

## **VIRIYA COMMUNITY SERVICES**

[UEN. T01SS0059B]

[Registered under the Societies Act  
(Chapter 311) in the Republic of Singapore]

### **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

---

#### **CONTENTS**

Statement by the Management Committee	2
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	7
Statement of Changes in Funds	8
Statement of Cash Flows	10
Notes to the Financial Statements	11

---

## **Fiducia LLP**

[UEN. T10LL0955L]

Public Accountants and  
Chartered Accountants of Singapore

71 Ubi Crescent  
Excalibur Centre, #08-01  
Singapore 408571  
T: (65) 6846.8376  
F: (65) 6491.5218

---

**STATEMENT BY THE MANAGEMENT COMMITTEE**

In the opinion of the Management Committee, the financial statements of Viriya Community Services (the "Society") are drawn up so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2020 and the results, changes in funds and cash flows of the Society for the financial year then ended.

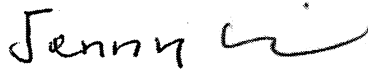
At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on

**17 MAR 2021**

President	Lim Yin Nee, Jenny
Vice President	Tay Hong Beng
Honorary Secretary	Koh Wei Peng
Honorary Treasurer	Tan Yee Peng
Committee Member	Fan Kam Tong, Gilbert
Committee Member	Koh Ming Feng, Abner
Committee Member	Tan Yan Song
Committee Member	Teoh Eong Kow
Committee Member	Tham Khuan Heng

For and on behalf of the Management Committee,



---

Lim Yin Nee, Jenny  
President



---

Tan Yee Peng  
Honorary Treasurer

Singapore, **17 MAR 2021**

---

## Fiducia LLP

Public Accountants and  
Chartered Accountants of Singapore

71 Ubi Crescent  
Excalibur Centre, #08-01  
Singapore 408571  
T: (65) 6846.8376  
F: (65) 6491.5218

Independent auditor's report to the members of:

**VIRIYA COMMUNITY SERVICES**  
[UEN. T01SS0059B]

[Registered under the Societies Act (Chapter 311)  
in the Republic of Singapore]

### **Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of Viriya Community Services (the "Society"), which comprise the statement of financial position as at 31 December 2020, and the statement of financial activities, 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.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard in Singapore ("CAS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2020 and the results, changes in funds and cash flows of the Society for the year ended on that date.

#### **Basis for Opinion**

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

#### **Other Information**

Management is responsible for the other information. The other information comprises the Statement by the Management Committee (set out on page 2), 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.

---

## **Fiducia LLP**

Public Accountants and  
Chartered Accountants of Singapore

71 Ubi Crescent  
Excalibur Centre, #08-01  
Singapore 408571  
T: (65) 6846.8376  
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

**VIRIYA COMMUNITY SERVICES**  
[UEN. T01SS0059B]

[Registered under the Societies Act (Chapter 311)  
in the Republic of Singapore]

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

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

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

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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

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

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

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

---

## Fiducia LLP

Public Accountants and  
Chartered Accountants of Singapore

71 Ubi Crescent  
Excalibur Centre, #08-01  
Singapore 408571  
T: (65) 6846.8376  
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

**VIRIYA COMMUNITY SERVICES**  
[UEN. T01SS0059B]

[Registered under the Societies Act (Chapter 311)  
in the Republic of Singapore]

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

### **Report on Other Legal and Regulatory Requirements**

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

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

- a. the Society has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b. the Society has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



**Fiducia LLP**  
Public Accountants and  
Chartered Accountants

Singapore, **17 MAR 2021**

Partner-in-charge: Gan Chek Huat  
PAB No.: 01939

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020						2019 Total funds S\$
		Corporate			WHFSC	VFSC	Total funds S\$	
		Restricted funds S\$	Unrestricted funds S\$	Total S\$	Restricted funds S\$	Restricted funds S\$		
<b>INCOME</b>								
Income from generated funds	4	228,147	370,662	598,809	148,682	49,957	797,448	1,062,358
Income from charitable activities	4	29,278	719,511	748,789	3,163,419	2,258,255	6,170,463	5,608,446
Other income	4	0	844,858	844,858	39,857	34,055	918,770	135,819
<b>Total income</b>		<u>257,425</u>	<u>1,935,031</u>	<u>2,192,456</u>	<u>3,351,958</u>	<u>2,342,267</u>	<u>7,886,681</u>	<u>6,806,623</u>
<b>LESS: EXPENDITURE</b>								
Costs of charitable activities	5	601,088	337,555	938,643	2,766,070	1,599,385	5,304,098	5,103,036
Governance and other administrative costs	5	245	10,702	10,947	62,769	99,874	173,590	148,627
<b>Total expenditure</b>		<u>601,333</u>	<u>348,257</u>	<u>949,590</u>	<u>2,828,839</u>	<u>1,699,259</u>	<u>5,477,688</u>	<u>5,251,663</u>
<b>NET (EXPENDITURE)/ INCOME FOR THE FINANCIAL YEAR</b>		(343,908)	1,586,774	1,242,866	523,119	643,008	2,408,993	1,554,960
<b>TRANSFER OF FUNDS</b>		70,964	(70,964)	0	0	0	0	0
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<u>6,862,357</u>	<u>4,003,017</u>	<u>10,865,374</u>	<u>7,155,312</u>	<u>3,074,479</u>	<u>21,095,165</u>	<u>19,540,205</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<u>6,589,413</u>	<u>5,518,827</u>	<u>12,108,240</u>	<u>7,678,431</u>	<u>3,717,487</u>	<u>23,504,158</u>	<u>21,095,165</u>

