

## **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 2019**

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#### **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

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## **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 2019 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

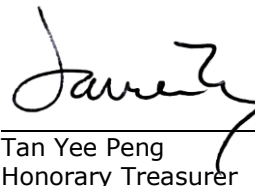
President	Lim Yin Nee, Jenny
Vice President	Tay Hong Beng
Honorary Secretary	Koh Wei Peng Alex
Honorary Treasurer	Tan Yee Peng
Committee Member	Fan Kam Tong Gilbert
Committee Member	Koh Ming Feng Abner
Committee Member	Tan Yan Song
Committee Member	Teoh Eong Kow
Committee Member	Tham Khuan Heng

For and on behalf of the Management Committee,



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Lim Yin Nee, Jenny  
President



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Tan Yee Peng  
Honorary Treasurer

Singapore, 16 March 2020

## **Fiducia LLP**

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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 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Society for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the 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 2019 and the results, changes in funds and cash flows of the Society 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 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 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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(CONT'D)

Independent auditor's report to the members of:

### **VIRIYA COMMUNITY SERVICES**

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## **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.

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(CONT'D)

Independent auditor's report to the members of:

### **VIRIYA COMMUNITY SERVICES**

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#### **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 financial 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, 16 March 2020

Partner-in-charge:      Soo Hon Weng  
PAB No.:                      01089

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Note	Corporate			WHFSC	VFSC	2019	2018
		Restricted funds S\$	Unrestricted funds S\$	Total S\$	Restricted funds S\$	Restricted funds S\$	Total funds S\$	Total funds S\$
<b>INCOME</b>								
Income from generated funds	4	357,033	560,154	917,187	103,514	41,657	1,062,358	676,305
Income from charitable activities	4	175,096	409,432	584,528	3,024,761	1,999,157	5,608,446	5,286,311
Other income	4	0	110,285	110,285	13,939	11,595	135,819	197,678
<b>Total income</b>		<u>532,129</u>	<u>1,079,871</u>	<u>1,612,000</u>	<u>3,142,214</u>	<u>2,052,409</u>	<u>6,806,623</u>	<u>6,160,294</u>
<b>LESS: EXPENDITURE</b>								
Costs of charitable activities	5	862,453	376,795	1,239,248	2,308,561	1,555,227	5,103,036	4,380,174
Governance and other administrative costs	5	245	32,851	33,096	63,740	51,791	148,627	132,187
<b>Total expenditure</b>		<u>862,698</u>	<u>409,646</u>	<u>1,272,344</u>	<u>2,372,301</u>	<u>1,607,018</u>	<u>5,251,663</u>	<u>4,512,361</u>
<b>NET (EXPENDITURE)/ INCOME FOR THE FINANCIAL YEAR</b>		(330,569)	670,225	339,656	769,913	445,391	1,554,960	1,647,933
<b>TOTAL FUNDS BROUGHT FORWARD</b>		<u>7,192,926</u>	<u>3,332,792</u>	<u>10,525,718</u>	<u>6,385,399</u>	<u>2,629,088</u>	<u>19,540,205</u>	<u>17,892,272</u>
<b>TOTAL FUNDS CARRIED 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>

