BIZLINK CENTRE SINGAPORE LTD

(Registration No: 199500566R)

Directors' Statement and Financial Statements

Year Ended 31 March 2021

BIZLINK CENTRE SINGAPORE LTD (Registration No: 199500566R)

Directors' Statement and Financial Statements

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BIZLINK CENTRE SINGAPORE LTD (Registration No: 199500566R)

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of Bizlink Centre Singapore Ltd (the "Company") for the financial year ended 31 March 2021.

In the opinion of the directors,

a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company at 31 March 2021, and the financial performance, changes in funds and cash flows of the Company for the financial year then ended; and

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

Directors

The directors of the Company in office at the date of statement are:

Chua Choy Soon
Fan Tai Weng Victor
Tan Hee Teik (Appointed on 1 September 2020)
Yap Kiat Choo

Arrangements to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

Other matters

As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

Independent auditors

The independent auditors, Messrs. Pinnally PAC, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

Fan Tai Weng Victor
Director

Chua Choy Soon
Director

Singapore,
01 SEP 2021

pinnally

Pinnally PAC
(Company Registration No.: 201615690G)
Incorporated with limited liabilities

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Independent Auditor's Report to the Members of
BIZLINK CENTRE SINGAPORE LTD (Registration No: 19950566R)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Bizlink Centre Singapore Ltd (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2021, the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial year ended 31 March 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2021, and of the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on page 1 but does not include the financial statements and our auditor's 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.

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Independent Auditor's Report to the Members of
BIZLINK CENTRE SINGAPORE LTD (Registration No: 19950566R)

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 Companies Act, the Charities Act and Regulations, 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.

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 assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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Independent Auditor's Report to the Members of
BIZLINK CENTRE SINGAPORE LTD (Registration No: 19950566R)

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

Report on other Legal and Regulatory Requirements

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

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

a. The Company has not used the donation moneys in accordance its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

b. The Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

PINNALLY PAC
Public Accountants and
Chartered Accountants
Singapore,

01 SEP 2021

BIZLINK CENTRE SINGAPORE LTD (Registration No: 199500566R)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

		Unrestricted funds			Restricted funds			
2021	Note	General fund S$	Designated fund S$	Philanthropic workfare fund S$	Building fund S$	Abilympics fund S$	Programme fund S$	Total unrestricted and restricted funds S$
INCOME								
Voluntary income								
Donations	4	-	-	259,740	-	-	100	259,840
MSF funding	18	-	-	-	-	-	1,024,815	1,024,815
NCSS allocations – Community Chest funding		-	-	-	-	-	713,765	713,765
NCSS allocations – Covid-19 fund		5,779	-	-	-	-	-	5,779
NCSS allocations – Tote Board funding		-	-	-	-	-	82,918	82,918
CST funding	9	288,526	694,967	-	-	-	-	983,493
Rental reimbursement		-	-	-	-	-	253,726	253,726
Government grants		1,073,886	-	-	-	-	9,016	1,082,902
Deferred capital grant	10	3,831	-	-	-	-	10,956	14,787
		1,372,022	694,967	259,740	-	-	2,095,296	4,422,025
Activities for generating funds								
Revenue from projects		1,018,226	-	-	-	-	30,085	1,048,311
Investment income								
Interest income		32,247	-	-	17	129	-	32,393
Income from charitable activities								
Revenue from projects		905,182	-	-	-	-	-	905,182
Other income								
SGE ENABLE – Transport Subsidies		-	-	-	-	-	167,646	167,646
Miscellaneous income		59,243	-	-	-	-	88,181	147,424
Interdepartmental sales		101,716	-	-	-	-	-	101,716
		160,959	-	-	-	-	255,827	416,786
Total income		3,488,636	694,967	259,740	17	129	2,381,208	6,824,697

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONT'D)

		Unrestricted funds			Restricted funds			
2021 (Cont'd)	Note	General fund S$	Designated fund S$	Philanthropic workfare fund S$	Building fund S$	Abilympics fund S$	Programme fund S$	Total unrestricted and restricted funds S$
EXPENDITURE								
Cost of generating funds								
Allowance of impairment for trade receivables	7	24,283	-	-	-	-	-	24,283
Expenses relating to sale of work		719,279	-	-	-	-	-	719,279
Direct labour		237,117	-	-	-	-	-	237,117
Staff costs	5	-	576,458	-	-	-	-	576,458
Fund raising expenses		-	-	25,419	-	-	-	25,419
Special assistance to client		-	-	1,294	-	-	-	1,294
		980,679	576,458	26,713	-	-	-	1,583,850
Cost of charitable activities								
Allowance of impairment for trade receivables	7	(19,460)	-	-	-	-	4,007	(15,453)
Expenses relating to sale of work		90,040	-	-	-	-	16,210	106,250
Direct labour		1,103,884	-	-	-	-	-	1,103,884
Staff costs	5	-	-	-	-	-	1,466,133	1,466,133
Transport – SSTA		-	-	-	-	-	230,040	230,040
Special assistance to client		25	-	-	-	-	1,568	1,593
		1,174,489	-	-	-	-	1,717,958	2,892,447
Governance and administrative costs								
Audit fees		10,000	-	-	-	-	-	10,000
Depreciation of plant and equipment		113,936	8,513	-	-	-	222,745	345,194
Event expenses		-	-	-	-	-	-	-
Insurance		28,872	-	-	-	-	5,501	34,373
Lease liabilities interest		2,512	-	-	-	-	18,486	20,998
Maintenance of building		8,802	502	-	-	-	1,697	11,001
Maintenance of equipment		39,728	260	-	-	-	1,387	41,375
Maintenance of vehicle		3,923	-	-	-	-	22,866	26,789
Miscellaneous		(46,149)	-	78,290	-	-	18,473	50,614
Management and administration expenses		-	-	(519)	-	-	-	(519)
Balance c/f		161,624	9,275	77,771	-	-	291,155	539,825