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

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020**

	Note	2020				2019			
		Corporate S\$	Restricted WHFSC S\$	Restricted VFSC S\$	Total S\$	Corporate S\$	Restricted WHFSC S\$	Restricted VFSC S\$	Total S\$
<b>ASSETS</b>									
<b>Current assets</b>									
Cash and cash equivalents	6	10,521,048	7,927,979	3,654,645	22,103,672	9,147,870	7,062,531	2,727,109	18,937,510
Other receivables	7	110,792	3,788	141,392	255,972	26,229	181,498	413,492	621,219
		<u>10,631,840</u>	<u>7,931,767</u>	<u>3,796,037</u>	<u>22,359,644</u>	<u>9,174,099</u>	<u>7,244,029</u>	<u>3,140,601</u>	<u>19,558,729</u>
<b>Non-current assets</b>									
Investments in financial assets	8	2,050,000	0	0	2,050,000	2,050,000	0	0	2,050,000
Plant and equipment	9	166,647	0	0	166,647	110,440	0	218	110,658
		<u>2,216,647</u>	<u>0</u>	<u>0</u>	<u>2,216,647</u>	<u>2,160,440</u>	<u>0</u>	<u>218</u>	<u>2,160,658</u>
<b>Total assets</b>		<u>12,848,487</u>	<u>7,931,767</u>	<u>3,796,037</u>	<u>24,576,291</u>	<u>11,334,539</u>	<u>7,244,029</u>	<u>3,140,819</u>	<u>21,719,387</u>
<b>LIABILITY</b>									
<b>Current liability</b>									
Other payables	10	740,247	253,336	78,550	1,072,133	469,165	88,717	66,340	624,222
<b>NET ASSETS</b>		<u>12,108,240</u>	<u>7,678,431</u>	<u>3,717,487</u>	<u>23,504,158</u>	<u>10,865,374</u>	<u>7,155,312</u>	<u>3,074,479</u>	<u>21,095,165</u>
<b>FUNDS</b>									
<b>Unrestricted</b>									
Accumulated surplus		5,518,827	NA	NA	5,518,827	4,003,017	NA	NA	4,003,017
<b>Restricted</b>									
Expendable endowment fund	12	3,921,900	1,662,642	0	5,584,542	3,847,939	1,632,293	0	5,480,232
Other restricted and designated funds	13	2,667,513	6,015,789	3,717,487	12,400,789	3,014,418	5,523,019	3,074,479	11,611,916
		<u>6,589,413</u>	<u>7,678,431</u>	<u>3,717,487</u>	<u>17,985,331</u>	<u>6,862,357</u>	<u>7,155,312</u>	<u>3,074,479</u>	<u>17,092,148</u>
		<u>12,108,240</u>	<u>7,678,431</u>	<u>3,717,487</u>	<u>23,504,158</u>	<u>10,865,374</u>	<u>7,155,312</u>	<u>3,074,479</u>	<u>21,095,165</u>

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

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

	Note	Balance at beginning of financial year S\$	Net income / (expenditure) for the financial year S\$	Transfers (from)/to S\$	Balance at end of financial year S\$
<b>2020</b>					
<b>Unrestricted fund</b>					
<b>Accumulated surplus</b>		4,003,017	1,586,774	(70,964)	5,518,827
<b>Restricted funds</b>					
<b>Expendable endowment fund</b>	12	5,480,232	104,310	0	5,584,542
<b>Other restricted and designated funds</b>					
<b>Corporate</b>					
- Care and Share Fund		65,418	(37,270)	0	28,148
- Learn My Dialect Fund		(70,963)	(12,439)	70,964	(12,438)
- LHCST - NKF Dialysis Medical Fund		218,428	(37,937)	0	180,491
- MtG 200 - Intergenerational Fund		235,000	0	0	235,000
- Viriya Children's Education Fund					
(i) KPMG Scholarship Fund		268,728	(30,000)	0	238,728
(ii) Sunray Education Fund		8,130	0	0	8,130
(iii) Wan Boo Sow Fund		225,038	0	0	225,038
- Viriya Children's Medical Programme		731,729	(122,200)	0	609,529
- Viriya Elderly Medical Programme		655,024	(86,510)	0	568,514
- Viriya Gap Fund		372,901	52,387	0	425,288
- Viriya MediAssist Programme		304,985	(143,900)	0	161,085
VFSC - Accumulated surplus		3,074,479	643,008	0	3,717,487
WHFSC - Accumulated surplus		5,515,103	492,770	0	6,007,873
WHFSC - Care and Share Fund		7,916	0	0	7,916
		11,611,916	717,909	70,964	12,400,789
<b>TOTAL FUNDS</b>		21,095,165	2,408,993	0	23,504,158



**STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

	Note	Balance at beginning of financial year S\$	Net income / (expenditure) for the financial year S\$	Balance at end of financial year S\$
<b>2019</b>				
<b><u>Unrestricted fund</u></b>				
<b>Accumulated surplus</b>		3,332,792	670,225	4,003,017
<b><u>Restricted funds</u></b>				
<b>Government capital fund</b>	11	30,681	(30,681)	0
<b>Expendable endowment fund</b>	12	5,400,045	80,187	5,480,232
<b><u>Other restricted and designated funds</u></b>	13			
<b><u>Corporate</u></b>				
- Care and Share Fund		443,802	(378,384)	65,418
- Learn My Dialect Fund		11,984	(82,947)	(70,963)
- LHCST - NKF Dialysis Medical Fund		245,838	(27,410)	218,428
- MtG 200 - Intergenerational Fund		0	235,000	235,000
- Viriya Children's Education Fund				
(i) KPMG Scholarship Fund		219,222	49,506	268,728
(ii) Sunray Education Fund		8,130	0	8,130
(iii) Wan Boo Sow Fund		225,038	0	225,038
- Viriya Children's Medical Programme		838,029	(106,300)	731,729
- Viriya Elderly Medical Programme		712,531	(57,507)	655,024
- Viriya Gap Fund		372,901	0	372,901
- Viriya MediAssist Programme		326,935	(21,950)	304,985
VFSC - Accumulated surplus		2,629,088	445,391	3,074,479
WHFSC - Accumulated surplus		4,726,617	788,486	5,515,103
WHFSC - Care and Share Fund		16,572	(8,656)	7,916
		10,776,687	835,229	11,611,916
<b>TOTAL FUNDS</b>		19,540,205	1,554,960	21,095,165