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

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2019**

	Note	2019			2018				
		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	9,147,870	7,062,531	2,727,109	18,937,510	8,787,957	5,809,446	2,593,926	17,191,329
Other receivables	7	26,229	181,498	413,492	621,219	25,322	645,294	110,563	781,179
		<u>9,174,099</u>	<u>7,244,029</u>	<u>3,140,601</u>	<u>19,558,729</u>	<u>8,813,279</u>	<u>6,454,740</u>	<u>2,704,489</u>	<u>17,972,508</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	110,440	0	218	110,658	112,127	32,179	436	144,742
		<u>2,160,440</u>	<u>0</u>	<u>218</u>	<u>2,160,658</u>	<u>2,162,127</u>	<u>32,179</u>	<u>436</u>	<u>2,194,742</u>
<b>Total assets</b>		<u>11,334,539</u>	<u>7,244,029</u>	<u>3,140,819</u>	<u>21,719,387</u>	<u>10,975,406</u>	<u>6,486,919</u>	<u>2,704,925</u>	<u>20,167,250</u>
<b>LIABILITY</b>									
<b>Current liability</b>									
Other payables	10	469,165	88,717	66,340	624,222	449,688	101,520	75,837	627,045
<b>NET ASSETS</b>		<u>10,865,374</u>	<u>7,155,312</u>	<u>3,074,479</u>	<u>21,095,165</u>	<u>10,525,718</u>	<u>6,385,399</u>	<u>2,629,088</u>	<u>19,540,205</u>
<b>FUNDS</b>									
<b>Unrestricted</b>									
Accumulated surplus		4,003,017	NA	NA	4,003,017	3,332,792	NA	NA	3,332,792
<b>Restricted</b>									
Government capital fund	11	0	0	0	0	0	30,681	0	30,681
Expendable endowment fund	12	3,847,939	1,632,293	0	5,480,232	3,788,516	1,611,529	0	5,400,045
Other restricted and designated funds	13	3,014,418	5,523,019	3,074,479	11,611,916	3,404,410	4,743,189	2,629,088	10,776,687
		<u>6,862,357</u>	<u>7,155,312</u>	<u>3,074,479</u>	<u>17,092,148</u>	<u>7,192,926</u>	<u>6,385,399</u>	<u>2,629,088</u>	<u>16,207,413</u>
		<u>10,865,374</u>	<u>7,155,312</u>	<u>3,074,479</u>	<u>21,095,165</u>	<u>10,525,718</u>	<u>6,385,399</u>	<u>2,629,088</u>	<u>19,540,205</u>

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

**STATEMENT OF CHANGES IN FUNDS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	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>				
- Learn My Dialect Fund		11,984	(82,947)	(70,963)
- LHCST - NKF Dialysis Medical Fund		245,838	(27,410)	218,428
- Care and Share Fund		443,802	(378,384)	65,418
- 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
- President Challenge Fund		0	0	0
- 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
VFSC - Accumulated surplus		2,629,088	445,391	3,074,479
WHFSC - Care and Share Fund		16,572	(8,656)	7,916
WHFSC - Accumulated surplus		4,726,617	788,486	5,515,103
		10,776,687	835,229	11,611,916
<b>TOTAL FUNDS</b>		19,540,205	1,554,960	21,095,165



**STATEMENT OF CHANGES IN FUNDS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019 (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>2018</b>				
<b><u>Unrestricted fund</u></b>				
<b>Accumulated surplus</b>		2,943,834	388,958	3,332,792
<b><u>Restricted funds</u></b>				
<b>Government capital fund</b>	11	68,725	(38,044)	30,681
<b>Expendable endowment fund</b>	12	5,339,295	60,750	5,400,045
<b>Other restricted and designated funds</b>	13			
<u>Corporate</u>				
- Learn My Dialect Fund		23,755	(11,771)	11,984
- LHCST - NKF Dialysis Medical Fund		249,824	(3,986)	245,838
- Care and Share Fund		527,819	(84,017)	443,802
- Children's Medical Programme		834,186	3,843	838,029
- Elderly Medical Programme		712,536	(5)	712,531
- Gap Fund		362,901	10,000	372,901
- MediAssist Programme		306,935	20,000	326,935
- Viriya Children's Education Fund				
(i) KPMG Scholarship Fund		190,722	28,500	219,222
(ii) Sunray Education Fund		8,130	0	8,130
(iii) Wan Boo Sow Fund		225,038	0	225,038
VFSC - Accumulated surplus		2,239,193	389,895	2,629,088
WHFSC - Care and Share Fund		4,566	12,006	16,572
WHFSC - Accumulated surplus		3,854,813	871,804	4,726,617
		9,540,418	1,236,269	10,776,687
<b>TOTAL FUNDS</b>		17,892,272	1,647,933	19,540,205