BIZLINK CENTRE SINGAPORE LTD (Registration No: 199500566R)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021 (CONT'D)

		Unrestricted funds			Restricted funds			
2021 (Cont'd)	Note	General fund S$	Designated fund S$	Philanthropic workfare fund S$	Building fund S$	Abilympics fund S$	Programme fund S$	Total unrestricted and restricted funds S$
EXPENDITURE (CONT'D)								
Governance and administrative costs (Cont'd)								
Balance b/f		161,624	9,275	77,771	-	-	291,155	539,825
Non-capitalised equipment		32,118	-	-	-	-	23,756	55,874
Interdepartmental expenses		54,332	-	-	-	-	47,385	101,717
Postage		1,286	-	-	-	-	-	1,286
Professional fees and services		1,926	-	350	-	-	588	2,864
Renovation		-	62,921	-	-	-	-	62,921
Rental		9,189	-	-	-	-	64,925	74,114
Rental (other charges)		-	5,459	-	-	-	32,645	38,104
Replacement		270	-	-	-	-	1,000	1,270
Staff costs	5	766,449	-	-	-	-	-	766,449
Supplies and materials		29,459	48,008	13,308	-	-	5,087	95,862
Telecommunication		19,429	2,528	1,113	-	-	9,644	32,714
Travel and transport		14,433	(1,169)	2,042	-	-	12,389	27,695
Training		-	-	20,000	-	-	-	20,000
Utilities		30,749	-	2,107	-	-	24,565	57,421
		1,121,264	127,022	116,691	-	-	513,139	1,878,116
Total expenditure		3,276,432	703,480	143,404	-	-	2,231,097	6,354,413
Net surplus / (deficit) for the year		212,204	(8,513)	116,336	17	129	150,111	470,284
Total funds brought forward		2,581,741	58,946	1,413,343	504,688	52,806	(40,540)	4,570,984
Total fund carried forward		2,793,945	50,433	1,529,679	504,705	52,935	109,571	5,041,268

BIZLINK CENTRE SINGAPORE LTD (Registration No: 199500566R)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

		Unrestricted funds			Restricted funds			
2020	Note	General fund S$	Designated fund S$	Philanthropic workfare fund S$	Building fund S$	Abilympics fund S$	Programme fund S$	Total unrestricted and restricted funds S$
INCOME								
Voluntary income								
Donations	4	-	-	281,401	-	-	1,006	282,407
MSF funding	18	-	-	-	-	-	1,000,254	1,000,254
NCSS allocations – Community Chest funding		174,789	-	-	-	-	701,751	876,540
NCSS allocations – Tote Board funding		-	-	-	-	-	72,039	72,039
CST funding	9	580,000	951,935	-	-	-	-	1,531,935
Other grants and subsidies		1,755	-	-	-	-	-	1,755
Rental reimbursements		-	-	-	-	-	282,046	282,046
Government grants		171,748	55,353	-	-	-	8,153	235,254
Deferred capital grant	10	54,634	-	-	-	-	14,777	69,411
		982,926	1,007,288	281,401	-	-	2,080,026	4,351,641
Activities for generating funds								
Revenue from projects		1,250,899	-	-	-	-	51,414	1,302,313
Investment income								
Interest income		76,739	-	-	9,053	129	-	85,921
Income from charitable activities								
Revenue from projects		1,065,492	-	-	-	-	-	1,065,492
Other income								
Income from President Challenge 2017	12	-	46,940	-	-	-	-	46,940
SGE ENABLE – Transport Subsidies		-	-	-	-	-	152,484	152,484
Miscellaneous income		12,987	-	-	-	-	-	12,987
Interdepartmental sales		69,607	-	-	-	-	-	69,607
		82,594	46,940	-	-	-	152,484	282,018
Total income		3,458,650	1,054,228	281,401	9,053	129	2,283,924	7,087,385

BIZLINK CENTRE SINGAPORE LTD (Registration No: 199500566R)

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)