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

---

**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	2020 S\$	2019 S\$
<b>Cash flows from operating activities</b>			
Net income for the financial year		2,408,993	1,554,960
Adjustments for:			
- Depreciation of plant and equipment	5	28,720	57,333
- Interest and dividend income	4	(373,436)	(266,631)
Operating cash flow before changes in working capital		<u>2,064,277</u>	<u>1,345,662</u>
Changes in working capital			
- Other receivables		365,247	159,960
- Other payables		<u>447,911</u>	<u>(2,823)</u>
<b>Net cash generated from operating activities</b>		<u>2,877,435</u>	<u>1,502,799</u>
<b>Cash flows from investing activities</b>			
Interest and dividend income received		373,436	266,631
Purchases of plant and equipment	9	<u>(84,709)</u>	<u>(23,249)</u>
<b>Net cash generated from investing activities</b>		<u>288,727</u>	<u>243,382</u>
<b>Net increase in cash and cash equivalents</b>		3,166,162	1,746,181
Cash and cash equivalents at beginning of financial year		<u>18,937,510</u>	<u>17,191,329</u>
<b>Cash and cash equivalents at end of financial year</b>	6	<u><u>22,103,672</u></u>	<u><u>18,937,510</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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

**1. General information**

Viriya Community Services (the "Society") is registered and domiciled in Singapore. Its corporate office and registered address is at 72 Shrewsbury Road, Singapore 307837 and its principal places of activities are at 646 Jurong West St 61, #01 - 142, Singapore 640646 and at 142 Potong Pasir Ave 3, #01-224, Singapore 350142.

The Society was registered on 8 March 2001 under the Societies Act (Chapter 311) and is a charity registered under the Charities Act (Chapter 37) since 3 July 2001. The Society is a full member of the National Council of Social Service and has been accorded Institutions of a Public Character ("IPC") status until 30 September 2023.

The principal activities of the Society are aimed at promoting fulfilling lives by providing social services with the right effort and compassion. Its community projects include Dreams, LHCST - NKF Dialysis Centre, My Centre @ Moulmein, Viriya Children's Education Fund, Viriya Children's Medical Programme, Viriya Clinical Psychological Programme, Viriya - KK Children's Hospital HomeCare Programme, Viriya Elderly Medical Programme, Viriya Gap Fund, Viriya Grief Support Programme, Viriya MediAssist Programme, Viriya Family Service Centre ("VFSC"), Whispering Hearts Family Service Centre ("WHFSC") and Viriya Therapy Centre ("VTC").

**2. Significant accounting policies**

**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") and the disclosure requirements of the Societies Act, Chapter 311 and Charities Act, Chapter 37. 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 Society's functional currency.

The preparation of these financial statements in conformity with CAS requires management to exercise its judgement in the process of applying the Society'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. Significant accounting policies (Cont'd)**

### **2.2 Income recognition**

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Society's activities. Income is recognised as follows:

#### **2.2.1 Government grants**

Government grants are recognised as income in the financial statements over the periods necessary to match them with the related costs, which they are intended to compensate, on a systematic basis. Government grants related to assets after recognition will then be reduced over the useful life of the asset in line with its depreciation.

#### **2.2.2 Donations**

Donations are recognised in the statement of financial activities upon receipt. Donations subject to donor-imposed conditions that specify the time period in which the expenditure can take place are accounted for as deferred income and recognised as a liability until the financial year in which the Society is allowed by the condition to expend the income.

#### **2.2.3 Programme fee, school fee and counselling fee**

Income in the form of programme fee, school fee and counselling fee is recognised when the services have been performed and rendered.

#### **2.2.4 Interest income**

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

#### **2.2.5 Dividend income**

Dividend income is recognised when the right to receive payment is established.

#### **2.2.6 Other income**

Other income is recognised when received.

### **2.3 Expenditure 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.

#### **2.3.1 Cost of charitable activities**

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Society and an apportionment of overhead and shared costs.

#### **2.3.2 Governance and other administrative costs**

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

## **2. Significant accounting policies (Cont'd)**

### **2.4 Employee compensation**

#### 2.4.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Society has no further payment obligations once the contribution has been paid. The Society's contribution to defined contribution plans are recognised as employee compensation expenses when they are due.

#### 2.4.2 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 Society 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.

### **2.5 Operating leases**

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities.

### **2.6 Financial assets**

#### 2.6.1 Recognition and measurement

Receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

Investments in financial assets are investments in debt or equity instruments, which are recognised when it becomes a party to the contractual provisions of the instrument. These are initially measured at the transaction price excluding transaction costs, which are recognised as expenditure immediately in the statement of financial activities. They are included in non-current assets unless management intends to dispose of the assets within twelve months after the reporting date.

Receivables and investments in financial assets are subsequently measured at cost less accumulated impairment losses.

#### 2.6.2 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

## **2. Significant accounting policies (Cont'd)**

### **2.6 Financial assets (Cont'd)**

#### 2.6.3 Impairment

The Society assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of other receivables is recognised when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities.

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed. The reversal will not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

### **2.7 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, and deposits with financial institutions, which are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at cost.

### **2.8 Plant and equipment**

#### 2.8.1 Measurement

All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

The cost of an item of plant and equipment includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

Where the cost of an item is S\$2,000 and below, it is expensed off to statement of financial activities in the year of purchase unless these items are purchased for the setting up of a new office, including refurbishment of an existing office.