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

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**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	Note	2019 S\$	2018 S\$
<b>Cash flows from operating activities</b>			
Net income for the financial year		1,554,960	1,647,933
Adjustments for:			
- Depreciation of plant and equipment	9	57,333	42,135
- Interest and dividend income		(266,631)	(190,591)
Operating cash flow before changes in working capital		<u>1,345,662</u>	<u>1,499,477</u>
Changes in working capital			
- Other receivables		159,960	(684,260)
- Other payables		(2,823)	43,359
<b>Net cash generated from operating activities</b>		<u>1,502,799</u>	<u>858,576</u>
<b>Cash flows from investing activities</b>			
Interest and dividend income received		266,631	190,591
Purchases of plant and equipment	9	(23,249)	(112,127)
<b>Net cash generated from investing activities</b>		<u>243,382</u>	<u>78,464</u>
<b>Net increase in cash and cash equivalents</b>		1,746,181	937,040
Cash and cash equivalents at beginning of financial year		<u>17,191,329</u>	<u>16,254,289</u>
<b>Cash and cash equivalents at end of financial year</b>	6	<u>18,937,510</u>	<u>17,191,329</u>

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

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

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 (Cap 37) since 3 July 2001. The Society is a full member of the National Council of Social Service and has been accorded Institution of a Public Character ("IPC") status until 30 September 2020.

The principal activities of the Society are aimed at bringing joy and enhancing the quality of life by providing care and assistance to families and individuals in need of support regardless of race and religion. Its community projects include Dreams, LHCST – NKF Dialysis Centre, My Centre @ Moulmein, Viriya Children's Education Fund, Viriya Children's Medical Programme, Viriya – KK Children's Hospital HomeCare Programme, Viriya Elderly Medical Programme, Viriya Gap Fund, Viriya MediAssist Programme, Viriya Family Service Centre ("VFSC"), Whispering Hearts Family Service Centre ("WHFSC") and Viriya Therapy Centre ("VTC").

During the year, the Society ceased its operations at Whispering Hearts Student Care Centre.

### **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.

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

### **2.2 Income recognition (Cont'd)**

#### 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 period 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 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**

#### 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 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 expire. 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.

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

### **2.11 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.

## **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.

### **3.2 Critical judgments 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 2019, the Society met the conditions attached to the grants.



**4. Income**

Note	Corporate			WHFSC	VFSC	2019	2018
	Restricted funds S\$	Unrestricted funds S\$	Total S\$	Restricted funds S\$	Restricted funds S\$	Total funds S\$	Total funds S\$
<b>Income from generated funds</b>							
Voluntary income							
- Donations - Non tax exempt	235,000	6,481	241,481	10,050	0	251,531	22,515
- Donations - Tax exempt	62,606	478,520	541,126	3,070	0	544,196	463,199
Investment income							
- Interest and dividend income	59,427	75,153	134,580	90,394	41,657	266,631	190,591
	<u>357,033</u>	<u>560,154</u>	<u>917,187</u>	<u>103,514</u>	<u>41,657</u>	<u>1,062,358</u>	<u>676,305</u>
<b>Income from charitable activities</b>							
Counselling fee	0	18,480	18,480	3,380	1,755	23,615	5,900
Government funding							
- Comchest	0	0	0	122,074	80,696	202,770	181,263
- Recurrent (MSF)	0	0	0	2,288,940	1,513,027	3,801,967	3,398,715
- President challenge fund	115,000	0	115,000	0	0	115,000	0
- Matching Grant	0	0	0	0	0	0	382,195
- Tote Board	31,612	0	31,612	610,367	403,473	1,045,452	1,031,787
Programme fee	4,807	167,850	172,657	0	206	172,863	24,423
School fee	0	32,524	32,524	0	0	32,524	262,028
Other grants and funding	23,677	190,578	214,255	0	0	214,255	0
	<u>175,096</u>	<u>409,432</u>	<u>584,528</u>	<u>3,024,761</u>	<u>1,999,157</u>	<u>5,608,446</u>	<u>5,286,311</u>
<b>Other income</b>							
MOM Enhanced Employment Credit	0	8,853	8,853	5,422	8,381	22,656	66,426
Management fee	0	72,540	72,540	0	0	72,540	72,540
Miscellaneous	0	28,892	28,892	8,517	3,214	40,623	58,712
	<u>0</u>	<u>110,285</u>	<u>110,285</u>	<u>13,939</u>	<u>11,595</u>	<u>135,819</u>	<u>197,678</u>
<b>Total income</b>	<u>532,129</u>	<u>1,079,871</u>	<u>1,612,000</u>	<u>3,142,214</u>	<u>2,052,409</u>	<u>6,806,623</u>	<u>6,160,294</u>