		Unrestricted funds			Restricted funds			
2020 (Cont'd)	Note	General fund S$	Designated fund S$	Philanthropic workfare fund S$	Building fund S$	Abilympics fund S$	Programme fund S$	Total unrestricted and restricted funds S$
EXPENDITURE								
Cost of generating funds								
Allowance of impairment for trade receivables	7	7,633	-	-	-	-	-	7,633
Expenses relating to sale of work		869,002	-	-	-	-	-	869,002
Direct labour		250,503	-	-	-	-	-	250,503
Staff costs	5	-	717,694	-	-	-	-	717,694
Fund raising expenses		-	-	25,679	-	-	-	25,679
Special assistance to client		-	-	4,883	-	-	-	4,883
		1,127,138	717,694	30,562	-	-	-	1,875,394
Cost of charitable activities								
Allowance of impairment for trade receivables	7	6,782	-	-	-	-	16,835	23,617
Expenses relating to sale of work		134,936	-	-	-	-	16,817	151,753
Direct labour		1,029,019	-	-	-	-	-	1,029,019
Staff costs	5	-	266,596	-	-	-	1,432,554	1,699,150
Transport – SSTA		-	-	-	-	-	231,051	231,051
Special assistance to client		1,164	-	-	-	-	-	1,164
		1,171,901	266,596	-	-	-	1,697,257	3,135,754
Governance and administrative costs								
Audit fees		17,000	-	-	-	-	-	17,000
Depreciation of plant and equipment		133,116	-	-	-	-	249,566	382,682
Insurance		24,053	475	-	-	-	9,728	34,256
Lease liabilities interest		4,597	-	-	-	-	30,097	34,694
Maintenance of building		4,185	-	-	-	-	38	4,223
Maintenance of equipment		23,625	430	-	-	-	1,599	25,654
Maintenance of vehicle		3,470	-	-	-	-	16,653	20,123
Miscellaneous		106,498	30	4,403	-	-	42,119	153,050
Balance c/f		316,544	935	4,403	-	-	349,800	671,682

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)

		Unrestricted funds			Restricted funds			
2020 (Cont'd)	Note	General fund S$	Designated fund S$	Philanthropic workfare fund S$	Building fund S$	Abilympics fund S$	Programme fund S$	Total unrestricted and restricted funds S$
EXPENDITURE (CONT'D)								
Governance and administrative costs (Cont'd)								
Balance b/f		316,544	935	4,403	-	-	349,800	671,682
Interdepartmental expenses		54,460	-	-	-	-	15,147	69,607
Professional fees and services		9,850	-	500	-	-	-	10,350
Rental		26,400	-	-	-	-	-	26,400
Rental (other charges)		1,607	22,437	-	-	-	64,770	88,814
Replacement		2,325	-	-	-	-	3,866	6,191
Staff costs	5	741,333	-	-	-	-	-	741,333
Supplies and materials		19,877	37,119	431	-	-	3,004	60,431
Telecommunication		22,849	1,471	965	-	-	7,631	32,916
Travel and transport		16,638	7,976	8,893	-	-	18,691	52,198
Utilities		38,171	-	3,934	-	-	21,011	63,116
		1,250,054	69,938	19,126	-	-	483,920	1,823,038
Total expenditure		3,549,093	1,054,228	49,688	-	-	2,181,177	6,834,186
Net surplus / (deficit) for the year		(90,443)	-	231,713	9,053	129	102,747	253,199
Total funds brought forward		2,616,254	118,595	1,181,630	495,635	52,677	(107,285)	4,357,506
Cumulative effect of adopting new accounting standard		(122)	(3,597)	-	-	-	(36,002)	(39,721)
Total funds brought forward (restated)		2,616,132	114,998	1,181,630	495,635	52,677	(143,287)	4,317,785
Transfer between funds		56,052	(56,052)	-	-	-	-	-
Total fund carried forward		2,581,741	58,946	1,413,343	504,688	52,806	(40,540)	4,570,984

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

BIZLINK CENTRE SINGAPORE LTD (Registration No: 199500566R)

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 S$	2020 S$
ASSETS			
Current assets			
Cash and cash equivalents	6	8,149,256	7,102,072
Trade and other receivables	7	460,180	420,174
		8,609,436	7,522,246
Non-current assets			
Plant and equipment	8	458,540	726,639
Total assets		9,067,976	8,248,885
LIABILITIES			
Current liabilities			
Other payables	9	3,585,433	3,020,660
Deferred capital grant	10	37,303	44,052
Lease liabilities	11	259,800	244,008
		3,882,536	3,308,720
Non-current liabilities			
Deferred capital grant	10	90,518	104,896
Lease liabilities	11	53,654	264,285
		144,172	369,181
Total liabilities		4,026,708	3,677,901
NET ASSETS		5,041,268	4,570,984
FUNDS			
Unrestricted funds	12	4,374,057	4,054,030
Restricted funds			
Building fund	13	504,705	504,688
Abilympics fund	14	52,935	52,806
Programme fund	15	109,571	(40,540)
TOTAL FUNDS		5,041,268	4,570,984

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

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Unrestricted funds	Restricted funds			Total funds
		Building fund	Abilympics fund	Programme fund	
	S$	S$	S$	S$	S$
At 1 April 2019	3,912,760	495,635	52,677	(143,287)	4,317,785
Net surplus for the year	141,270	9,053	129	102,747	253,199
At 31 March 2020	4,054,030	504,688	52,806	(40,540)	4,570,984
Net surplus for the year	320,027	17	129	150,111	470,284
At 31 March 2021	4,374,057	504,705	52,935	109,571	5,041,268

