



Financial Statements FY2022/23

# Deeper Connections, Fuller Lives

# Financial Statements

For the Financial Year Ended 31 March 2023

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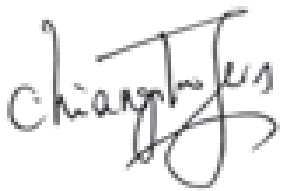
**Baker Tilly TFW LLP**  
Chartered Accountants of Singapore

An independent member of Baker Tilly International

# Statement by the Board of Governance

On behalf of the Board of Governance, we do hereby state that, to the best of our knowledge, the financial statements of Methodist Welfare Services (the "Society") as set out on pages 6 to 56 are properly drawn up in accordance with the Societies Act 1966, the Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly, in all material respects the financial position of the Society as at 31 March 2023 and of the financial performance, changes in accumulated fund and specific funds and cash flows of the Society for the financial year ended on that date.

On behalf of the Board of Governance



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Mrs Fong Loo Fern  
Chairperson



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Mr Tan Chian Khong  
Honorary Treasurer

13 July 2023

# Independent Auditor's Report to the Members of Methodist Welfare Services

## Report on the Audit of the Financial Statements

### Opinion

We have audited the accompanying financial statements of Methodist Welfare Services (the "Society") as set out on pages 6 to 56, which comprise the balance sheet as at 31 March 2023, and the statement of comprehensive income, statement of changes in accumulated fund and specific funds and statement of cash flows 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 Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Society as at 31 March 2023 and of the financial performance, changes in accumulated fund and specific 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

The Board of Governance is responsible for the other information. The other information comprises the Statement by the Board of Governance as set out on page 1, and the information included in the Annual Report 2023, 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.

# Independent Auditor's Report to the Members of Methodist Welfare Services

## Report on the Audit of the Financial Statements (cont'd)

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

The Board of Governance is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act, Charities Act and Regulations and FRSs, and for such internal control as the Board of Governance 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, the Board of Governance 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 the Board of Governance 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 the Board of Governance.

# Independent Auditor's Report to the Members of Methodist Welfare Services

## Report on the Audit of the Financial Statements (cont'd)

### *Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

- Conclude on the appropriateness of the Board of Governance'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,

- (i) 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; and
- (ii) the fund raising appeal held during the financial year ended 31 March 2023 has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

# Independent Auditor's Report to the Members of Methodist Welfare Services

## Report on Other Legal and Regulatory Requirements (cont'd)

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

- (i) 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
- (ii) the Society has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

13 July 2023

# Statement of Comprehensive Income

For the Financial Year Ended 31 March 2023

	Note	2023 \$	2022 \$
<b>Income</b>			
Donations and fund-raising income	4	13,032,957	14,387,053
Government grants	5	36,847,439	33,445,637
NCSS grants – Community Chest		470,481	484,739
Programme income		4,635,812	4,564,664
Amortisation of:			
– Capital grants	17	1,208,333	549,332
– Building grants	18	303,391	303,391
Interest income	6	435,964	202,825
Other income	7	646,348	927,280
<b>Total income</b>		<b>57,580,725</b>	<b>54,864,921</b>
<b>Less: Expenditure</b>			
Expenditure on manpower	8	42,154,844	39,315,051
Depreciation of property, plant and equipment	10	4,661,815	4,459,923
Maintenance		2,994,220	2,344,405
General expenditure		10,862,180	10,504,170
Interest expense on lease liabilities	19	55,509	86,782
Other expenditure			
– Net impairment losses on financial assets:			
– Receivables		18,465	63,641
<b>Total expenditure</b>		<b>60,747,033</b>	<b>56,773,972</b>
<b>Deficit for the financial year</b>	9	<b>(3,166,308)</b>	<b>(1,909,051)</b>
<b>Other comprehensive (loss)/income for the financial year:</b>			
<i>Items that will not be reclassified subsequently to income or expenditure</i>			
Financial assets at fair value through other comprehensive income			
– Fair value (loss)/gain – equity instruments			
– MWS – CSL Trust Endowment Fund	29	(94,572)	(14,020)
– MWS – Dr LCM Manpower Development Fund	25	(62,847)	51,451
– Investments held directly by MWS		(601,335)	410,288
		<b>(758,754)</b>	<b>447,719</b>
<b>Total comprehensive loss for the financial year</b>		<b>(3,925,062)</b>	<b>(1,461,332)</b>

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

# Balance Sheet

At 31 March 2023

	Note	2023 \$	2022 \$
<b>Non-current assets</b>			
Property, plant and equipment	10	11,770,586	12,384,985
Financial assets at fair value through other comprehensive income	11	10,190,609	10,511,923
Other financial assets at amortised cost	12	2,504,768	2,004,000
Financial assets at fair value through profit or loss	13	4,136,125	3,948,639
		<u>28,602,088</u>	<u>28,849,547</u>
<b>Current assets</b>			
Other financial assets at amortised cost	12	2,237,013	1,269,236
Other receivables	14	4,222,391	3,597,537
Fixed deposits	15	17,050,000	19,050,000
Cash and bank balances	16	13,873,606	14,814,394
		<u>37,383,010</u>	<u>38,731,167</u>
<b>Total assets</b>		<u>65,985,098</u>	<u>67,580,714</u>
<b>Non-current liabilities</b>			
Capital grants	17	2,672,022	1,656,893
Building grants	18	2,603,991	2,907,382
Lease liabilities	19	1,404,057	137,990
		<u>6,680,070</u>	<u>4,702,265</u>
<b>Current liabilities</b>			
Lease liabilities	19	1,167,652	1,403,387
Sundry payables and accruals	20	5,073,986	4,017,729
Deferred income	20	772,548	1,241,429
		<u>7,014,186</u>	<u>6,662,545</u>
<b>Total liabilities</b>		<u>13,694,256</u>	<u>11,364,810</u>
<b>Net assets</b>		<u>52,290,842</u>	<u>56,215,904</u>
<b>Funds</b>			
General Accumulated Fund	21	46,126,764	44,850,220
Service Centres' Accumulated Funds	22	(1,922,581)	1,645,252
Fair Value Reserve	23	111,084	712,419
Asset Capitalisation Reserve	24	2,257,262	2,977,756
Dr LCM Manpower Development Fund	25	816,264	858,119
Building Maintenance Fund	26	769,387	719,387
Community Outreach Project Fund	27	45,377	27,586
Community Silver Trust	28	1,199,293	1,333,678
MWS - CSL Trust Endowment Fund	29	1,394,875	1,480,971
Other Funds	30	1,493,117	1,610,516
<b>Total funds</b>		<u>52,290,842</u>	<u>56,215,904</u>

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

# Statement of Changes in Accumulated Fund and Specific Funds

For the Financial Year Ended 31 March 2023

	General Accumulated Fund \$ (Note 21)	Service Centres' Accumulated Funds \$ (Note 22)	Fair Value Reserve \$ (Note 23)	Capitalisation Reserve \$ (Note 24)	Asset Reserve \$ (Note 24)	Dr LCM Manpower Development Fund \$ (Note 25)	Maintenance Fund \$ (Note 26)	Building Fund \$ (Note 26)	Subtotal Funds \$
<b>2023</b>									
At 1.4.2022	44,850,220	1,645,252	712,419	2,977,756	858,119	719,387	51,763,153		
Surplus/(deficit) for the financial year	3,092,895	(5,317,293)	-	(1,048,584)	20,992	-	(3,251,990)		
Other comprehensive loss for the financial year, net of tax:									
- Fair value loss on financial assets at fair value through other comprehensive income	-	-	(601,335)	-	(62,847)	-	(664,182)		
Other comprehensive loss for the financial year, net of tax	-	-	(601,335)	-	(62,847)	-	(664,182)		
Total comprehensive income/(loss) for the financial year	3,092,895	(5,317,293)	(601,335)	(1,048,584)	(41,855)	-	(3,916,172)		
Transfer of funds	(1,816,351)	1,749,460	-	328,090	-	50,000	311,199		
<b>At 31.3.2023</b>	<b>46,126,764</b>	<b>(1,922,581)</b>	<b>111,084</b>	<b>2,257,262</b>	<b>816,264</b>	<b>769,387</b>	<b>48,158,180</b>		