## 5. Expenditure

	Note	Corporate			WHFSC	VFSC	2019	2018
		Restricted funds S\$	Unrestricted funds S\$	Total S\$	Restricted funds S\$	Restricted funds S\$	Total funds S\$	Total Funds S\$
<b>Cost of charitable activities</b>								
Activities and events		342,168	26,479	368,647	9,131	5,285	383,063	363,331
Bank charges		114	881	995	4	0	999	816
Capacity building		44,275	0	44,275	0	0	44,275	10,940
Charitable expenses		38,000	2,000	40,000	0	2,250	42,250	34,250
Course and training		177,014	32,556	209,570	40,950	21,212	271,732	92,008
Depreciation of plant and equipment		24,936	0	24,936	32,179	218	57,333	42,135
Food for children		0	6,214	6,214	0	0	6,214	45,548
Fund raising expenses		0	723	723	0	0	723	139
Insurance		133	363	496	1,503	1,826	3,825	5,015
Maintenance		815	5,786	6,601	4,424	2,963	13,988	12,124
Management fee	18	3,740	0	3,740	34,400	34,400	72,540	72,540
Miscellaneous expenses		420	5,256	5,676	706	134	6,516	3,641
Postage and courier		0	0	0	60	66	126	145
Printing and stationery		413	3,994	4,407	1,291	648	6,346	3,995
Rental of equipment		844	1,255	2,099	1,823	0	3,922	8,021
Rental of premises and service charges		9,835	11,895	21,731	22,290	22,627	66,648	68,919
Staffing costs	19	216,557	273,727	490,284	2,144,318	1,450,638	4,085,240	3,573,391
Supplies and materials		404	742	1,146	1,382	381	2,909	6,321
Telecommunication		923	1,986	2,908	3,326	3,253	9,487	10,231
Transportation		56	268	324	858	164	1,346	1,452
Utilities		1,806	2,670	4,476	9,916	9,162	23,554	25,212
		<u>862,453</u>	<u>376,795</u>	<u>1,239,248</u>	<u>2,308,561</u>	<u>1,555,227</u>	<u>5,103,036</u>	<u>4,380,174</u>
<b>Governance and other administrative costs</b>								
Auditors' remuneration		245	4,580	4,825	2,617	2,617	10,059	10,057
Staffing costs	19	0	28,271	28,271	61,123	49,174	138,568	122,130
		<u>245</u>	<u>32,851</u>	<u>33,096</u>	<u>63,740</u>	<u>51,791</u>	<u>148,627</u>	<u>132,187</u>
<b>Total expenditure</b>		<u>862,698</u>	<u>409,646</u>	<u>1,272,344</u>	<u>2,372,301</u>	<u>1,607,018</u>	<u>5,251,663</u>	<u>4,512,361</u>

**6. Cash and cash equivalents**

	2019 S\$	2018 S\$
Cash on hand	2,200	2,200
Cash at banks	945,193	515,597
Fixed deposits	<u>17,990,117</u>	<u>16,673,532</u>
	<u>18,937,510</u>	<u>17,191,329</u>

Fixed deposits at the reporting date have tenures ranging from 3 months to 12 months (2018: 6 months to 12 months) and have interest rates ranging from 1.60% to 1.91% (2018: 1.32% to 1.90%) per annum.

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

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

	2019 S\$	2018 S\$
Less than 3 months	5,836,650	4,300,918
More than 3 months	<u>12,153,467</u>	<u>12,372,614</u>
	<u>17,990,117</u>	<u>16,673,532</u>

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair value.