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

BIZLINK CENTRE SINGAPORE LTD (Registration No: 199500566R)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S$	2020 S$
Cash flows from operating activities			
Net income for the year		470,284	253,199
Adjustments for:			
- Depreciation of plant and equipment	8	345,194	382,682
- Amortisation of deferred capital grant	10	(26,617)	(69,411)
- Interest expense		20,998	34,694
- Interest income		(25,124)	(81,877)
Operating cash flow before working capital changes		784,735	519,287
Changes in operating assets and liabilities			
- Trade and other receivables		(40,006)	406,702
- Other payables		564,773	847,015
Net cash generated from operating activities		1,309,502	1,773,004
Cash flows from investing activities			
Purchases of plant and equipment	8	(17,126)	(33,734)
Interest received		25,124	81,877
Net cash generated from investing activities		7,998	48,143
Cash flows from financing activities			
Interest expense		(20,998)	(34,694)
Repayment of principal portion of lease liabilities		(254,808)	(279,358)
Net cash used in financing activities		(275,806)	(314,052)
Cash flows from fund activities			
Deferred capital grant received	10	5,490	47,000
Net cash generated from fund activities		5,490	47,000
Net increase in cash and cash equivalents		1,047,184	1,554,095
Cash and cash equivalents at beginning of financial year		7,102,072	5,547,977
Cash and cash equivalents at end of financial year	6	8,149,256	7,102,072

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Bizlink Centre Singapore Ltd (the "Company") is incorporated and domiciled in Singapore. The Company's registered office and principal place of business of the Company is located at Block 512 Chai Chee Lane, #01-07/09, Bedok Industrial Estate, Singapore 469028.

The Company was registered as charity under the Charities Act, Chapter 37 on 16 May 1995. The Company has been accorded an Institutions of a Public Character ("IPC") status until 30 September 2023.

The principal activities of the Company are those of assisting disadvantaged persons to be gainfully employed as part of the mainstream workforce.

The financial statements were authorised for issue in accordance with a resolution of the directors on the date of the Directors' statement.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar (S$), which is the Company's functional currency.

The preparation of these financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

2. Significant accounting policies (Cont'd)

2.3 Standards issued but not yet effective

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Descriptions	Effective for annual periods beginning on or after
Amendment to FRS 116 *Leases*: Covid-19-Related Rent Concessions	1 June 2020
Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement, FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform – Phase 2	1 January 2021
Amendments to FRS 16 *Property, Plant and Equipment:* Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 *Presentation of Financial Statements*: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 110 *Consolidated Financial Statements and* FRS 28 *Investments in Associates and Joint Ventures*: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Foreign currency translation and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

2. Significant accounting policies (Cont'd)

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment loss. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantled, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation of plant and equipment is calculated using straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows: -

	Useful lives
Building	3 to 5 years
Computer	3 years
Equipment	5 years
Furniture and fittings	5 years
Renovation	5 years
Motor vehicles	3 to 10 years

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

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

2.6 Impairment of non-financial assets

The Company accesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing 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 group 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.

Impairment losses are recognised in profit or loss.

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. The increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. Significant accounting policies (Cont'd)

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measure at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows form the asset has expired. On derecognition of a financial asset in its entirely, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

2. Significant accounting policies (Cont'd)

2.7 Financial instruments (Cont'd)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss

2.8 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and are subject to an insignificant risk of changes in value.

2. Significant accounting policies (Cont'd)

2.10 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting year and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 Government grants

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.12 Employee benefits

(a) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) 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 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. Significant accounting policies (Cont'd)

2.13 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(a) As lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-ofuse assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straightline basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

The Company's right-of-use assets are presented within plant and equipment (Note 8).

Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liabilities were disclosed in Note 11 to the financial statements.

2. Significant accounting policies (Cont'd)

2.13 Leases (Cont'd)

Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(b) As lessor

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Company's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.14 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Donations

Donations are taken up and accrued as and when they are committed. Donations are then recognised as income when the Company has unconditional entitlement after all the imposed conditions are met. Uncommitted donations, income from charity events and all other income, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

(b) Revenue from projects

Revenue from projects is recognised at the point in time when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(c) Other income

Other income is recognised when received.

2. Significant accounting policies (Cont'd)

2.15 Taxes

(a) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.16 Cost and expense recognition

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible, where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

(a) Cost of generating funds

Cost of generating funds consists of costs that directly attributable to the fund-raising activities and are separated from those costs incurred in the undertaking charitable activities.

(b) Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Company. The total costs of charitable activities are apportionment of overhead and shared costs.

(c) Governance and administrative costs

Governance costs include the cost of governance arrangement, which related to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.17 Funds

Restricted fund balances are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Board of Directors. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Board of Directors retains full control over the use of unrestricted funds for any of the Company's purposes.

2. Significant accounting policies (Cont'd)

2.18 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;
(ii) Has significant influence over the Company; or
(iii) Is a member of the key management personnel of the Company or of a parent of the Company;

(b) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others;
(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) Both entities are joint ventures of the same third party;
(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) The entity is controlled or jointly controlled by a person identified in (a);
(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

The Management is of the opinion that there are no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 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 are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

3. Significant accounting judgements and estimates (Cont'd)

3.2.1 Expected credit losses (ECL) on trade receivables

The Company uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Company's trade receivables is disclosed in Note 20.1.

The carrying amount of the Company's trade receivables as at 31 March 2021 was S$290,511 (2020: S$245,748).

3.2.2 Useful lives of plant and equipment

Management determines the estimated useful lives and the related depreciation for its plant and equipment based on the period over which the plant and equipment are expected to provide economic benefits. Management's estimation of the useful lives of plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimation of the useful lives of the plant and equipment could change significantly due to physical wear and tear, technical or commercial obsolesce and legal or other limits on the use of plant and equipment. The depreciation charge is increased where useful lives are less than previously estimated lives.

The carrying value of plant and equipment as of 31 March 2021 and 2020 is S$458,540 and S$726,639 respectively.