## **2. Significant accounting policies (Cont'd)**

### **2.8 Plant and equipment (Cont'd)**

#### 2.8.2 Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Furniture and fittings	3 years
Office equipment and computer	3 years
Renovation	5 years

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the statement of financial activities in the financial year in which the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

#### 2.8.3 Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of financial activities when incurred.

#### 2.8.4 Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of financial activities.

### **2.9 Financial liabilities**

Financial liabilities are recognised when the Society becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liability includes "Other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

## **2. Significant accounting policies (Cont'd)**

### **2.10 Other payables**

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

### **2.11 Provisions for other liabilities and charges**

Provisions for other liabilities and charges are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

### **2.12 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 Management Committee. These designated funds are treated as restricted funds as they also contain funds restricted by outside sources.

The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

### **2.13 Contingencies**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

### **2.14 Events after the reporting period**

Events after the reporting period that provide additional information about the Society's position at the reporting period (adjusting events) are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

## **3. Critical accounting estimates, assumptions and judgements**

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

### **3.1 Critical accounting estimates and assumptions**

At the reporting date, there were no critical accounting estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



**3. Critical accounting estimates, assumptions and judgements (Cont'd)**

**3.2 Critical judgements in applying the entity's accounting policies**

The key critical judgement in applying the entity's accounting policies concerning the future at the reporting date, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below.

Government grants

Government grants to meet operating expenses are recognised as income in the statement of financial activities on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Society will comply with the conditions attached to it.

For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Society if the conditions are not met.

For the year ended 31 December 2020, the management assessed the Society has met the conditions attached to the grants.

**4. Income**

	Note	2020						2019 Total funds S\$
		Corporate			WHFSC	VFSC	Total funds	
		Restricted funds S\$	Unrestricted funds S\$	Total S\$	Restricted funds S\$	Restricted funds S\$	Total funds S\$	
<b>Income from generated funds</b>								
Voluntary income								
- Donations – Non-tax exempt		3,930	5,286	9,216	0	450	9,666	251,531
- Donations - Tax exempt		150,250	261,596	411,846	2,500	0	414,346	544,196
Investment income								
- Interest and dividend income		73,967	103,780	177,747	146,182	49,507	373,436	266,631
		<u>228,147</u>	<u>370,662</u>	<u>598,809</u>	<u>148,682</u>	<u>49,957</u>	<u>797,448</u>	<u>1,062,358</u>
<b>Income from charitable activities</b>								
Counselling fee		0	20,567	20,567	2,965	400	23,932	23,615
Government funding								
- AIC funding		0	189,248	189,248	0	0	189,248	0
- Bicentennial Community Fund		0	400,000	400,000	0	0	400,000	0
- ComChest		0	0	0	34,522	91,226	125,748	202,770
- President Challenge fund		0	0	0	0	0	0	115,000
- Recurrent (MSF)		0	0	0	2,467,829	1,710,498	4,178,327	3,801,967
- Tote Board		0	0	0	658,103	456,131	1,114,234	1,045,452
Programme fee		2,630	109,696	112,326	0	0	112,326	172,863
School fee		0	0	0	0	0	0	32,524
Other grants and funding		26,648	0	26,648	0	0	26,648	214,255
		<u>29,278</u>	<u>719,511</u>	<u>748,789</u>	<u>3,163,419</u>	<u>2,258,255</u>	<u>6,170,463</u>	<u>5,608,446</u>
<b>Other income</b>								
Job support scheme	18	0	759,215	759,215	0	0	759,215	0
Management fee	19	0	72,540	72,540	0	0	72,540	72,540
MOM Enhanced Employment Credit		0	6,089	6,089	24,860	20,498	51,447	22,656
Miscellaneous		0	7,014	7,014	14,997	13,557	35,568	40,623
		<u>0</u>	<u>844,858</u>	<u>844,858</u>	<u>39,857</u>	<u>34,055</u>	<u>918,770</u>	<u>135,819</u>
<b>Total income</b>		<u>257,425</u>	<u>1,935,031</u>	<u>2,192,456</u>	<u>3,351,958</u>	<u>2,342,267</u>	<u>7,886,681</u>	<u>6,806,623</u>

**5. Expenditure**

	Note	2020					2019 Total funds S\$	
		Corporate		Total S\$	WHFSC	VFSC		Total funds S\$
		Restricted funds S\$	Unrestricted funds S\$		Restricted funds S\$	Restricted funds S\$		
<b>Cost of charitable activities</b>								
Activities and events		486,027	3,223	489,250	9,955	7,036	506,241	383,063
Bank charges		131	337	468	607	343	1,418	999
Capacity building		0	0	0	0	0	0	44,275
Charitable expenses		40,000	0	40,000	0	750	40,750	42,250
Course and training		4,076	6,172	10,248	22,437	7,414	40,099	271,732
COVID-19 virus expense		0	232	232	14,148	7,819	22,199	0
Depreciation of plant and equipment	9	24,936	3,566	28,502	0	218	28,720	57,333
Food for children		0	0	0	0	0	0	6,214
Fund raising expenses		0	783	783	0	0	783	723
Insurance		35	691	726	3,246	2,581	6,553	3,825
Maintenance		372	5,909	6,281	3,254	1,179	10,714	13,988
Management fee	19	3,740	0	3,740	34,400	34,400	72,540	72,540
Miscellaneous expenses		9,070	15,677	24,747	5,361	5,855	35,963	6,516
Postage and courier		0	0	0	15	51	66	126
Printing and stationery		103	267	370	1,203	419	1,992	6,346
Rental of equipment		822	822	1,644	1,823	0	3,467	3,922
Rental of premises and service charges		6,979	6,979	13,958	15,202	16,532	45,692	66,648
Staffing costs	20	23,106	289,393	312,499	2,641,054	1,502,465	4,456,018	4,085,240
Supplies and materials		17	57	74	765	851	1,690	2,909
Telecommunication		1,023	2,322	3,345	3,156	3,389	9,890	9,487
Transportation		16	45	61	378	69	508	1,346
Utilities		635	1,080	1,715	9,066	8,014	18,795	23,554
		<u>601,088</u>	<u>337,555</u>	<u>938,643</u>	<u>2,766,070</u>	<u>1,599,385</u>	<u>5,304,098</u>	<u>5,103,036</u>
<b>Governance and other administrative costs</b>								
Auditors' remuneration		245	4,579	4,824	2,617	2,617	10,058	10,059
Staffing costs	20	0	6,123	6,123	60,152	97,257	163,532	138,568
		<u>245</u>	<u>10,702</u>	<u>10,947</u>	<u>62,769</u>	<u>99,874</u>	<u>173,590</u>	<u>148,627</u>
<b>Total expenditure</b>		<u>601,333</u>	<u>348,257</u>	<u>949,590</u>	<u>2,828,839</u>	<u>1,699,259</u>	<u>5,477,688</u>	<u>5,251,663</u>