**7. Other receivables**

	2019 S\$	2018 S\$
Deposits	6,450	6,891
Grant receivables	577,228	749,134
Other receivables	37,379	19,400
Prepayments	<u>162</u>	<u>5,754</u>
	<u>621,219</u>	<u>781,179</u>

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

**8. Investments in financial assets**

	2019 S\$	2018 S\$
Investment funds	2,000,000	2,000,000
Quoted equity shares in Singapore, at cost	<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:

	2019 S\$	2018 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 values of these investments in financial assets, based on the closing prices on the last market day of the financial year, were S\$2,356,311 (2018: S\$2,254,201).

Investments in financial assets are all investment assets in Singapore.

## 9. Plant and equipment

	Balance b/f S\$	Additions S\$	Balance c/f S\$
<b>2019</b>			
<b>At cost</b>			
Furniture and fittings	64,867	0	64,867
Office equipment and computer Renovation	53,145 344,816	10,697 12,552	63,842 357,368
	<u>462,828</u>	<u>23,249</u>	<u>486,077</u>
	Balance b/f S\$	Depreciation S\$	Balance c/f S\$
<b>Accumulated depreciation</b>			
Furniture and fittings	64,867	0	64,867
Office equipment and computer Renovation	53,145 200,074	0 57,333	53,145 257,407
	<u>318,086</u>	<u>57,333</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 Renovation	0 144,742		10,697 99,961
	<u>144,742</u>		<u>110,658</u>
	Balance b/f S\$	Additions S\$	Balance c/f S\$
<b>2018</b>			
At cost			
Furniture and fittings	64,867	0	64,867
Office equipment and computer Renovation	53,145 232,689	0 112,127	53,145 344,816
	<u>350,701</u>	<u>112,127</u>	<u>462,828</u>

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

<b>2018 (Cont'd)</b>	Balance b/f S\$	Depreciation S\$	Balance c/f S\$
<b>Accumulated depreciation</b>			
Furniture and fittings	62,492	2,375	64,867
Office equipment and computer Renovation	53,145	0	53,145
	<u>160,314</u>	<u>39,760</u>	<u>200,074</u>
	<u>275,951</u>	<u>42,135</u>	<u>318,086</u>
	Balance b/f S\$		Balance c/f S\$
<b>Carrying amount</b>			
Furniture and fittings	2,375		0
Office equipment and computer Renovation	0		0
	<u>72,375</u>		<u>144,742</u>
	<u>74,750</u>		<u>144,742</u>
Breakdown of depreciation:		2019 S\$	2018 S\$
Restricted - Care and share		24,936	0
Restricted - WHFSC		32,179	39,542
Restricted - VFSC		218	2,593
		<u>57,333</u>	<u>42,135</u>

**10. Other payables**

	Note	2019 S\$	2018 S\$
Accruals		553,275	367,013
Deposits received		0	20,650
Deferred income	13.8	0	115,000
Funds received for restricted purposes		59,657	63,756
Other payables		<u>11,290</u>	<u>60,626</u>
		<u>624,222</u>	<u>627,045</u>

Deferred income related to grant received from President's Challenge 2015 which was deferred pending approval on the utilisation of the funds in prior year. It was utilised and recognised as income in current financial year.

Funds received for restricted purposes are from ComCare Fund, Lee Foundation, Roxy Education Fund, South East CDC Grow Up Milk Fund, The Straits Times School Pocket Money Fund and The Traffic Accident Fund. The Society act 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\$114,909 (2018: S\$102,149) and S\$119,008 (2018: S\$99,500), respectively.

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

**11. Government capital fund**

	2019 S\$	2018 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	(239,212)	(201,168)
- Amortisation during the financial year	<u>(30,681)</u>	<u>(38,044)</u>
- Balance at end of financial year	<u>(269,893)</u>	<u>(239,212)</u>
	<u>0</u>	<u>30,681</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.

