for individual customers whereas invoices are payable within 30 days for corporate customers.

22 COST OF GENERATING DONATION INCOME

	2023	2022
	$	$
Fund raising costs	78,775	46,934

In raising the donations, the Company incurred fund-raising expenses of $78,775 (2022 : $46,934) paid and payable to THKMS for tax deductible donations raised for the Company.

23 COST OF PROVISION OF CHARITABLE ACTIVITIES

	2023	2022
	$	$
Elderly and disabled programmes	105,196	358,139
Early intervention programmes for infants and children	938,613	538,525
Family service programmes	529,216	743,152
Senior activities programmes	85,979	388,345
Specialised service programmes	-	71,821
Therapy service programmes	288,766	107,147
Social service programmes	-	27,350
Disability home programmes	3,501,701	3,500,775
Other programme expenses	1,358,125	422,528
	6,807,596	6,157,782

24 SURPLUS FOR THE YEAR

The following items have been included in arriving at surplus for the year:

	2023	2022
	$	$
Depreciation of:		
- property, plant and equipment	(2,653,785)	(2,622,649)
- right-of-use assets	(1,598,027)	(1,580,800)
Net change in fair value of financial investments at FVTPL	(1,008,855)	(1,497,836)
Gain on derecognition of right-of-use assets	-	2,421
Loss on disposal of investments	(1,522,857)	(451,781)
Loss allowance on programme receivables	(310,902)	(289,103)
Programme receivables written off	(33,874)	-
Staff costs:		
- Wages and salaries	(51,100,178)	(49,404,994)
- Contribution to defined contribution plans	(7,004,481)	(6,384,211)
- Staff training	(1,698,967)	(1,090,759)
- Foreign worker levies	(2,293,507)	(2,244,619)
- Other short-term benefits	(1,681,850)	(1,645,423)
	(63,778,983)	(60,770,006)

The Company negotiated rent concessions with its landlords for the majority of its centre premises leases as a result of the severe impact of the COVID-19 pandemic during the year and applied the practical expedient for COVID-19-related rent concessions consistently to eligible rent concessions.

The amount recognised in surplus for the year to reflect the changes in lease payments arising from rent concessions to which the Company has applied the practical expedient for COVID-19-related rent concessions is $Nil (2022 : $165,497).

The annual remuneration of the Company's staff who each received remuneration exceeding $100,000, in the following bands in the year were as follow:

	2023	2022
Number of employees in bands:		
$100,000 to $200,000	58	54
$200,001 to $300,000	6	5
$300,001 to $400,000	1	1

25 INCOME TAXES

The Company is a registered Charity under the Charities Act 1994 and is exempt from income tax.

26 COMMITMENTS

Capital expenditure which have not been provided for in the financial statements were as follows:

	2023	2022
	$	$
Authorised and contracted for:		
- Property, plant and equipment	68,366	322,807

In April 2023, the Board has approved for the purchase of a property for consideration of the sum of $51,184,000. This property will be held as "Investment property". The Company has exercised the options to purchase this property in July 2023.

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