Based on Management's assessment, no change in the estimated useful lives of plant and equipment is required as of 31 March 2021 and 2020.

4. Donations

	2021 S$	2020 S$
Tax exempt donations	129,499	147,862
Non-tax exempt donations	130,341	134,545
	259,840	282,407

5. Staff costs

	2021 S$	2020 S$
Staff salaries and bonuses	2,452,174	2,746,001
Employer's contribution to CPF	293,067	300,066
Staff SDL	4,622	5,063
Foreign worker levy	23,317	32,131
Staff benefits	22,130	54,485
Staff training	4,901	14,919
Recruitment expenses	8,829	5,512
	2,809,040	3,158,177

The staff costs were allocated as follows:

• Cost of generating funds	576,458	717,694
• Cost of charitable activities	1,466,133	1,699,150
• Governance and administration costs	766,449	741,333
	2,809,040	3,158,177

The remuneration bands of the top three key executives are as follow:

Remuneration band (S$)	Number of key personnel	
Below S$100,000	1	-
Above S$100,000 and below S$200,000	2	2
Above S$200,000 and below S$300,000	-	1

6. Cash and cash equivalents

	2021 S$	2020 S$
Cash on hand	7,610	7,310
Cash at banks	2,541,646	1,121,179
Fixed deposits	5,600,000	5,973,583
	8,149,256	7,102,072

The fixed deposits mature within 12 months (2020: 12 months) from the financial year end and earn interest at rate of 0.30% to 0.40% (2020: 1.68% to 1.85%) per annum.

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7. Trade and other receivables

	2021 S$	2020 S$
Trade receivables		
- Third parties	380,123	326,530
Less: Allowance of expected credit losses	(89,612)	(80,782)
	290,511	245,748
Deposits	119,018	111,088
Other receivables	35,537	47,426
Prepayments	15,114	15,912
	460,180	420,174

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL was as follows:

	2021 S$	2020 S$
At beginning of financial year	80,782	49,533
Provision for expected credit losses	30,672	31,249
Reversal of expected credit losses	(21,842)	-
At end of financial year	89,612	80,782

Trade receivables are non-interest bearing and are generally on 30 days' term.

Other receivables are unsecured, interest-free and are repayable on demand.

8. Plant and equipment

	Building S$	Equipment S$	Furniture and fittings S$	Renovation S$	Motor vehicles S$	Computer S$	Total S$
Cost							
At 1 April 2019	1,205,085	351,252	114,065	586,272	422,624	219,666	2,898,964
Additions	-	23,044	-	10,690	-	-	33,734
At 31 March 2020	1,205,085	374,296	114,065	596,962	422,624	219,666	2,932,698
Additions	59,969	17,126	-	-	-	-	77,095
At 31 March 2021	1,265,054	391,422	114,065	596,962	422,624	219,666	3,009,793
Accumulated depreciation							
At 1 April 2019	487,668	277,306	114,065	533,575	222,476	188,287	1,823,377
Depreciation charge	279,652	32,185	-	14,770	35,856	20,219	382,682
At 31 March 2020	767,320	309,491	114,065	548,345	258,332	208,506	2,206,059
Depreciation charge	234,772	38,011	-	27,147	34,104	11,160	345,194
At 31 March 2021	1,002,092	347,502	114,065	575,492	292,436	219,666	2,551,253
Carrying amount							
31 March 2020	437,765	64,805	-	48,617	164,292	11,160	726,639
31 March 2021	262,962	43,920	-	21,470	130,188	-	458,540

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 11.

9. Other payables

	2021 S$	2020 S$
GST payables	(1,249)	(1,932)
Other payables	168,172	89,219
Deposits	8,250	8,750
Accruals	973,592	1,112,608
Provision for incentive – Community Engagement	151,657	151,657
Grants received in advance		
- Community Silver Trust	1,818,739	1,271,393
- Lee Foundation	120,561	120,561
- Joy Committee	4,220	4,220
- MSF	61,676	-
- Work Rehabilitation	112,420	112,420
- Others	167,395	151,764
	3,585,433	3,020,660

Community Silver Trust is a donation-matching grant from the Government aimed at enhancing and expanding the intermediate and long-term care (ILTC) services in Singapore.

The movement of the account is as follows:

	2021 S$	2020 S$
At beginning of financial year	1,271,393	667,183
Grants received during the year	1,530,839	2,136,145
Recognised in statement of financial activities	(983,493)	(1,531,935)
At end of financial year	1,818,739	1,271,393

10. Deferred capital grant

	2021 S$	2020 S$
At beginning of financial year	148,948	171,359
Grants received during the year	5,490	47,000
	154,438	218,359
Amortised during the year	(26,617)	(69,411)
At end of financial year	127,821	148,948
Current	37,303	44,502
Non-current	90,518	104,896
	127,821	148,948

The deferred capital grant accounts for the purpose of capital assets via utilisations of designated funds less accumulated amortisation which are matched to the depreciation charges of the corresponding equipment acquired using the funds.

11. Lease liabilities

Company as a lessee

The Company has lease contracts for buildings and equipment. The Company's obligations under these leases are secured by the lessor's title to the leased assets. The Company is restricted from assigning and subleasing the leased assets.