**12. Expendable endowment fund**

	Corporate S\$	WHFSC S\$	Total S\$
<b>2019</b>			
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>
<b>2018</b>			
Balance at beginning of financial year	3,743,895	1,595,400	5,339,295
Net income for the financial year	<u>44,621</u>	<u>16,129</u>	<u>60,750</u>
Balance at end of financial year	<u>3,788,516</u>	<u>1,611,529</u>	<u>5,400,045</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

	2019 S\$	2018 S\$
<b>Restricted</b>		
<u>Corporate</u>		
- Learn My Dialect Fund	(70,963)	11,984
- Care and Share Fund	65,418	443,802
- Wan Boo Sow Fund	225,038	225,038
VFSC – Accumulated surplus	3,074,479	2,629,088
WHFSC – Care and Share Fund	7,916	16,572
WHFSC – Accumulated surplus	<u>5,515,103</u>	<u>4,726,617</u>
	<u>8,816,991</u>	<u>8,053,101</u>
<b>Designated</b>		
<u>Corporate</u>		
- LHCST - NKF Dialysis Medical Fund	218,428	245,838
- Viriya Children's Medical Programme	731,729	838,029
- Viriya Elderly Medical Programme	655,024	712,531
- Viriya Gap Fund	372,901	372,901
- KPMG Scholarship Fund	268,728	219,222
- Viriya MediAssist Programme	304,985	326,935
- Sunray Education Fund	8,130	8,130
- MtG 200 - Intergenerational Fund	<u>235,000</u>	<u>0</u>
	<u>2,794,925</u>	<u>2,723,586</u>
	<u>11,611,916</u>	<u>10,776,687</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:

	2019 S\$	2018 S\$
<b>Income</b>		
<b>Income from charitable activities</b>		
Government funding – Tote Board	31,612	125,461
Third party funding	23,677	0
Programme fee	<u>4,807</u>	<u>8,080</u>
Total income	<u>60,096</u>	<u>133,541</u>

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

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

	2019 S\$	2018 S\$
<b>Expenditure</b>		
<b>Cost of charitable activities</b>		
Activities and events	2,604	4,145
Insurance	133	46
Maintenance	815	1,180
Management fee	3,740	3,740
Miscellaneous expenses	420	246
Postage and courier	0	3
Printing and stationery	413	301
Rental of equipment	844	1,465
Rental of premises and service charges	9,835	9,836
Staffing costs		
- CPF contributions	11,397	11,913
- Salaries and bonus	108,791	108,082
- Staff welfare	617	1,082
Supplies and materials	404	302
Telecommunication	923	752
Transportation	56	171
Utilities	1,806	1,803
<b>Governance and other administrative costs</b>		
Auditors' remuneration	245	245
Total expenditure	<u>143,043</u>	<u>145,312</u>
<b>Net expenditure for the financial year</b>	<u>(82,947)</u>	<u>(11,771)</u>

**13.2 LHCST-NKF Dialysis Medical Fund**

The fund is to support needy patients requiring dialysis treatment.

**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:

	2019 S\$	2018 S\$
Balance at beginning of financial year	460,374	532,385
Grant received during the financial year	0	382,195
	<u>460,374</u>	<u>914,580</u>
Less: Expenditure incurred during the financial year		
- Capacity building	69,210	11,845
- Critical existing needs	0	35,210
- Capability building	152,735	112,106
- New/ enhanced programmes	165,095	295,045
	<u>387,040</u>	<u>454,206</u>
Balance at end of financial year	<u>73,334</u>	<u>460,374</u>



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

**13.3 Care and Share matching grants (Cont'd)**

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

	2019 S\$	2018 S\$
Viriya - Care and Share Fund	65,418	443,802
WHFSC - Care and Share Fund	7,916	16,572
	<u>73,334</u>	<u>460,374</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 for 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.

**13.8 President Challenge Fund**

The fund was utilised during the year 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 financial year are as follows:

	2019 S\$	2018 S\$
<b>Income</b>		
<b>Income from charitable activities</b>		
Funding received	<u>115,000</u>	<u>0</u>
<b>Expenditure</b>		
<b>Cost of charitable activities</b>		
Staffing costs		
- CPF contributions	7,465	0
- Salaries and bonus	58,624	0
Activities and events		
- Family bonding picnic	4,359	0
- Resilience building camp	13,643	0
- Visit to Superpark	6,630	0
Course and training	24,279	0
	<u>115,000</u>	<u>0</u>
<b>Net income for the financial year</b>	<u>0</u>	<u>0</u>

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

**13.9 MtG 200 - Intergenerational Fund**

The fund will be used to expand the outreach and services of Viriya Corner.