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

# Statement of Changes in Accumulated Fund and Specific Funds

For the Financial Year Ended 31 March 2023

	Community Outreach Project Fund \$ (Note 27)	Community Silver Trust \$ (Note 28)	MWS - CSL Trust Endowment Fund \$ (Note 29)	Other Funds \$ (Note 30)	Subtotal Funds \$	Total Funds \$
At 1.4.2022	27,586	1,333,678	1,480,971	1,610,516	4,452,751	56,215,904
Surplus/(deficit) for the financial year	17,791	-	75,476	(7,585)	85,682	(3,166,308)
Other comprehensive loss for the financial year, net of tax:						
- Fair value loss on financial assets at fair value through other comprehensive income	-	-	(94,572)	-	(94,572)	(758,754)
Other comprehensive loss for the financial year, net of tax	-	-	(94,572)	-	(94,572)	(758,754)
Total comprehensive income/(loss) for the financial year	17,791	-	(19,096)	(7,585)	(8,890)	(3,925,062)
Transfer of funds	-	(134,385)	(67,000)	(109,814)	(311,199)	-
<b>At 31.3.2023</b>	<b>45,377</b>	<b>1,199,293</b>	<b>1,394,875</b>	<b>1,493,117</b>	<b>4,132,662</b>	<b>52,290,842</b>

Other comprehensive loss for the financial year, net of tax:

- Fair value loss on financial assets at fair value through other comprehensive income

Other comprehensive loss for the financial year, net of tax

Total comprehensive income/(loss) for the financial year

Transfer of funds

At 31.3.2023

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

# Statement of Changes in Accumulated Fund and Specific Funds

For the Financial Year Ended 31 March 2023

	General Accumulated Fund \$ (Note 21)	Service Centres' Accumulated Funds \$ (Note 22)	Fair Value Reserve \$ (Note 23)	Capitalisation Reserve \$ (Note 24)	Asset Reserve \$ (Note 25)	Development Fund \$ (Note 26)	Maintenance Fund \$ (Note 26)	Building Fund \$ (Note 26)	Subtotal Funds \$
2022									
At 1.4.2021	41,515,532	7,131,599	303,816	4,055,045	790,290	669,387	54,465,669		
Surplus/(deficit) for the financial year	5,127,155	(8,463,376)	-	(1,077,289)	(4,101)	-	(4,417,611)		
Other comprehensive income for the financial year, net of tax:									
- Fair value gains on financial assets at fair value through other comprehensive income	-	-	410,288	-	51,451	-	461,739		
Other comprehensive income for the financial year, net of tax	-	-	410,288	-	51,451	-	461,739		
Total comprehensive income/(loss) for the financial year	5,127,155	(8,463,376)	410,288	(1,077,289)	47,350	-	(3,955,872)		
Transfer of funds	(1,792,467)	2,977,029	(1,685)	-	20,479	50,000	1,253,356		
At 31.3.2022	44,850,220	1,645,252	712,419	2,977,756	858,119	719,387	51,763,153		

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

# Statement of Changes in Accumulated Fund and Specific Funds

For the Financial Year Ended 31 March 2023

	Community Outreach Project Fund \$ (Note 27)	Community Silver Trust \$ (Note 28)	MWS - CSL Trust Endowment Fund \$ (Note 29)	Other Funds \$ (Note 30)	Subtotal Funds \$	Total Funds \$
At 1.4.2021	40,586	78,511	1,496,486	1,595,984	3,211,567	57,677,236
(Deficit)/surplus for the financial year	(13,000)	2,538,523	68,505	(85,468)	2,508,560	(1,909,051)
Other comprehensive (loss)/income for the financial year, net of tax:						
- Fair value (loss)/gains on financial assets at fair value through other comprehensive income	-	-	(14,020)	-	(14,020)	447,719
Other comprehensive (loss)/income for the financial year, net of tax	-	-	(14,020)	-	(14,020)	447,719
Total comprehensive (loss)/income for the financial year	(13,000)	2,538,523	54,485	(85,468)	2,494,540	(1,461,332)
Transfer of funds	-	(1,283,356)	(70,000)	100,000	(1,253,356)	-
At 31.3.2022	27,586	1,333,678	1,480,971	1,610,516	4,452,751	56,215,904

2022

At 1.4.2021

(Deficit)/surplus for the financial year

Other comprehensive (loss)/income for the financial year, net of tax:

- Fair value (loss)/gains on financial assets at fair value through other comprehensive income

Other comprehensive (loss)/income for the financial year, net of tax

Total comprehensive (loss)/income for the financial year

Transfer of funds

At 31.3.2022

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

# Statement of Cash Flows

For the financial year ended 31 March 2023

	Note	2023 \$	2022 \$
<b>Cash flows from operating activities</b>			
Deficits for the financial year		(3,166,308)	(1,909,051)
Amortisation of:			
- Capital grants	17	(1,208,333)	(549,332)
- Building grants	18	(303,391)	(303,391)
Depreciation of property, plant and equipment	10	4,661,815	4,459,923
Dividend income	7	(539,175)	(380,158)
Net fair value loss/(gain) on financial assets at fair value through profit or loss ("FVPL")		17,606	(78,772)
Net impairment loss on financial assets		18,465	63,641
Rental rebates		-	(290,616)
Interest income	6	(435,964)	(202,825)
Interest expense on lease liabilities	19	55,509	86,782
Loss/(gain) on disposal of financial assets at amortised cost		14,235	(23,275)
Gain on lease modification		(10,292)	-
Property, plant and equipment written off		35,433	291,869
Operating (deficits)/surplus before working capital changes		(860,400)	1,164,795
Receivables		(543,160)	(11,214)
Payables		1,056,257	(194,949)
Capital grants	17	2,223,462	331,234
Deferred income		(468,881)	(53,236)
<b>Net cash generated from operating activities</b>		<b>1,407,278</b>	<b>1,236,630</b>
<b>Cash flows from investing activities</b>			
Dividend received		539,175	380,158
Purchase of property, plant and equipment	10	(1,367,696)	(1,242,641)
Interest received		309,052	202,825
Purchase of financial assets at fair value through other comprehensive income ("FVOCI")		(437,440)	(1,601,523)
Purchase of financial assets at FVPL		(205,092)	(134,766)
Purchase of financial assets at amortised cost		(2,711,027)	-
Proceeds from disposal of financial assets at FVOCI		-	528,207
Proceeds from debt securities (financial assets at amortised cost) redeemed		1,255,000	774,775
<b>Net cash used in investing activities</b>		<b>(2,618,028)</b>	<b>(1,092,965)</b>
<b>Cash flows from financing activities</b>			
Interest paid	19	(55,509)	(86,782)
Repayment of lease liabilities	19	(1,674,529)	(1,271,383)
<b>Net cash used in financing activities</b>		<b>(1,730,038)</b>	<b>(1,358,165)</b>
Net decrease in cash and cash equivalents		(2,940,788)	(1,214,500)
Cash and cash equivalents at beginning of financial year		33,864,394	35,078,894
<b>Cash and cash equivalents at end of financial year</b>		<b>30,923,606</b>	<b>33,864,394</b>
Cash and cash equivalents comprise:			
Fixed deposits		17,050,000	19,050,000
Cash and bank balances		13,873,606	14,814,394
		<b>30,923,606</b>	<b>33,864,394</b>

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

# Notes to the Financial Statements

For the financial year ended 31 March 2023

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

## 1 GENERAL INFORMATION

Methodist Welfare Services (the “Society”) is registered in Singapore under the Societies Act 1966 and is an approved Institution of a Public Character.

The principal activities of the Society are to assist in the relief of poverty, physical, psychological and emotional suffering regardless of age, sex, race, nationality, religion or moral character, especially by the provision of nursing care, counselling, rehabilitation services, training or educational services or assistance. The Corporate Services is located at 70 Barker Road, #05-01, Singapore 309936.

The principal activities of the service centres of the Society are as follows:

### ***MWS Home Hospice***

The Centre provides palliative homecare, befriending, and loan of equipment to those with life-limiting illnesses.