**6. Cash and cash equivalents**

	2020 S\$	2019 S\$
Cash on hand	3,500	2,200
Cash at banks	1,570,493	945,193
Fixed deposits	<u>20,529,679</u>	<u>17,990,117</u>
	<u>22,103,672</u>	<u>18,937,510</u>

Fixed deposits at the reporting date have tenures ranging from 8 months to 13 months (2019: 3 months to 12 months) and have interest rates ranging from 0.40% to 1.91% (2019: 1.60% to 1.91%) per annum.

Fixed deposits are included as cash and cash equivalents as these can be readily converted into cash without incurring significant penalty.

At the reporting date, the maturity dates of the fixed deposits are as follows:

	2020 S\$	2019 S\$
Less than 3 months	2,773,545	5,836,650
More than 3 months	<u>17,756,134</u>	<u>12,153,467</u>
	<u>20,529,679</u>	<u>17,990,117</u>

**7. Other receivables**

	2020 S\$	2019 S\$
Deposits	6,922	6,450
Grant receivables - Jobs Support Scheme	88,850	0
Grant receivables - ComChest, MSF and Tote Board	0	577,228
Other receivables	140,200	37,379
Prepayments	<u>20,000</u>	<u>162</u>
	<u>255,972</u>	<u>621,219</u>

Other receivables are unsecured, non-interest bearing and receivable on demand.

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees during this period of economic uncertainty. Employers who have made CPF contributions for their local employees will qualify for the payouts under the scheme.

**8. Investments in financial assets**

	2020 S\$	2019 S\$
<b>At cost</b>		
Investment funds	2,000,000	2,000,000
Quoted equity shares in Singapore	<u>50,000</u>	<u>50,000</u>
	<u>2,050,000</u>	<u>2,050,000</u>

The movement of account is as follows:

	2020 S\$	2019 S\$
Balances at the beginning and end of the financial year	<u>2,050,000</u>	<u>2,050,000</u>

**8. Investments in financial assets (Cont'd)**

The investment funds pertain to United SGD Fund securities under custody of UOB Asset Management Ltd.

The equity shares pertain to Suntec Real Estate Investment Trust securities under custody of The Central Depository Pte Limited.

The fair values of these investments in financial assets, based on the closing prices on the last market day of the financial year, were S\$2,416,595 (2019: S\$2,356,311).

Investments in financial assets are all investment assets in Singapore.

**9. Plant and equipment**

	Balance b/f S\$	Additions S\$	(Disposals) S\$	Balance c/f S\$
<b>2020</b>				
<b>At cost</b>				
Furniture and fittings	64,867	0	0	64,867
Office equipment and computer	63,842	0	0	63,842
Renovation	357,368	0	0	357,368
Renovation in progress	0	84,709	0	84,709
	<u>486,077</u>	<u>84,709</u>	<u>0</u>	<u>570,786</u>
	Balance b/f S\$	Depreciation S\$	(Disposals) S\$	Balance c/f S\$
<b>Accumulated depreciation</b>				
Furniture and fittings	64,867	0	0	64,867
Office equipment and computer	53,145	3,566	0	56,711
Renovation	257,407	25,154	0	282,561
Renovation in progress	0	0	0	0
	<u>375,419</u>	<u>28,720</u>	<u>0</u>	<u>404,139</u>
	Balance b/f S\$			Balance c/f S\$
<b>Carrying amount</b>				
Furniture and fittings	0			0
Office equipment and computer	10,697			7,131
Renovation	99,961			74,807
Renovation in progress	0			84,709
	<u>110,658</u>			<u>166,647</u>
	Balance b/f S\$	Additions S\$	(Disposals) S\$	Balance c/f S\$
<b>2019</b>				
<b>At cost</b>				
Furniture and fittings	64,867	0	0	64,867
Office equipment and computer	53,145	10,697	0	63,842
Renovation	344,816	12,552	0	357,368
	<u>462,828</u>	<u>23,249</u>	<u>0</u>	<u>486,077</u>

**9. Plant and equipment (Cont'd)**

<b>2019 (Cont'd)</b>	Balance b/f S\$	Depreciation S\$	(Disposals) S\$	Balance c/f S\$
<b>Accumulated depreciation</b>				
Furniture and fittings	64,867	0	0	64,867
Office equipment and computer	53,145	0	0	53,145
Renovation	200,074	57,333	0	257,407
	<u>318,086</u>	<u>57,333</u>	<u>0</u>	<u>375,419</u>
	Balance b/f S\$			Balance c/f S\$
<b>Carrying amount</b>				
Furniture and fittings	0			0
Office equipment and computer	0			10,697
Renovation	144,742			99,961
	<u>144,742</u>			<u>110,658</u>