**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 expense**

As 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 transactions**

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:

	2019 S\$	2018 S\$
Salaries and other short-term employee benefits	500,141	580,492
Post-employment benefits – Contributions to CPF	52,776	72,596
	<u>552,917</u>	<u>653,088</u>

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

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

	2019 No. of personnel	2018 No. of personnel
Remuneration band S\$100,001 to S\$200,000	<u>3</u>	<u>3</u>

**17. 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:

	2019 S\$	2018 S\$
<b>Rental of premises</b>		
Within one year	22,627	18,855
Later than one year but not later than five years	<u>41,482</u>	<u>0</u>
	<u>64,109</u>	<u>18,855</u>
<b>Rental of equipment</b>		
Within one year	3,467	3,467
Later than one year but not later than five years	<u>6,998</u>	<u>10,465</u>
	<u>10,465</u>	<u>13,932</u>

**18. Management fee**

The management fee charged to WHFSC and VFSC by the corporate office are for the following functions:

	2019		2018	
	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	<u>2,183</u>	<u>2,183</u>	<u>2,183</u>	<u>2,183</u>
	<u>34,400</u>	<u>34,400</u>	<u>34,400</u>	<u>34,400</u>

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

	2019 S\$	2018 S\$
My Centre @ Moulmein ("MCM")	3,740	3,740
Whispering Hearts Family Service Centre ("WHFSC")	34,400	34,400
Viriya Family Service Centre ("VFSC")	<u>34,400</u>	<u>34,400</u>
	<u>72,540</u>	<u>72,540</u>

**19. Staffing costs**

	Corporate S\$	WHFSC S\$	VFSC S\$	Total S\$
<b>2019</b>				
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	<u>330</u>	<u>0</u>	<u>0</u>	<u>330</u>
	<u>518,555</u>	<u>2,205,441</u>	<u>1,499,812</u>	<u>4,223,808</u>

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

<b>2019 (Cont'd)</b>	Corporate S\$	WHFSC S\$	VFSC S\$	Total S\$
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>
<b>2018</b>	Corporate S\$	WHFSC S\$	VFSC S\$	Total S\$
CPF contributions	55,554	225,105	167,356	448,015
Salaries and bonus	415,818	1,528,951	1,234,811	3,179,580
Staff welfare	38,909	16,855	12,012	67,776
Staff recruitment	<u>0</u>	<u>0</u>	<u>150</u>	<u>150</u>
	<u>510,281</u>	<u>1,770,911</u>	<u>1,414,329</u>	<u>3,695,521</u>
The staff costs were allocated as follows:				
- Costs of charitable activities	484,362	1,719,683	1,369,346	3,573,391
- Governance and administrative costs	<u>25,919</u>	<u>51,228</u>	<u>44,983</u>	<u>122,130</u>
	<u>510,281</u>	<u>1,770,911</u>	<u>1,414,329</u>	<u>3,695,521</u>

**20. Reserve position and policy**

The Society's reserve position for financial year ended 31 December 2019 and 31 December 2018 is as follows:

		2019 S\$	2018 S\$	Increase/ (Decrease) %
A	Unrestricted funds			
	Accumulated surplus	4,003,017	3,332,792	20.11
B	Restricted and designated funds			
	Government capital fund	0	30,681	(100.00)
	Other restricted and designated funds	11,611,916	10,776,687	7.75
C	Expendable endowment fund	5,480,232	5,400,045	1.49
D	Total funds	21,095,165	19,540,205	7.96
E	Total annual operating expenditure	5,251,663	4,512,361	16.38
F	Ratio of funds to annual operating expenditure (A/E)	0.76	0.74	

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 operating and administrative expenditure.

The Society's reserve policy is as follows:

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

**21. 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.

**22. Authorisation of financial statements**

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on 16 March 2020.