### ***MWS Bethany Nursing Home – Choa Chu Kang (“MWS BNH”)***

The Home provides residential quarters and rehabilitation facilities for the sick and needy requiring nursing care.

### ***MWS Crystalite Methodist Home***

The Home is one of the Welfare Homes gazetted under the Destitute Persons Act. It provides holistic residential care for elderly residents, including their healthcare, physical, emotional and social needs.

### ***MWS Crystalite Student Care Centre***

The Centre comprises student care facilities for students of working parents.

### ***MWS Senior Care Centre – Eunos***

The Centre provides frail seniors with a home-like environment where they can socialise and take part in recreational activities. Through day care and community rehabilitation services, the seniors are supported to age in place through looking after their general, physical and social well-being. The Centre commenced operations on 1 September 2021.

### ***MWS Home Care***

The Centre is a home care ensuite service that provides assistance to frail elderly persons in areas of personal hygiene and grooming, engagement programmes, assistance in housekeeping, medication reminder and other personal care tasks.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 1 GENERAL INFORMATION (CONT'D)

### *MWS Nursing Home – Yew Tee*

The Home provides residential quarters and rehabilitation facilities for the sick and needy requiring nursing care, as well as home care services that assist frail elderly persons in areas of personal hygiene and grooming, home engagement programmes, general housekeeping, medication reminding and other personal care tasks.

### *MWS Girls' Residence*

The Centre provides a place of safety and a conducive environment for the physical, social and psychological development for the young female adult probationer.

### *MWS Family Development Programme*

The Centre advances facilitates and researches programmes and social issues for the promotion of effective social interventions.

### *MWS Family Support Programme – East*

The Centre is the appointed Parenting Support Provider (“PSP”) by MSF to support schools within the regional cluster of Pasir Ris, Punggol and Tampines.

### *MWS Family Support Programme – North*

The Centre is the appointed Parenting Support Provider (“PSP”) by MSF to support schools within the regional cluster of Hougang, Sengkang and Serangoon.

### *MWS Strengthening Families Programme @ Family Service Centre*

The Centre is appointed to operate the Strengthening Families Programme @ Family Service Centre (FAM@FSC) in the allocated regional cluster of Hougang, Sengkang and Serangoon, which comprises Divorce Support (DS), Family Counselling (FC), and Central Functions.

### *MWS Research and Innovation Training Academy*

The Research, Innovation & Training Academy (RITA) drives research capability and innovative practices for sustainability and relevance. Leveraging on MWS experience in both the social and health services sector, the Centre uses data-driven evidence to better inform clinical practice, enhance programme delivery and improve overall policy formulation to meet beneficiaries’ evolving needs. The Centre commenced operations on 2 January 2023.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 1 GENERAL INFORMATION (CONT'D)

### *Active Ageing Centres (formerly known as Senior Activity Centres)*

The Centres provide a range of programmes and services which enhance the well-being of older persons residing in the community and enabling them to age-in-place for as long as possible.

The seven Active Ageing Centres (formerly known as Senior Activity Centres) are:

- (i) *MWS Charis ACE Active Ageing Centre – Geylang East (Formerly known as MWS Charis ACE – Geylang East) with effect from 1 April 2022*
- (ii) *MWS Active Ageing Centre – Fernvale Rivergrove (Formerly known as MWS Senior Activity Centre – Fernvale Rivergrove) with effect from 1 April 2023*
- (iii) *MWS Active Ageing Centre – GreenTops@Sims Place (Formerly known as MWS Senior Activity Centre – GreenTops@Sims Place) with effect from 1 April 2023*
- (iv) *MWS Active Ageing Centre – Golden Lily@Pasir Ris (Formerly known as MWS Senior Activity Centre – Golden Lily@Pasir Ris) with effect from 1 April 2022*
- (v) *MWS Active Ageing Centre – Kebun Baru (Formerly known as MWS Senior Activity Centre – Kebun Baru) with effect from 3 May 2021*
- (vi) *MWS Active Ageing Centre – Teck Ghee Vista (Formerly known as MWS Senior Activity Centre – Teck Ghee Vista) with effect from 1 April 2023*
- (vii) *MWS Wesley Active Ageing Centre – Jalan Berseh (Formerly known as MWS Wesley Senior Activity Centre – Jalan Berseh) with effect from 1 April 2022*

### *Family Service Centres*

The Centres provide casework and counselling, information and referral services, preventive and developmental programmes and activities for individuals and families in need.

The three Family Service Centres are:

- (i) *MWS Covenant Family Service Centre – Hougang & Buangkok*
- (ii) *MWS Family Service Centre – Yishun*
- (iii) *MWS Family Service Centre – Tampines*

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

The financial statements, presented in Singapore dollar (“\$”), which is the functional currency of the Society, have been prepared in accordance with the Societies Act 1966, the Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore (“FRSs”) except for the departure from FRS 16 *Property, Plant and Equipment* which is permitted by FRS 1 *Presentation of Financial Statements* as disclosed in Note 3. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

#### *Use of estimates and judgements*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. The areas involving a higher degree of judgement in applying accounting policies, or areas when assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and bank balances, fixed deposits, other receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

#### *New and revised standards that are adopted*

In the current financial year, the Society has adopted all the new and revised FRSs and interpretations of FRSs (“INT FRSs”) that are relevant to its operations and effective for the current financial year. Changes to the Society’s accounting policy have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new/revised FRS and INT FRS did not have any material effect on the financial results or position of the Society.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (a) Basis of preparation (cont'd)

*New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 March 2023 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society.

### (b) Income recognition

Income is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Society, and the amount of income and related expenditure can be reliably measured.

Donations	-	when received
Fund-raising income	-	in the period the event occurred
Programme income	-	over the period of provision of services to clients
Interest income	-	on a time proportion basis
Dividend income	-	when the right to receive payment is established

### (c) Grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

*Capital grants*

Grants received/receivable for the purpose of maintaining, converting, renovating and furnishing a space for the use as a centre, upgrading of server and data management system and purchase of air conditioner and compressors are capitalised in the Capital Grants account and amortised in accordance with the depreciation of the cost of the respective assets acquired using the grants.

*Building grants*

Grants received/receivable for the purpose of construction of the building, and purchase of furniture and equipment for the nursing home are capitalised in the Building Grants account and amortised in accordance with the depreciation of the cost of the respective assets acquired using the grants.

Total capital grants received for the service centres and building grants received for the nursing home less the amounts amortised to income or expenditure at the balance sheet date are included in the balance sheet as capital grants and building grants.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (c) Grants (cont'd)

#### *Revenue grants*

When the grants received relates to an expenditure item, the grants are amortised to income or expenditure over the period necessary to match them on a systematic basis to the expenditures that the grants are intended to compensate.

Total revenue grants received for the service centres less the amounts amortised to income or expenditure at the balance sheet date are included in the balance sheet as deferred income.

### (d) Employee benefits

#### *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

#### *Defined contribution plans*

The Society contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. Contributions to CPF are charged to income or expenditure in the period in which the related service is performed.

### (e) Income tax

The Society is exempted from income tax under the Income Tax Act. As such, no provision for income tax has been made in the financial statements of the Society.

### (f) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently stated at cost less accumulated depreciation and any impairment loss. Depreciation is charged by equal annual instalments in accordance with a schedule of rates which are calculated to write off the assets over their estimated useful lives as follows:

Building at 9 Choa Chu Kang Avenue 4	-	30 years
Leased properties	-	over the lease terms
Equipment	-	10 years
Computers	-	3 years
Furniture, fittings and office equipment	-	5 to 10 years
Motor vehicles	-	10 years
Renovations	-	5 years

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (f) Property, plant and equipment (cont'd)

On disposal of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to income or expenditure.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in income or expenditure when the changes arise.

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

### (g) Impairment of non-financial assets

Non-financial assets are reviewed for impairment at each balance sheet date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in income or expenditure.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

### (h) Financial assets

#### *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Society commits to purchase or sell the asset. 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.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in income or expenditure. Trade receivables without a significant financing component is initially measured at transaction prices.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (h) Financial assets (cont'd)

#### *Classification and measurement*

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

The Society classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income ("FVOCI"); and
- Fair value through profit or loss ("FVPL").