(a) Carrying amounts of right-of-use asset classified within plant and equipment

	Office building S$	Office equipment S$	Total S$
At 1 April 2019	717,417	30,513	747,930
Depreciation	(279,652)	(6,539)	(286,191)
At 31 March 2020	437,765	23,974	461,739
Addition during the year	59,969	-	59,969
Depreciation	(234,772)	(6,539)	(241,311)
At 31 March 2021	262,962	17,435	280,397

(b) Lease liabilities

The carrying amounts of lease liabilities are disclosed below.

	2021 S$	2020 S$
Non-current liabilities	53,654	264,285
Current liabilities	259,800	244,008
Total	313,454	508,293

A reconciliation of liabilities arising from financing activities is as follows:

	1 April 2020 S$	Cash Flows S$	Non-cash changes: Acquisition S$	Non-cash changes: Accretion of interest S$	Non-cash changes: Other S$	31 March 2021 S$
Non-current	264,285	-	-	-	(210,631)	53,654
Current	244,008	(275,806)	59,969	20,998	210,631	259,800
Total	508,293	(275,806)	59,969	20,998	-	313,454

11. Lease liabilities (Cont'd)

(b) Lease liabilities (Cont'd)

	1 April 2019	Cash Flows	Non-cash changes: Accretion of interest	Non-cash changes: Other	31 March 2020
	S$	S$	S$	S$	S$
Non-current	-	-	-	264,285	264,285
Current	787,651	(314,052)	34,694	(264,285)	244,008
Total	787,651	(314,052)	34,694	-	508,293

(c) Amount recognised in profit or loss

	2021	2020
	S$	S$
Depreciation of right-of-use asset	241,311	286,191
Interest expenses on lease liabilities	20,998	34,694
Lease expense not capitalised in lease liabilities:		
- Expense relating to short-term leases (included in cost of sales)	74,114	26,400
Total amount recognised in profit or loss	336,423	347,285

(d) Total cash outflow

The Company had total cash outflows for leases of S$275,806 (2020: S$314,052).

12. Unrestricted Funds

12.1 General fund

The general fund is expandable at the discretion of the Management in furtherance of the Company's objects and purposes.

Income generated from assets held and expenditure incurred in a general fund will be presented as unrestricted general income and expenses respectively.

12.2 Designated fund

The fund is set up for the expenses incurred on the various designated activities organised by the Company.

For the capital expenditure, an item with value above S$2,500 should be capitalised as plant and equipment in the statement of financial position, whereas, items which with value less than S$2,500 should be expensed off in the statement of financial activities.

The Company has capitalised S$5,490 as plant and equipment in the statement of financial position for the financial year ended 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

12. Unrestricted Funds (Cont'd)

12.2 Designated fund (Cont'd)

Included herein is the Community Silver Trust fund whose movement for the year is as follows:

	2021 S$	2020 S$
At beginning of financial year	-	-
Add: Income		
Community Silver Trust – Matching Grant	694,967	951,935
Less: Expenditure		
Computer peripherals	-	21,969
Maintenance	762	430
Miscellaneous	-	1,036
Management and administrative expenses	6,374	-
Non-capitalised equipment	48,009	15,100
Renovation	62,921	-
Rental	5,459	22,438
Staff cost	568,957	873,096
Training cost	1,126	8,665
Travel and transport	(1,169)	7,976
Telecommunications	2,528	1,225
	694,967	951,935
At end of financial year	-	-

Included herein is the President Challenge 2014, 2015 and 2017 income whose movement for the year is as follows:

	2021 S$	2020 S$
At beginning of financial year	-	-
Add: Income		
President Challenge 2014	-	-
President Challenge 2015	-	-
President Challenge 2017	-	46,940
Less: Expenditure	-	(46,940)
At end of financial year	-	-

12. Unrestricted Funds (Cont'd)

12.2 Designated fund (Cont'd)

Included herewith is the DBS fund (purchase of motor vehicle) whose movement for the year is as follows:

	2021 S$	2020 S$
At beginning of financial year	58,946	67,459
Less: Depreciation of plant and equipment	(8,513)	(8,513)
At end of financial year	50,433	58,946

12.1 Philanthropic workfare fund

This is a fund to be used for non-specific purpose at the discretion of the directors in furtherance of the Company's cause in serving the community of people with disabilities.

13. Building fund

This represents donations received by the Company which has been designated for the purposes of the construction of the Company's own premises. There is no specific utilisation timeline.

14. Abilympics fund

The Company was appointed to act as treasurer and custodian of the funds. Representative from various organisations participate in vocational skills competition for persons of all disabilities. This is held every 4 years. The amount represents the balance arising from the conclusion of the event.