Breakdown of depreciation charge as follows:

	2020 S\$	2019 S\$
Restricted - Care and share	24,936	24,936
Restricted - WHFSC	0	32,179
Restricted - VFSC	218	218
Unrestricted - Corporate	3,566	0
	<u>28,720</u>	<u>57,333</u>

**10. Other payables**

	2020 S\$	2019 S\$
Accruals	531,838	553,275
Deferred grant income - JSS	104,117	0
Deferred grant income - NCSS	192,000	0
Funds received for restricted purposes	105,296	59,657
Other payables	138,882	11,290
	<u>1,072,133</u>	<u>624,222</u>

The deferred grant income – Jobs Support Scheme (JSS) will be recognised as a grant income, on a systematic basis, over the estimated 17 months of economic uncertainty until August 2021 in which the entity recognises the related salary costs.

The deferred grant income – National Council on Social Services (NCSS) on project Back-to-Basics for Social Workers and Youth Workers will be recognised as a grant income over the periods necessary to match it with the related costs.

Funds received for restricted purposes are from ComCare Fund, Lee Foundation and The Straits Times School Pocket Money Fund. The Society acts as an agent in the disbursement of these funds. The total contributions received from these funds and total disbursements to beneficiaries during the financial year amounted to S\$215,828 (2019: S\$114,909) and S\$170,189 (2019: S\$119,008), respectively.

Other payables are unsecured, non-interest bearing and are payable on demand.

**11. Government capital fund**

	2020 S\$	2019 S\$
<b>WHFSC</b>		
Amount of funding received		
- Balance at beginning and end of financial year	<u>269,893</u>	<u>269,893</u>
Accumulated amortisation		
- Balance at beginning of financial year	(269,893)	(239,212)
- Amortisation during the financial year	<u>0</u>	<u>(30,681)</u>
- Balance at end of financial year	<u>(269,893)</u>	<u>(269,893)</u>
	<u>0</u>	<u>0</u>

The fund was granted by Ministry of Social and Family Development to carry out cyclical maintenance for the Society. The cyclical maintenance of facilities includes repainting works, repair works, replacement of fixed fittings and equipment to meet with current building authorities' requirement.

The grants received are amortised in proportion to the depreciation of the related assets and was fully depreciated in prior year.

**12. Expendable endowment fund**

<b>2020</b>	Corporate S\$	WHFSC S\$	Total S\$
Balance at beginning of financial year	3,847,939	1,632,293	5,480,232
Net income for the financial year	<u>73,961</u>	<u>30,349</u>	<u>104,310</u>
Balance at end of financial year	<u>3,921,900</u>	<u>1,662,642</u>	<u>5,584,542</u>
<b>2019</b>	Corporate S\$	WHFSC S\$	Total S\$
Balance at beginning of financial year	3,788,516	1,611,529	5,400,045
Net income for the financial year	<u>59,423</u>	<u>20,764</u>	<u>80,187</u>
Balance at end of financial year	<u>3,847,939</u>	<u>1,632,293</u>	<u>5,480,232</u>

The fund was established to receive bequests, gifts and donations and transfer from unrestricted fund that is in excess of two years' operating expenditure, to strengthen the financial position of the Society and to enable the Society to use the return from the investment of the Fund to launch sustainable community projects.

While the capital is not available for general use, the investment returns from the fund and or part of the capital, can be used to launch/fund community projects and initiatives which the Society can make a significant impact to the community in need and are truly important and meaningful in line with the Society's mission.

It is the Society's intention to build up an endowment fund of S\$10 million.

The balance in the fund is represented by cash and cash equivalents.

**13. Other restricted and designated funds**

	2020 S\$	2019 S\$
<b>Restricted</b>		
<u>Corporate</u>		
- Care and Share Fund	28,148	65,418
- Learn My Dialect Fund	(12,438)	(70,963)
- Wan Boo Sow Fund	225,038	225,038
VFSC - Accumulated surplus	3,717,487	3,074,479
WHFSC - Accumulated surplus	6,007,873	5,515,103
WHFSC - Care and Share Fund	7,916	7,916
	<u>9,974,024</u>	<u>8,816,991</u>
<b>Designated</b>		
<u>Corporate</u>		
- KPMG Scholarship Fund	238,728	268,728
- LHCST - NKF Dialysis Medical Fund	180,491	218,428
- MtG 200 - Intergenerational Fund	235,000	235,000
- Sunray Education Fund	8,130	8,130
- Viriya Children's Medical Programme	609,529	731,729
- Viriya Elderly Medical Programme	568,514	655,024
- Viriya Gap Fund	425,288	372,901
- Viriya MediAssist Programme	161,085	304,985
	<u>2,426,765</u>	<u>2,794,925</u>
	<u>12,400,789</u>	<u>11,611,916</u>

Except for the balances in the accounts of VFSC and WHFSC where the assets and liabilities are shown separately in the statement of financial position, the balances in the above restricted and designated funds are represented by cash and cash equivalents.