The classification is based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

The Society reclassifies financial assets when, and only when, its business model for managing those assets changes.

The Society's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (h) Financial assets (cont'd)

#### *Subsequent measurement*

##### (i) *Debt instruments*

Debt instruments include fixed deposits, cash and bank balances, other receivables (excluding prepayments) and investment in debt securities. The Society's debt instruments are measured as follows:

#### *Amortised cost*

The Society measures financial assets at amortised cost if both of the following conditions are met:

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

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in income or expenditure when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

##### (ii) *Equity instruments*

The Society subsequently measures all its equity investments at their fair values. Equity investments are classified as FVPL with movements in their fair values recognised in income or expenditure in the period in which the changes arise and presented in "other income" or "other expenditure". For equity investments which are not held for trading or not a contingent consideration recognised by an acquirer in a business combination, the Society may make an irrevocable election (on an investment by investment basis) to designate equity investments as at FVOCI.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (h) Financial assets (cont'd)

#### *Subsequent measurement (cont'd)*

#### (ii) *Equity instruments (cont'd)*

The Society has designated its equity investments that are not held for trading as FVOCI at initial recognition. Gains and losses arising from changes in fair value of these equity investments classified as FVOCI are presented as “fair value gains/losses” in other comprehensive income and accumulated in fair value reserve and will never be reclassified to income or expenditure. On disposal of an equity investment, the difference between the carrying amount and sales proceed amount would be recognised in income or expenditure except for equity investment designated at FVOCI which would be recognised in other comprehensive income. Fair value reserve relating to the disposed asset would be transferred to accumulated fund upon disposal. Dividends from equity investments are recognised in income or expenditure and presented in “other income”. Equity investments classified as FVOCI are not subject to impairment assessment.

#### (iii) *Funds placed with fund manager*

The Society classify a portfolio of financial assets that is managed and whose performance is evaluated on a fair value basis as financial assets at fair value through profit or loss. Such portfolio of financial assets is neither held to collect contractual cash flows nor held both to collect contractual cash flows and to sell financial assets. The collection of contractual cash flows is only incidental to achieving the Society’s objective. The Society’s primary focus on a portfolio of financial assets is on the fair value information and uses that information to assess the assets’ performance and to make decisions.

#### **Impairment**

The Society recognises an allowance for expected credit losses (“ECLs”) for financial assets carried at amortised cost and debt instruments at FVOCI. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate.

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

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (h) Financial assets (cont'd)

#### *Impairment (cont'd)*

If the Society has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Society measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Society recognises an impairment gain or loss in income or expenditure for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVOCI, for which the loss allowance is recognised in other comprehensive income, and does not reduce the carrying amount of the financial assets in the balance sheet.

### (i) Financial liabilities

Financial liabilities include sundry payables and accruals (excluding accruals for unutilised annual leave) and lease liabilities. Financial liabilities are recognised on the balance sheet when, and only when, the Society becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially measured at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in income or expenditure when the liabilities are derecognised and through the amortisation process.

### (j) Provision for liabilities

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount can be estimated reliably. Where the Society expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

### (k) Asset Capitalisation Reserve

Specific donations given for the purchase of property, plant and equipment and fundings utilised for purchase of property, plant and equipment, which have been capitalised in the relevant property, plant and equipment accounts are credited to the Asset Capitalisation Reserve. The depreciation with respect to the aforesaid property, plant and equipment is charged directly to the Asset Capitalisation Reserve.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (I) Leases

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

#### *When the Society is the lessee*

The Society applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Society recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

#### *Lease liabilities*

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

Lease payments included in the measurement of the lease liabilities comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease liabilities are presented as a separate line in the balance sheet.

The lease liabilities are subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Society remeasures the lease liabilities (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

### (l) Leases (cont'd)

#### *Right-of-use assets*

The Society recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Society incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Society at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented within "property, plant and equipment" in the balance sheet.

The Society applies FRS 36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in Note 2(g).

### (m) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

### (n) Funds

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Society, the financial statements are maintained substantially in accordance with the principles of "fund accounting" whereby the resources for various purposes are classified for accounting and reporting purposes into specific funds that are in accordance with the activities or objectives specified.

Unless specifically indicated, fund balances are not represented by any specific assets or liabilities but are represented by all assets of the Society.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 3 CRITICAL ACCOUNTING JUDGEMENT IN APPLYING SIGNIFICANT ACCOUNTING POLICIES

In the process of applying the Society's accounting policies, which are described in Note 2, the Board of Governance has made the following assumptions.

The cost of the building at 9 Choa Chu Kang Avenue 4 is depreciated over 30 years from 2001 based on an understanding that the land will be made available by the Government of Singapore (the "landlord") for 30 years although the tenancy agreement with the landlord in respect of the lease of the said land is for 3 years and renewable for another 3 years at the discretion of the landlord. Similarly, the renovations of the building are depreciated over 5 years.

The Board of Governance believes that the landlord will continue to renew the lease up to the conclusion of the 30 years because the building grants received from the Ministry of Health ("MOH") is conditional upon the Society agreeing to operate MWS BNH for 30 years. Based on the Board of Governance's estimation, depreciation is provided on a straight-line basis to allocate the cost of the building and its renovations over the estimated useful lives of 30 years and 5 years respectively.

Similarly, as mentioned in Note 2(c), the building and capital grants received for the purpose of construction of the building and purchase of renovations for the nursing home are amortised over the useful lives of the respective assets acquired using the grants.

At 31 March 2023, the net carrying values of the building and its renovations are \$2,799,841 (2022: \$3,148,671) and \$2,520,728 (2022: \$4,121,786) respectively and the building grants balances and capital grants balances relating to the building and its renovations are \$2,603,991 (2022: \$2,907,382) and \$1,546,042 (2022: \$830,721) respectively.

As the Society has no legal right to extend the lease to 30 years, depreciating the building and its renovations over 30 years and 5 years respectively is not in accordance with FRS 16 *Property, Plant and Equipment*, which requires consideration of the legal right on the use of the asset in determining its useful life. As the Board of Governance is of the view that depreciating the building over the land's legal lease period of 3 years would not reflect a fair presentation of the Society's financial position and financial performance, the departure from FRS 16 is permitted by FRS 1 *Presentation of Financial Statements*.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 3 CRITICAL ACCOUNTING JUDGEMENT IN APPLYING SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Had the Society depreciated the building and its renovations over its 3 years lease period which commenced from 2001, the financial statements of the Society at 31 March 2023 would be revised as follows:

- the net carrying value of the building and the related building grants balances at 31 March 2023 would be \$Nil (2022: \$Nil); and
- the net carrying value of the renovations of the building and the related capital grants balance at 31 March 2023 would be \$38,475 (2022: \$1,377,522) and \$24,786 (2022: \$317,719) respectively.

The net positive impact on the Society's statement of comprehensive income for the financial year is \$110,824 (2022: net negative impact of \$1,214,247).

## 4 DONATIONS AND FUND-RAISING INCOME

	2023	2022
	\$	\$
<b>Donations:</b>		
Tax deductible	1,772,486	2,317,298
Non-tax deductible	3,380,219	2,782,155
	<u>5,152,705</u>	<u>5,099,453</u>
<b>Fund-raising income:</b>		
Tax deductible	7,311,330	8,095,685
Non-tax deductible	568,922	1,191,915
	<u>7,880,252</u>	<u>9,287,600</u>
Total	<u>13,032,957</u>	<u>14,387,053</u>

Total tax deductible receipts issued by the Society amounting to \$9,083,816 (2022: \$10,412,983) as follows:

	2023	2022
	\$	\$
Accumulated Funds	9,069,021	10,400,983
Community Outreach Project Fund (Note 27)	14,795	12,000
	<u>9,083,816</u>	<u>10,412,983</u>

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 4 DONATIONS AND FUND-RAISING INCOME (CONT'D)

Total direct fund-raising expenses incurred by the Society amounting to \$973,113 (2022: \$752,487) and charged to:

	2023	2022
	\$	\$
Accumulated Funds	<b>973,113</b>	<b>752,487</b>

Included in the total direct fund-raising expenses is expenditure of manpower of \$438,572 (2022: \$425,085).