15. Programme fund

15.1 Business Development Division (Sheltered Workshop)

	2021 S$	2020 S$
At beginning of financial year	140,282	(35,709)
Cumulative effect of adopting new accounting standard	-	(32,978)
At beginning of financial year (restated)	140,282	(68,687)
Add: Income		
Donations	100	1,006
Government grants	715,845	700,856
Community Chest	713,765	701,751
Rental reimbursements	243,015	215,482
Special Employment Credit	4,813	4,919
Sundry income	65,376	-
SG ENABLE-Transport subsidies	132,287	117,170
	1,875,202	1,741,184
Less: Expenditure		
Expenses relating to sale of work	-	(1,580)
Staff cost – salary	(614,180)	(694,597)
Staff cost – bonus	(217,461)	(158,710)
Staff cost – CPF	(107,512)	(104,196)
Staff cost – SDF	(1,693)	(1,805)
Staff cost – FWL	(3,300)	(7,369)
Staff cost – staff benefits	(4,208)	(4,211)
Staff cost – staff recruitment	(600)	-
Staff cost – staff training	(2,939)	(588)
Transport – SSTA	(230,436)	(231,465)
Depreciation	(183,065)	(183,066)
Insurance	(2,198)	(1,845)
Lease liabilities interest	(18,423)	(27,985)
Maintenance of building	(34)	-
Maintenance of equipment	(320)	-
Maintenance of vehicle	(19,331)	(14,008)
Miscellaneous	(6,355)	(19,649)
Professional fees and contract service	(588)	-
Rental	(26,734)	(46,391)
Specific assistance	(1,568)	-
Supplies and materials	(984)	(399)
Telecommunication	(7,740)	(6,406)
Travel and transport	(7,814)	(12,345)
Utilities	(10,389)	(15,600)
	(1,467,872)	(1,532,215)
Net income for the year	407,330	208,969
At end of financial year	547,612	140,282

15. Programme fund (Cont'd)

15.2 Day Activity Division

	2021 S$	2020 S$
At beginning of financial year	(180,822)	(71,576)
Cumulative effect of adopting new accounting standard	-	(3,024)
At beginning of financial year (restated)	(180,822)	(74,600)
Add: Income		
Government grants	308,970	299,398
Tote Board funding	82,918	72,039
Rental reimbursements	10,710	66,564
Special Employment Credit	4,203	3,234
Fees from clients	30,085	51,414
Amortisation of deferred capital grant	10,956	14,777
Sundry income	22,805	-
SG ENABLE-Transport subsidies	35,359	35,314
	506,006	542,740
Less: Expenditure		
Allowance of impairment for trade receivables	(4,007)	(16,835)
Expenses relating to sale of work	(16,210)	(15,237)
Staff cost – salary	(348,906)	(344,070)
Staff cost – bonus	(100,655)	(51,735)
Staff cost – CPF	(57,942)	(53,592)
Staff cost – SDF	(901)	(885)
Staff cost – FWL	(3,000)	(3,600)
Staff cost – staff benefits	(2,836)	(1,794)
Staff cost – staff training	-	(5,402)
Transport – SSTA	396	414
Depreciation	(39,680)	(66,500)
Insurance	(3,304)	(7,883)
Lease liabilities interest	(63)	(2,112)
Maintenance of building	(1,663)	(38)
Maintenance of equipment	(1,067)	(1,599)
Maintenance of vehicle	(3,535)	(2,645)
Miscellaneous	(12,117)	(22,470)
Non-capitalised equipment	(23,756)	-
Interdepartmental expenses	(47,385)	(15,147)
Rental	(70,836)	(18,379)
Replacement	(1,000)	-
Supplies and materials	(4,104)	(6,471)
Telecommunication	(1,903)	(1,225)
Travel and transport	(4,575)	(6,346)
Utilities	(14,176)	(5,411)
	(763,225)	(648,962)
Net expenditure income for the year	(257,219)	(106,222)
At end of financial year	(438,041)	(180,822)

16. Commitments

The Company leases building under non-cancellable operating lease agreements. These leases have varying terms.

As at 31 March 2021, the future minimum lease payables under non-cancellable operating leases contracted for but not recognised as liabilities, are as follows:

	2021 S$	2020 S$
Lease of premise		
Not later than one year	27,137	13,320
Later than one year but not more than five years	-	-
	27,137	13,320

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 March 2021 amounted to S$27,137 (2020: S$26,400).

17. Related party transactions

There are no related party transactions during the financial year (2020: S$ Nil).

The remuneration of top 3 key management personnel during the financial year was as follows:

	2021 S$	2020 S$
Executive's remuneration:		
Salaries and other short-term employee benefits	291,995	493,447
Post-employment benefits – contribution to CPF	41,214	54,642
	333,209	548,089

There is no paid staff, being a close member of the family belonging to the Executive Head or a governing board member of the Company.

18. MSF funding

	2021 S$	2020 S$
Funding from Ministry of Social and Family Development	1,024,815	1,000,254

19. Financial instruments

The financial assets and liabilities of the Company as at the reporting date are as follows:

	2021 S$	2020 S$
Financial assets (at amortised cost)		
Cash and cash equivalents	8,149,256	7,102,072
Trade and other receivables (excluding prepayments)	445,066	404,262
	8,594,322	7,506,334
Financial liabilities (at amortised cost)		
Other payables	1,301,671	1,332,234
Lease liabilities	313,454	508,293
	1,615,125	1,840,527

20. Financial risk management

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and interest rate risk.

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be take.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

20.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables. The Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit valuation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days or there is significant difficulty of the counterparty.