**13.1 Learn My Dialect Fund**

The fund is to support programmes that are aimed at promoting intergenerational bonding by facilitating communication between the elderly and the young. Details of income and expenditure during the financial year are as follows:

	2020 S\$	2019 S\$
<b>Income</b>		
<b>Income from charitable activities</b>		
Government funding - Tote Board	0	31,612
Third party funding	26,648	23,677
Programme fee	2,630	4,807
Total income	<u>29,278</u>	<u>60,096</u>



**13. Other restricted and designated funds (Cont'd)**

**13.1 Learn My Dialect Fund (Cont'd)**

	2020 S\$	2019 S\$
<b>Expenditure</b>		
<b>Cost of charitable activities</b>		
Activities and events	1,915	2,604
Bank charges	18	0
Insurance	35	133
Maintenance	372	815
Management fee	3,740	3,740
Miscellaneous expenses	2,691	420
Printing and stationery	103	413
Rental of equipment	822	844
Rental of premises and service charges	6,979	9,835
Staffing costs		
- CPF contributions	2,114	11,397
- Salaries and bonus	19,929	108,791
- Staff welfare	1,063	617
Supplies and materials	17	404
Telecommunication	1,023	923
Transportation	16	56
Utilities	635	1,806
<b>Governance and other administrative costs</b>		
Auditors' remuneration	245	245
Total expenditure	<u>41,717</u>	<u>143,043</u>
<b>Net expenditure for the financial year</b>	<u>(12,439)</u>	<u>(82,947)</u>

During the year, the Society absorbed the deficit as of 31 December 2019 by the transfer of funds amounting to S\$70,964 from unrestricted funds to My Centre @ Moulmein's (MCM) Learn My Dialect restricted funds. Similarly, the deficit for the year ended 31 December 2020 will be absorbed in the ensuing financial year ending 31 December 2021.

**13.2 LHCST-NKF Dialysis Medical Fund**

The fund is to support needy patients requiring dialysis treatment.

**13. Other restricted and designated funds (Cont'd)**

**13.3 Care and Share matching grants**

The Society is a qualifying charity under the Care and Share scheme, which is a national fund-raising and volunteerism movement for the social service sector. Grant income received and expenditure charged under the Care and Share scheme during the financial year are as follows:

	2020 S\$	2019 S\$
Balance at beginning of financial year	73,334	460,374
Grant received during the financial year	<u>0</u>	<u>0</u>
	73,334	460,374
Less: Expenditure incurred during the financial year		
- Capacity building	29,462	69,210
- Critical existing needs	1,853	44,058
- Capability building	4,076	152,735
- New/ Enhanced programmes	<u>1,879</u>	<u>121,037</u>
	<u>37,270</u>	<u>387,040</u>
Balance at end of financial year	<u>36,064</u>	<u>73,334</u>

The balance at end of financial year is made up as follows:

	2020 S\$	2019 S\$
Viriya - Care and Share Fund	28,148	65,418
WHFSC - Care and Share Fund	<u>7,916</u>	<u>7,916</u>
	<u>36,064</u>	<u>73,334</u>

**13.4 Viriya Children's Medical Programme**

This programme is to assist low-income families with children who require long-term medical attention.

**13.5 Viriya Elderly Medical Programme**

The programme is to support elderly who require appropriate medical care and assistance to age in place with dignity.

**13.6 Viriya Gap Fund**

The fund is used to support individuals or families where assistance is unavailable from existing funds, including to support funding of children's enrichment programmes.

**13.7 Viriya MediAssist Programme**

The programme is a collaboration with Potong Pasir Citizen's Consultative Committee. Like our other medical programmes, the Viriya MediAssist Programme helps individuals with chronic medical conditions; however, it is used to benefit only residents from Potong Pasir Constituency.

**13. Other restricted and designated funds (Cont'd)**

**13.8 President Challenge Fund**

The fund was utilised during the year ended 31 December 2019 to support the 'Viriya Children's Medical Programme' which is used to assist low income families with children who require long-term medical attention. Details of income and expenditure during the last financial year are as follows:

	2020 S\$	2019 S\$
<b>Income</b>		
<b>Income from charitable activities</b>		
Funding received	0	115,000
<b>Expenditure</b>		
<b>Cost of charitable activities</b>		
Staffing costs		
- CPF contributions	0	7,465
- Salaries and bonus	0	58,624
Activities and events		
- Family bonding picnic	0	4,359
- Resilience building camp	0	13,643
- Visit to Superpark	0	6,630
Course and training	0	24,279
	<u>0</u>	<u>115,000</u>
<b>Net income for the financial year</b>	<u>0</u>	<u>0</u>

**13.9 MtG 200 - Intergenerational Fund**

The fund was established in 2019 for the purpose of expanding the outreach and services of Viriya Corner. However, due to various restrictive measures during the novel coronavirus, the planned activities were not carried and are likely to resume in the ensuing financial year ending 31 December 2021.

**13.10 Viriya Children's Education Fund**

The Viriya Children's Education Fund offers several scholarships and education funds to the students and clients in Society's programmes. There are currently two awards, the Viriya - KPMG Scholarship Fund and the Viriya Sunray Education Fund. The former is to reward children for their excellent academic achievement in schools while the latter is to motivate and support the children to strive for even greater achievement in their studies.

The Viriya Wan Boo Sow Fund is to support children's programmes run by our centres. The fund also supports school fees of children from needy families.

**14. Income tax**

The Society is an approved charity, no provision for taxation has been made in the financial statements as it is exempted from income tax under Section 13(1) (zm) of the Income Tax Act.

**15. Related party balances and transactions**

There are no balances with related parties as at the reporting date.

The key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Society. The key management personnel for the reporting year are the Executive Director, Directors and Senior Managers.

The annual remuneration of key management personnel are classified as follows:

	2020 S\$	2019 S\$
Salaries and other short-term employee benefits	434,433	500,141
Post-employment benefits – Contributions to CPF	46,129	52,776
	<u>480,562</u>	<u>552,917</u>

None of the Management Committee members received remuneration for their contributions as Management Committee.