## 5 GOVERNMENT GRANTS

	2023	2022
	\$	\$
AIC grant	1,965,998	841,108
AIC Community Care Salary Enhancement	2,439,888	1,242,522
AIC Care at NH Initiative	110,715	-
AIC DFIW Claims	109,915	-
Community Silver Trust Grant (Note 28)	-	2,538,523
Foreign Worker Levy Rebates	-	9,236
Government subvention	26,898,494	24,515,199
Government Enhanced Fund-raising support programme	150,000	-
IRAS Wage Credit and Special Employment Credit	25,254	780,921
IRAS Jobs Growth Incentive	1,188,171	719,354
IRAS Jobs Support Scheme	-	633,661
Rental subsidy	1,653,486	1,346,174
Medifund Grant	353,223	211,725
Medifund Silver Grant	332,734	334,288
MSF - Courage-To-Care Award	82,700	-
MSF Corporate Capability Expansion grant (CCEG)	145,253	7,052
MOH IT and Non IT Grants	44,607	-
Senior Mobility Fund	21,872	71,061
Workforce Development Grant	1,076,674	-
Others	248,455	194,813
Total	<b>36,847,439</b>	<b>33,445,637</b>

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 6 INTEREST INCOME

	2023	2022
	\$	\$
Interest income from fixed deposits and bank balances	274,783	60,115
Interest income from debt securities and perpetual notes	161,181	142,710
	<u>435,964</u>	<u>202,825</u>

## 7 OTHER INCOME

	2023	2022
	\$	\$
Net fair value (loss)/gain on financial assets at fair value through profit or loss	(17,606)	78,772
(Loss)/gain on disposal of financial assets at amortised cost	(14,235)	23,275
Dividend income	539,175	380,158
Rental rebates	-	290,616
Sundry income	139,014	154,459
	<u>646,348</u>	<u>927,280</u>

## 8 EXPENDITURE ON MANPOWER

	2023	2022
	\$	\$
Salaries and related costs	36,604,259	34,042,391
CPF	4,109,325	3,689,908
Manpower contract services	191,299	219,078
Other staff benefits and training	1,249,961	1,363,674
	<u>42,154,844</u>	<u>39,315,051</u>

Included in expenditure on manpower are remuneration paid to key management staff as follows:

	2023	2022
	\$	\$
Salaries and related costs	5,272,491	5,451,078
CPF	493,229	502,624
	<u>5,765,720</u>	<u>5,953,702</u>

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 8 EXPENDITURE ON MANPOWER (CONT'D)

Key management staff comprises Chief Executive Officer, Directors of Corporate Services, Heads and related top key management of service centres.

During the financial year, \$156,767 (2022: \$69,247) of the salaries and related costs is eligible for Ministry of Social and Family Development ("MSF") Corporate Capability Expansion Grant ("CCEG"). The amounts to be claimed for these funded positions amount to \$109,423 (2022: \$55,398). No other fundings were claimed for these staff salaries.

## 9 DEFICIT FOR THE FINANCIAL YEAR

This is arrived at after (crediting)/charging:

	2023	2022
	\$	\$
Net impairment losses on financial assets:		
- Bad debts recovered	(135)	-
- Write-back of allowance for doubtful receivables	(4,991)	(15,094)
- Bad debts written off	23,591	78,735
Food and refreshments	1,602,666	1,559,476
Input GST not recoverable	667,488	585,736
Medical supplies	1,400,889	1,540,160
Professional fees	1,481,437	1,308,156
Property, plant and equipment written off	35,433	291,869
Rent of building, equipment and others	459,826	358,377
Repairs and maintenance	2,534,394	1,978,146
Specific assistance to clients	2,425,633	2,828,581
Stationery and printing	100,204	85,848
Supplies and materials	1,121,873	939,828
Utilities	1,023,687	872,896

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 10 PROPERTY, PLANT AND EQUIPMENT

	Building	Leased properties	Equipment	Computers	Furniture, fittings and office equipment	Motor vehicles	Renovations	Total
	\$	\$	\$	\$	\$	\$	\$	\$
<b>2023</b>								
<b>Cost</b>								
At 1.4.2022	10,462,931	4,294,172	4,591,949	1,027,487	1,148,872	652,067	12,355,418	34,532,896
Additions	-	2,974,274	207,527	201,721	266,120	-	690,546	4,340,188
Reclassification	-	-	-	18,660	-	-	-	18,660
Write-offs	-	-	(104,844)	(139,767)	(65,220)	(49,000)	(376,453)	(735,284)
Lease modification*	-	(2,709,519)	-	-	-	-	-	(2,709,519)
At 31.3.2023	<b>10,462,931</b>	<b>4,558,927</b>	<b>4,694,632</b>	<b>1,108,101</b>	<b>1,349,772</b>	<b>603,067</b>	<b>12,669,511</b>	<b>35,446,941</b>
<b>Accumulated depreciation</b>								
At 1.4.2022	7,314,260	2,802,620	2,078,783	899,658	751,197	444,737	7,856,656	22,147,911
Depreciation charge	348,830	1,655,889	484,999	157,923	109,780	45,980	1,858,414	4,661,815
Reclassification	-	-	-	18,660	-	-	-	18,660
Write-offs	-	-	(86,518)	(139,767)	(48,111)	(49,000)	(376,453)	(699,851)
Lease modification*	-	(2,452,180)	-	-	-	-	-	(2,452,180)
At 31.3.2023	<b>7,663,090</b>	<b>2,006,329</b>	<b>2,477,264</b>	<b>936,474</b>	<b>812,866</b>	<b>441,717</b>	<b>9,338,615</b>	<b>23,676,355</b>
<b>Net carrying value</b>								
At 31.3.2023	<b>2,799,841</b>	<b>2,552,598</b>	<b>2,217,368</b>	<b>171,627</b>	<b>536,906</b>	<b>161,350</b>	<b>3,330,896</b>	<b>11,770,586</b>
<b>2022</b>								
<b>Cost</b>								
At 1.4.2021	10,462,931	4,189,706	4,138,111	1,252,983	1,054,662	652,067	13,192,083	34,942,543
Additions	-	629,434	485,029	111,429	117,455	-	528,728	1,872,075
Write-offs	-	-	(31,191)	(336,925)	(23,245)	-	(1,365,393)	(1,756,754)
Lease modification*	-	(524,968)	-	-	-	-	-	(524,968)
At 31.3.2022	<b>10,462,931</b>	<b>4,294,172</b>	<b>4,591,949</b>	<b>1,027,487</b>	<b>1,148,872</b>	<b>652,067</b>	<b>12,355,418</b>	<b>34,532,896</b>
<b>Accumulated depreciation</b>								
At 1.4.2021	6,965,429	1,767,086	1,612,477	1,132,476	680,020	398,756	7,121,597	19,677,841
Depreciation charge	348,831	1,560,502	470,076	104,105	109,084	45,981	1,821,344	4,459,923
Write-offs	-	-	(3,770)	(336,923)	(37,907)	-	(1,086,285)	(1,464,885)
Lease modification*	-	(524,968)	-	-	-	-	-	(524,968)
At 31.3.2022	<b>7,314,260</b>	<b>2,802,620</b>	<b>2,078,783</b>	<b>899,658</b>	<b>751,197</b>	<b>444,737</b>	<b>7,856,656</b>	<b>22,147,911</b>
<b>Net carrying value</b>								
At 31.3.2022	<b>3,148,671</b>	<b>1,491,552</b>	<b>2,513,166</b>	<b>127,829</b>	<b>397,675</b>	<b>207,330</b>	<b>4,498,762</b>	<b>12,384,985</b>

\* Lease modification relates to the expiry of old lease agreements of the Society.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

(a) Included in property, plant and equipment of the Society are right-of-use assets of \$2,552,598 (2022: \$1,491,552) (Note 34).