20. Financial risk management (Cont'd)

20.1 Credit risk (Cont'd)

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 60 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Company's current credit risk grading framework comprises the followings categories:

Category of internal credit rating	Definition of category	Basis for recognition of expected credit loss
I	Borrower or issuer have a low risk of default and a strong capacity to meet contractual cash flows	12-month expected credit losses
II	Borrower or issuer for which there is a significant increase in credit risk; as significant in credit risk is presumed if principal repayment are 60 days past due	Lifetime expected credit losses
III	Principal payment are 180 days past due there is evidence indicating the asset is credit-impaired	Lifetime expected credit losses
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Asset is written off

20. Financial risk management (Cont'd)

20.1 Credit risk (Cont'd)

The table below details the credit quality of the Company's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount S$	Loss allowance S$	Net carrying amount S$
31 March 2021						
Trade receivables	7	Note 1	Lifetime ECL (simplified)	380,123	(89,612)	290,511
Other receivables	7	I	12-month ECL	154,555		154,555
					(89,612)	
31 March 2020						
Trade receivables	7	I	12-month ECL	326,530	(80,782)	245,748
Other receivables	7	I	12-month	158,514	-	158,514
					(80,782)	

Trade Receivables (Note 1)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Trade receivables					
		Date past due				
	Not pass due S$	<30 days S$	31-60 days S$	61-90 days S$	>90 days S$	Total S$
31 March 2021						
ECL rate	-	-	-	93%	99%	
Estimated total gross carrying amount at default	-	177,899	110,891	13,210	78,123	380,123
ECL	-	-	-	(12,285)	(77,327)	(89,612)
						290,511
31 March 2020						
ECL rate	-	0.2%	0.8%	3%	100%	
Estimated total gross carrying amount at default	-	148,560	76,000	22,922	79,048	326,530
ECL	-	(330)	(660)	(744)	(79,048)	(80,782)
						245,748

Information regarding loss allowance movement of trade receivables is disclosed in Note 7.

20. Financial risk management (Cont'd)

20.1 Credit risk (Cont'd)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk other than those balances with one customer comprising 40% (2020: 40%) of trade receivables. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

20.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their cash and cash equivalents.

At the reporting date, the interest rate profile if the Company's interest-bearing financial instrument was as follows :

	2021 S$	2020 S$
Fixed rate instruments		
Financial assets		
Fixed deposits	5,600,000	5,973,583
Financial liabilities		
Lease liabilities	313,454	508,293

No sensitivity analysis is prepared as the Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably changes to interest rates on interest bearing financial instruments at the end of financial year.

At the reporting date, the Company does not have variable rate interest-bearing financial instruments.

NOTES TO THE FINANCIAL STATEMENTS
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20. Financial risk management (Cont'd)

20.3 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations due to shortage of funds. The Company exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

The Directors monitors and ensures that the Company maintains a level of cash and cash equivalents deemed adequate to finance the Company's operations.

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Within one year	Later than one year but not later than five years	Total
2021	S$	S$	S$
Financial assets			
Cash and cash equivalents	8,149,256	-	8,149,256
Trade and other receivables (excluding prepayments)	445,066	-	445,066
	8,594,322	-	8,594,322
Financial liabilities			
Other payables (excluding GST payables and Grants received in advance)	(1,301,671)	-	(1,301,671)
Lease liabilities	(259,800)	(53,654)	(313,454)
	(1,561,471)	(53,654)	(1,615,125)
Net financial assets	7,032,851	(53,654)	6,979,197
2020			
Financial assets			
Cash and cash equivalents	7,102,072	-	7,102,072
Trade and other receivables (excluding prepayments)	404,262	-	404,262
	7,506,334	-	7,506,334
Financial liabilities			
Other payables, (excluding GST payables and Grants received in advance)	(1,332,234)	-	(1,332,234)
Lease liabilities	(244,008)	(264,285)	(508,293)
	(1,576,242)	(264,285)	(1,840,527)
Net financial assets	5,930,092	(264,285)	5,665,807

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

21. Fair values

21.1 Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables, and other payables

The carrying amounts of these balances approximate their fair values due to their short-term nature of their balances.

Trade receivables

The carrying amounts of these trade receivables approximate their fair values as they are subject to normal trade credit terms.

22. Fund management

The Company's objective when managing are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure.

No changes were made in the objectives or policies during the financial years ended 31 March 2021 and 31 March 2020.

23. Fund raising expenses

	2021 S$	2020 S$
Gross donations	259,840	282,407
Direct cost of fund raising expenses	25,419	25,679
Percentage of direct fund raising expenses over gross donations and sponsorships	10%	9%

24. Reserve position and policy

The Company's reserve position (excluding non-current assets) for financial year ended 31 March 2021 is as follows:

		2021	2020	Increase/ (Decrease)
		S$'000	S$'000	%
A	Unrestricted Funds			
	General fund	2,844	2,641	7.71
	Designated fund	-	-	
	Philanthropic workfare fund	1,530	1,413	8.23
B	Restricted funds			
	Building fund	505	505	-
	Abilympics fund	53	53	-
	Programme fund	110	(41)	(370.28)
C	Total Funds	5,042	4,571	10.29
D	Total Annual Operating Expenditure	4,188	4,534	(7.63)
E	Ratio of Funds to Annual Operating Expenditure (A/D)	1.04	0.89	

24. Reserve position and policy (Cont'd)

Reference:
C. Total Funds include unrestricted, restricted/ designated and endowment funds.
D. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Operating and Administration expenses. The total annual operating expenditure excludes cost of sales, which are expenses relating to sales of work and direct labour costs.

The Company's reserve policy is as follows:

The term of reserve policy refers to Bizlink's General Fund for the operations of programmes. It does not include Restricted Funds. Bizlink sets its reserve policy to cover 12 months operating expenditures.

25. Management of conflict of interest

During the current and previous financial year, none of the Board members received any remuneration from the Company.

Board and management members are required to disclose any interest that they may have, whether directly or indirectly, that the Company may enter into or in any organisations that the Company has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Company's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

26. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of Directors' Statement.