**16. Remuneration of the three highest paid staff**

	2020 No. of personnel	2019 No. of personnel
Remuneration band S\$100,001 to S\$200,000	<u>3</u>	<u>3</u>

**17. Commitments**

**17.1 Operating lease commitments**

As at the reporting date, the Society has commitments for future minimum lease payments in respect of premises and equipment under non-cancellable operating leases as follows:

	2020 S\$	2019 S\$
<b>Rental of premises</b>		
Within one year	22,627	22,627
Later than one year but not later than five years	18,855	41,482
	<u>41,482</u>	<u>64,109</u>
<b>Rental of equipment</b>		
Within one year	3,467	3,467
Later than one year but not later than five years	3,531	6,998
	<u>6,998</u>	<u>10,465</u>

**17.2 Capital commitments**

	2020 S\$	2019 S\$
<b>Plant and equipment</b>		
Renovation	<u>52,766</u>	<u>0</u>

**18. Job support scheme**

During the financial year, the Society recognised income of S\$759,215 from Job support scheme (JSS). This amount is determined based on the number of eligible staff including those assigned to WHFSC and VFSC. However, the Management Committee is of the view that there is no obligation to allocate the JSS grant income to these FSCs. Having considered the financial position of WHFSC and VFSC, the Management Committee decided to recognise the JSS grant income wholly under "Corporate - Unrestricted" and to apply it as it deemed appropriate in accordance with the Society's vision and mission.

**19. Management fee**

(i) The management fee recognised as income are from the following centres:

	2020 S\$	2019 S\$
My Centre @ Moulmein ("MCM")	3,740	3,740
Whispering Hearts Family Service Centre ("WHFSC")	34,400	34,400
Viriya Family Service Centre ("VFSC")	34,400	34,400
	<u>72,540</u>	<u>72,540</u>

(ii) The management fee charged to WHFSC and VFSC by the Corporate Office are for the following functions:

	2020		2019	
	WHFSC S\$	VFSC S\$	WHFSC S\$	VFSC S\$
Strategy	6,286	6,286	6,286	6,286
Human resources	6,286	6,286	6,286	6,286
Accounting and finance	15,716	15,716	15,716	15,716
Internal audit and regulatory compliance	2,619	2,619	2,619	2,619
Corporate communications	1,310	1,310	1,310	1,310
General matters	2,183	2,183	2,183	2,183
	<u>34,400</u>	<u>34,400</u>	<u>34,400</u>	<u>34,400</u>

**20. Staffing costs**

<b>2020</b>	Corporate S\$	WHFSC S\$	VFSC S\$	Total S\$
CPF contributions	43,781	350,126	207,360	601,267
Salaries and bonus	268,540	2,315,479	1,384,273	3,968,292
Staff welfare	6,301	35,601	8,089	49,991
	<u>318,622</u>	<u>2,701,206</u>	<u>1,599,722</u>	<u>4,619,550</u>

The staff costs were allocated as follows:

- Costs of charitable activities	312,499	2,641,054	1,502,465	4,456,018
- Governance and administrative costs	6,123	60,152	97,257	163,532
	<u>318,622</u>	<u>2,701,206</u>	<u>1,599,722</u>	<u>4,619,550</u>

**20. Staffing costs (Cont'd)**

<b>2019</b>	Corporate S\$	WHFSC S\$	VFSC S\$	Total S\$
CPF contributions	49,711	287,846	175,935	513,492
Salaries and bonus	429,653	1,905,041	1,311,827	3,646,521
Staff welfare	38,861	12,554	12,050	63,465
Staff recruitment	330	0	0	330
	<u>518,555</u>	<u>2,205,441</u>	<u>1,499,812</u>	<u>4,223,808</u>
The staff costs were allocated as follows:				
- Costs of charitable activities	490,284	2,144,318	1,450,638	4,085,240
- Governance and administrative costs	<u>28,271</u>	<u>61,123</u>	<u>49,174</u>	<u>138,568</u>
	<u>518,555</u>	<u>2,205,441</u>	<u>1,499,812</u>	<u>4,223,808</u>

**21. Reserve position and policy**

The Society's reserve position for financial year ended 31 December 2020 and 2019 is as follows:

		2020	2019	Increase
		S\$	S\$	%
A	Unrestricted funds			
	Accumulated surplus	5,518,827	4,003,017	37.87
B	Restricted and designated funds			
	Other restricted and designated funds	12,400,789	11,611,916	6.79
C	Expendable endowment fund	5,584,542	5,480,232	1.90
D	Total funds	23,504,158	21,095,165	11.42
E	Total annual operating expenditure	5,477,688	5,251,663	4.30
F	Ratio of funds to annual operating expenditure (A/E)	1.01	0.76	

Reference:

- C. An expendable endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a society to expend as grants.
- D. Total funds include unrestricted, restricted/designated and endowment funds.
- E. Total annual operating expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Administrative Costs.

The Society's reserve policy is as follows:

The Society desires to build up reserves to meet up to two years' of operating expenditure.

**22. Management of conflict of interest**

There is no paid staff in the Society's Management Committee.

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

**23. Impact of COVID-19 (Coronavirus Disease 2019)**

The COVID-19 pandemic has affected almost all countries of the world and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Society's significant operations are in Singapore which have been affected by the spread of COVID-19 in 2020. The nature of the Society's business are those of activities that are aimed at promoting fulfilling lives by providing social services with the right effort and compassion. Therefore, the impact of COVID-19 on the Society's operations are minimal. The impact of COVID-19 on the Society's financial performance reflected in this set of financial statements for the year ended 31 December 2020 are summarised below:

- i. The Society has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The management is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the service disruption.
- ii. The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020 to 1 June 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for the local and the global supply chains, all businesses are required to suspend all in-person activities and the Society's physical operations were temporarily closed to adhere to the respective governments' movement control measures.
- iii. The Society was granted a total of 6-months rental waiver for the months of April to May 2020 and August to November 2020 as part of the Government's rental relief framework in an assistance package to help business and cushion the impact of COVID-19.

As the global COVID-19 situation remains very fluid as at the date of these financial statements were authorised for issuance, the Society cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2021. If the situation persists beyond management's current expectations, the Society's assets may be subject to further write downs in the subsequent financial years.

**24. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on **17 MAR 2021**