(b) Non-cash transactions

	2023	2022
	\$	\$
Aggregate cost of property, plant and equipment acquired:	4,340,188	1,872,075
Less: Additions to right-of-use assets (Note 19)	<u>(2,972,492)</u>	<u>(629,434)</u>
Net cash outflow for purchase of property, plant and equipment	<u>1,367,696</u>	<u>1,242,641</u>

(c) Depreciation of property, plant and equipment charged to:

	2023	2022
	\$	\$
Accumulated Funds	3,594,250	3,382,634
Asset Capitalisation Reserve (Note 24)	<u>1,067,565</u>	<u>1,077,289</u>
	<u>4,661,815</u>	<u>4,459,923</u>

## 11 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2023	2022
	\$	\$
<b>Security investments designated at FVOCI</b>		
- MWS - CSL Trust Endowment Fund (Note 29)	1,370,222	1,451,286
- Dr LCM Manpower Development Fund (Note 25)	780,009	839,261
- Investments held directly by MWS	<u>8,040,378</u>	<u>8,221,376</u>
	<u>10,190,609</u>	<u>10,511,923</u>

Included in the investments held directly by MWS are perpetual notes of \$719,358 (2022: \$753,198) which are non-cumulative non-convertible that bear interest at 3.65%, 4.0% and 3.73% per annum which will be reset every 5 years ("Reset date") from issue date and may be redeemed at the option of the issuer on or after 24 August 2023, 17 October 2024 and 2 November 2026 respectively (first Reset dates). The issuer may be required or have the discretion to defer or cease payment of interest and additional interest does not accrue on those deferred interest amounts.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 12 OTHER FINANCIAL ASSETS AT AMORTISED COST

	2023	2022
	\$	\$
<i>Debt securities</i>		
Current	2,237,013	1,269,236
Non-current	2,504,768	2,004,000
	<u>4,741,781</u>	<u>3,273,236</u>

The debt securities represent bonds and treasury bills with fixed interest rates ranging from 2.25% to 4.11% (2022: 2.25% to 4.11%) per annum and maturity dates ranging from 5 July 2024 to 13 July 2027 (2022: 12 July 2022 to 12 November 2025).

The fair values of the debt securities at the balance sheet date totalled \$4,679,503 (2022: \$3,282,840). The fair values are determined based on market prices provided by financial institutions at the balance sheet date.

## 13 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023	2022
	\$	\$
Investment fund	3,804,534	3,810,348
Exchange-traded funds	331,590	138,290
Others	1	1
	<u>4,136,125</u>	<u>3,948,639</u>

The investment fund is placed with The Methodist Church in Singapore ("MCS"). The funds of the Society are pooled with those of MCS and other Methodist organisations and is managed by MCS Investment Panel. The Society contributed \$2,135,350 (2022: \$2,135,350) to the total pooled funds. The pooled funds are primarily placed in quoted equity securities, quoted bonds and cash at bank.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 14 OTHER RECEIVABLES

	2023	2022
	\$	\$
Grant receivables	1,766,853	2,256,555
Sundry receivables	1,614,868	692,490
Interest receivables	165,348	38,436
Sundry deposits	458,686	434,405
Prepayments	216,636	175,651
	<u>4,222,391</u>	<u>3,597,537</u>

## 15 FIXED DEPOSITS

All fixed deposits are placed with banks and mature within 12 months from the balance sheet date. At the balance sheet date, the interest rates of these fixed deposits range from 0.30% to 3.79% (2022: 0.05% to 0.76%) per annum.

## 16 CASH AND BANK BALANCES

	2023	2022
	\$	\$
Cash on hand	142,691	75,019
Cash at bank	13,730,915	14,739,375
	<u>13,873,606</u>	<u>14,814,394</u>

## 17 CAPITAL GRANTS

	2023	2022
	\$	\$
<b>Cost</b>		
At beginning of the financial year	5,154,506	4,823,272
Grant received/receivable	2,223,462	331,234
At end of the financial year	<u>7,377,968</u>	<u>5,154,506</u>
<b>Accumulated amortisation</b>		
At beginning of the financial year	3,497,613	2,948,281
Amortisation	1,208,333	549,332
At end of the financial year	<u>4,705,946</u>	<u>3,497,613</u>
<b>Net carrying value</b>		
At end of the financial year	<u>2,672,022</u>	<u>1,656,893</u>

These are capital grants received for the purpose of renovation and ward conversion, which are amortised over the useful life of 5 years.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 18 BUILDING GRANTS

	2023	2022
	\$	\$
<b>Cost</b>		
At beginning and end of the financial year	<u>10,141,625</u>	<u>10,141,625</u>
<b>Accumulated amortisation</b>		
At beginning of the financial year	7,234,243	6,930,852
Amortisation	<u>303,391</u>	<u>303,391</u>
At end of the financial year	<u>7,537,634</u>	<u>7,234,243</u>
<b>Net carrying value</b>		
At end of the financial year	<u>2,603,991</u>	<u>2,907,382</u>

These are grants received from Ministry of Health (“MOH”) for the construction and furnishing of the MWS BNH undertaken by the Society. Under the agreement with MOH, the Society is required to operate MWS BNH for the duration of the land lease or for 30 years from 1 September 2001, whichever is lesser and to apply the grants received for the purposes as stipulated in the letter of undertaking to MOH dated 1 September 2001.

## 19 LEASE LIABILITIES

	2023	2022
	\$	\$
Current	1,167,652	1,403,387
Non-current	<u>1,404,057</u>	<u>137,990</u>
	<u>2,571,709</u>	<u>1,541,377</u>

### Reconciliation of movements of liabilities to cash flows arising from financing activities

	Lease liabilities	
	2023	2022
	\$	\$
Balance at 1 April	1,541,377	2,473,942
Changes from financing cash flows:		
- Repayments	(1,674,529)	(1,271,383)
- Interest paid	(55,509)	(86,782)
Non-cash changes:		
- Rental rebates	-	(290,616)
- Cancellation of lease	(267,631)	-
- Interest expense	55,509	86,782
- Additions	<u>2,972,492</u>	<u>629,434</u>
Balance at 31 March	<u>2,571,709</u>	<u>1,541,377</u>

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 20 SUNDRY PAYABLES AND ACCRUALS AND DEFERRED INCOME

	2023	2022
	\$	\$
<b>Sundry payables and accruals</b>		
Sundry payables	2,327,223	1,764,955
Accrued operating expenses	2,252,331	1,758,308
Residents' deposits and monies held for safekeeping	494,432	494,466
	<u>5,073,986</u>	<u>4,017,729</u>
<b>Deferred income</b>		
Deferred donations (net) <sup>(a)</sup>	185,317	64,821
Donation received from Chen Su Lan Trust <sup>(b)</sup>	500,000	1,000,000
Donation received from President's Challenge <sup>(c)</sup>	84,000	36,000
Other deferred grant income	3,231	140,608
	<u>772,548</u>	<u>1,241,429</u>

<sup>(a)</sup> Deferred donations include donations received for fund raising events and projects to be held in the next financial year.

<sup>(b)</sup> The donation of \$500,000 (2022: \$1,000,000) from Chen Su Lan Trust is to fund the Debt Reduction and Savings Matching programmes over a 3-year period from 2022 to 2024.

<sup>(c)</sup> The donation of \$84,000 (2022: \$36,000) from President's Challenge is for funding Debt Reduction and Savings Matching programme over a 3-year period from March 2022 to February 2025.

## 21 GENERAL ACCUMULATED FUND

	2023	2022
	\$	\$
At beginning of the financial year	44,850,220	41,515,532
Surplus for the financial year	3,092,895	5,127,155
Balance before transfers	47,943,115	46,642,687
Transfers to:		
- Service Centres' Accumulated Funds	(1,716,351)	(1,673,673)
- Dr LCM Manpower Development Fund (Note 25)	-	(20,479)
- Other Funds - General Maintenance Fund (Note 30)	(100,000)	(100,000)
Transfer gain on disposal of financial assets at fair value through other comprehensive income from fair value reserve	-	1,685
At end of the financial year	<u>46,126,764</u>	<u>44,850,220</u>

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 22 SERVICE CENTRES' ACCUMULATED FUNDS

2023	At 1.4.2022 \$	Surplus/ (deficit) \$	Transfer of funds \$	At 31.3.2023 \$
Funds held by service centres:				
MWS Home Hospice*	1,363,670	(162,579)	1,800	1,202,891
MWS Bethany Nursing Home – Choa Chu Kang (“MWS BNH”)*	(336,075)	(551,402)	17,000	(870,477)
MWS Charis ACE Active Ageing Centre – Geylang East*	(89,883)	(133,569)	105,359	(118,093)
MWS Christalite Student Care Centre*	(43,250)	(72,935)	56,150	(60,035)
MWS Home Care*	(2,499,784)	(439,468)	–	(2,939,252)
MWS Girls’ Residence*	(293,200)	(387,922)	382,548	(298,574)
MWS Active Ageing Centre – Fernvale Rivergrove*	(321,282)	(252,435)	202,432	(371,285)
MWS Active Ageing Centre – GreenTops@Sims Place*	(93,625)	(256,974)	256,975	(93,624)
MWS Active Ageing Centre – Golden Lily@Pasir Ris*	(102,397)	(101,886)	121,884	(82,399)
MWS Active Ageing Centre – Kebun Baru*	(217,074)	(207,824)	182,827	(242,071)
MWS Active Ageing Centre – Teck Ghee Vista*	(202,920)	(168,053)	127,569	(243,404)
MWS Family Development Programme	(778,485)	(37,907)	–	(816,392)
MWS Nursing Home – Yew Tee*	(3,676,265)	(1,680,921)	–	(5,357,186)
MWS Family Service Centre Centre – Hougang and Buangkok*	417,525	223,930	–	641,455
MWS Family Service Centre – Yishun*	2,751,585	(156,158)	–	2,595,427
MWS Family Active Ageing Centre – Tampines*	3,488,192	115,448	–	3,603,640
MWS Wesley Active Ageing Centre – Jalan Berseh* (“MWS Wesley AAC – Jalan Berseh”)	100,721	(86,246)	22,429	36,904
MWS Christalite Methodist Home (“MWS CMH”)*	1,869,543	(1,138,129)	–	731,414
MWS Family Support Programme – North*	307,774	120,318	–	428,092
MWS Family Support Programme – East*	281,284	82,317	–	363,601
MWS Senior Care Centre – Eunus*	(280,802)	(270,862)	272,487	(279,177)
MWS Strengthening Families Programme@FSC*	–	287,684	–	287,684
MWS Research and Innovation Training Academy	–	(41,720)	–	(41,720)
<b>Total</b>	<b>1,645,252</b>	<b>(5,317,293)</b>	<b>1,749,460</b>	<b>(1,922,581)</b>

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 22 SERVICE CENTRES' ACCUMULATED FUNDS (CONT'D)

2022	At 1.4.2021 \$	Surplus/ (deficit) \$	Transfer of funds \$	At 31.3.2022 \$
Funds held by service centres:				
MWS Home Hospice*	1,365,738	(71,910)	69,842	1,363,670
MWS Bethany Nursing Home				
- Choa Chu Kang ("MWS BNH")*	386,018	(1,376,755)	654,662	(336,075)
MWS Charis ACE - Geylang East*	(51,643)	(91,626)	53,386	(89,883)
MWS Christalite Student Care Centre*	(30,212)	(26,909)	13,871	(43,250)
MWS Community Services - Punggol	(116,605)	-	116,605	-
MWS Home Care*	(2,107,028)	(458,160)	65,404	(2,499,784)
MWS Girls' Residence*	(254,723)	(485,376)	446,899	(293,200)
MWS Senior Activity Centre - Fernvale Rivergrove*	(271,282)	(212,378)	162,378	(321,282)
MWS Senior Activity Centre - GreenTops@Sims Place*	(123,630)	(210,515)	240,520	(93,625)
MWS Senior Activity Centre - Golden Lily@Pasir Ris*	(102,390)	(209,462)	209,455	(102,397)
MWS Active Ageing Centre - Kebun Baru*	(192,071)	(148,638)	123,635	(217,074)
MWS Senior Activity Centre - Teck Ghee Vista*	(89,905)	(245,584)	132,569	(202,920)
MWS Family Development Programme	(793,752)	15,267	-	(778,485)
MWS Nursing Home - Yew Tee*	(1,493,900)	(2,694,829)	512,464	(3,676,265)
MWS Family Service Centre				
Centre - Hougang and Buangkok*	866,800	(579,330)	130,055	417,525
MWS Family Service Centre - Yishun*	2,574,871	176,714	-	2,751,585
MWS Family Service Centre				
- Tampines*	3,576,860	(88,668)	-	3,488,192
MWS Wesley Senior Activity Centre				
- Jalan Berseh* ("MWS Wesley SAC - Jalan Berseh")	245,020	(189,583)	45,284	100,721

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 22 SERVICE CENTRES' ACCUMULATED FUNDS (CONT'D)

2022 (cont'd)	At 1.4.2021 \$	Surplus/ (deficit) \$	Transfer of funds \$	At 31.3.2022 \$
Funds held by service centres: (cont'd)				
MWS Christalite Methodist Home ("MWS CMH")*	3,198,342	(1,328,799)	-	1,869,543
MWS Family Support Programme - North*	268,180	39,594	-	307,774
MWS Family Support Programme - East*	276,911	4,373	-	281,284
MWS Senior Care Centre - Eunost*	-	(280,802)	-	(280,802)
<b>Total</b>	<b>7,131,599</b>	<b>(8,463,376)</b>	<b>2,977,029</b>	<b>1,645,252</b>

\* Funds received from MOH, MSF and NCSS are expendable for any activities within the respective Service Centres' programmes at the discretion of the Board of Governance of the Society. These funds are strictly classified and retained within the respective Service Centres and are not available for use by any of the other Service Centres of the Society. If, however, in rare instances where a transfer of funds between Service Centres is required, a request will be put up for approval to the relevant funding government agencies or organisations and the transfer effected only after receipt of such approval.

## 23 FAIR VALUE RESERVE

The reserve represents changes in the fair value of financial assets at fair value through other comprehensive income.

## 24 ASSET CAPITALISATION RESERVE

	2023 \$	2022 \$
At beginning of the financial year	2,977,756	4,055,045
Income	19,943	-
Depreciation of property, plant and equipment (Note 10)	(1,067,565)	(1,077,289)
Write-off	(962)	-
Deficit for the financial year	(1,048,584)	(1,077,289)
Balance before transfer	1,929,172	2,977,756
Transfer from General Maintenance Fund (Note 30)	209,814	-
Transfer from Community Silver Trust (Note 28)	118,276	-
At end of the financial year	2,257,262	2,977,756

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 25 DR LCM MANPOWER DEVELOPMENT FUND (“LCM FUND”)

	2023	2022
	\$	\$
At beginning of the financial year	858,119	790,290
Dividends received	39,892	34,148
Expenditure (see below)	(18,900)	(38,249)
Surplus/(deficit) for the financial year	20,992	(4,101)
Fair value (loss)/gain on financial assets at fair value through other comprehensive income	(62,847)	51,451
Transfer from General Accumulated Fund (Note 21)	-	20,479
At end of the financial year	<u>816,264</u>	<u>858,119</u>

The LCM Fund is set up from donations in memory of the late Dr Ling Chaw Ming in accordance with the wishes of the donors. The donations received from the donors of \$1,000,000 shall be used for general educational purposes, including without limitation the funding of scholarships, upgrading of skills, study trips and attachments, priority given but not restricted to staff in healthcare sector. The balance of the fund is to be invested at the sole discretion of the Board of Governance of the Society in line with its investment policies.

The LCM Fund is represented by quoted equity investments at fair value of \$780,009 (2022: \$839,261) (Note 11) and the remainder in cash.

## 26 BUILDING MAINTENANCE FUND

	2023	2022
	\$	\$
At beginning of the financial year	719,387	669,387
Transfer from Service Centres' Accumulated Funds	50,000	50,000
At end of the financial year	<u>769,387</u>	<u>719,387</u>

This fund is for the future major repairs and maintenance of MWS BNH.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 27 COMMUNITY OUTREACH PROJECT FUND

	2023	2022
	\$	\$
At beginning of the financial year	27,586	40,586
Receipts	17,791	12,000
Expenditure	-	(25,000)
Surplus/(deficit) for the financial year	17,791	(13,000)
At end of the financial year	45,377	27,586

The purpose of this fund is to raise awareness of chronically poor in Singapore and for community outreach projects.

Included in receipts are tax deductible receipts of \$14,795 (2022: \$12,000) for the community outreach projects.

## 28 COMMUNITY SILVER TRUST

	2023	2022
	\$	\$
At beginning of the financial year	1,333,678	78,511
Grants received	-	2,552,391
Grants refund	-	(13,868)
Surplus for the financial year	-	2,538,523
Balance before transfer	1,333,678	2,617,034
Transfer to Asset Capitalisation Reserve (Note 24)	(118,276)	-
Transfer to Service Centres' Accumulated Funds	(16,109)	(1,283,356)
At end of the financial year	1,199,293	1,333,678

Community Silver Trust ("CST") is a trust managed by AIC/MOH. The objective of CST is to encourage donations and provide additional resources for the service providers in the intermediate and long-term care sector to enhance capabilities and provide value-added services to achieve higher quality care and affordable step-down care.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 29 MWS – CSL TRUST ENDOWMENT FUND

	2023	2022
	\$	\$
At beginning of the financial year	1,480,971	1,496,486
Dividends received	75,476	68,505
Surplus for the financial year	75,476	68,505
Fair value loss on financial assets at fair value through other comprehensive income	(94,572)	(14,020)
Transfer to Service Centres' Accumulated Funds	(67,000)	(70,000)
At end of the financial year	<u>1,394,875</u>	<u>1,480,971</u>

This is an endowment fund where in accordance with the wishes of Chen Su Lan Trust (the donor), the donation received from the donor of \$1,000,000 should not be expended but should be invested at the full discretion of the Board of Governance of the Society. The surplus of income from the investment less fees and any other payables in relation to the investment shall be used to pay for medical services at MWS BNH.

The endowment fund is represented by quoted equity investments at fair value of \$1,370,222 (2022: \$1,451,286) (Note 11) and the remainder in cash.

## 30 OTHER FUNDS

	At			Surplus/	Transfer of	At
2023	1.4.2022	Receipts	Expenditure	(deficit)	funds, net	31.3.2023
	\$	\$	\$	\$	\$	\$
General Maintenance Fund (Note 21, Note 24)	1,300,000	-	-	-	(109,814)	1,190,186
Medifund	186,395	353,223	(354,742)	(1,519)	-	184,876
Medifund Silver	63,541	332,734	(337,702)	(4,968)	-	58,573
Financial Assistance Fund	12,677	-	-	-	-	12,677
FSC Comcare Fund	14,003	23,596	(18,849)	4,747	-	18,750
School Pocket Money Fund	33,900	28,380	(34,825)	(6,445)	-	27,455
PLMC Immediate Fund	-	42,000	(41,400)	600	-	600
	<u>1,610,516</u>	<u>779,933</u>	<u>(787,518)</u>	<u>(7,585)</u>	<u>(109,814)</u>	<u>1,493,117</u>

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 30 OTHER FUNDS (CONT'D)

	At			Surplus/	Transfer of	At
2022	1.4.2021	Receipts	Expenditure	(deficit)	funds, net	31.3.2022
	\$	\$	\$	\$	\$	\$
General Maintenance Fund (Note 21)	1,200,000	-	-	-	100,000	1,300,000
Medifund	212,730	211,725	(238,060)	(26,335)	-	186,395
Medifund Silver	139,078	334,288	(409,825)	(75,537)	-	63,541
Financial Assistance Fund	12,677	-	-	-	-	12,677
FSC Comcare Fund	4,769	34,361	(25,127)	9,234	-	14,003
School Pocket Money Fund	26,730	50,730	(43,560)	7,170	-	33,900
	<u>1,595,984</u>	<u>631,104</u>	<u>(716,572)</u>	<u>(85,468)</u>	<u>100,000</u>	<u>1,610,516</u>

### **General Maintenance Fund**

This fund is set up for repairs and maintenance requirement of the Society.

### **Medifund**

These are monies from the government to support any resident who has difficulties in paying their medical fees.

### **Medifund Silver**

These are monies from the government to support any resident above 65 years old who has difficulties in paying their medical fees.

### **Financial Assistance Fund**

This fund is set up to provide financial assistance to needy, families and children.

### **FSC Comcare Fund**

These are funds received from Ministry of Social and Family Development ("MSF") to provide immediate assistance to needy clients who require urgent and temporary financial relief to tide over their current situations.

### **School Pocket Money Fund**

These are funds received from The Straits Times to finance needy students. It is disbursed to students as school pocket money.

### **PLMC Immediate Fund**

These are donations received from Paya Lebar Methodist Church to finance needy walk-in and urgent cases.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 31 MANAGEMENT OF RESERVES

The reserves are not expected to exceed the equivalent of two years' expenditure of the Society and its service centres, and are maintained so as to provide working capital, and to enable the Society and its service centres to develop over the longer term. No changes are made in the objectives, policies or processes during the financial years ended 31 March 2023 and 31 March 2022. The Society's ratio of reserves is as shown below:

	2023	2022
	\$	\$
General Accumulated Fund	46,126,764	44,850,220
Service Centres' Accumulated Fund	<u>(1,922,581)</u>	<u>1,645,252</u>
Total Reserves <sup>(1)</sup>	<u>44,204,183</u>	<u>46,495,472</u>
Annual Operating Expenditure	<u>60,747,033</u>	<u>56,773,972</u>
Ratio of Reserves <sup>(1)</sup> to Annual Operating Expenditure	<u>0.73</u>	<u>0.82</u>

<sup>(1)</sup> Reserves are income funds of the Society's that are freely available for its operating purposes and are not subject to commitments, planned expenditure and spending limits. Reserves do not include endowment funds, designated funds and other restricted funds.

## 32 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Society and related parties during the financial year on terms agreed by parties concerned:

	2023	2022
	\$	\$
Purchase of Uniforms for Staff and Residents from a related party*	<u>-</u>	<u>4,240</u>

\* A related party is a company in which the director of the company is a member of the Board of Governance of the Society.

## 33 CAPITAL COMMITMENTS

	2023	2022
	\$	\$
Property, plant and equipment contracted for but not provided for in the financial statements relating to - renovation work	<u>121,080</u>	<u>-</u>

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 34 LEASES

### The Society as a lessee

#### Nature of the Society's leasing activities

The Society leases land, properties and office equipment from non-related parties under non-cancellable operating lease agreements. These leases have an average tenure of between one to three years, varying terms, escalation clauses and renewal options.

The maturity analysis of the lease liabilities is disclosed in Note 35(b).

Information about leases for which the Society is a lessee is presented below:

#### Carrying amount of right-of-use assets

The carrying amount of right-of-use assets are as follows:

	2023	2022
	\$	\$
<u>Classified within property, plant and equipment</u>		
Leasehold properties	2,552,598	1,491,552
Additions to leased properties	2,972,492	629,434

#### Amounts recognised in income or expenditure

	2023	2022
	\$	\$
<u>Depreciation charge for the financial year</u>		
Leasehold properties	1,655,889	1,560,502
Interest expense on lease liabilities	55,509	86,782
<u>Lease expense not included in the measurement of lease liabilities</u>		
Lease expense – short term leases	416,859	299,744
Lease expense – low value leases	42,967	58,633
Total (Note 9)	459,826	358,377

Total cash flow for leases amounted to \$2,189,864 (2022: \$1,716,542).

As at 31 March 2023, the Society is committed to \$54,993 (2022: \$41,723) for short-term leases.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 35 FINANCIAL INSTRUMENTS

### (a) Categories of financial instruments

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	2023	2022
	\$	\$
<b>Financial assets</b>		
Financial assets at amortised cost	39,671,142	40,559,516
Financial assets at fair value through other comprehensive income	10,190,609	10,511,923
Financial assets at fair value through profit or loss	4,136,125	3,948,639
<b>Financial liabilities</b>		
Financial liabilities at amortised cost	6,455,328	4,370,026

### (b) Financial risk management

Overall risk management is determined and carried out by the Board of Governance. Due to the nature of the Society's activities, it has minimal financial risk exposure.

#### *Foreign exchange risk*

The Society's exposure to foreign exchange risk is minimal as nearly all of its transactions are in Singapore dollar.

#### *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. For financial assets at amortised cost (including fixed deposits and cash and bank balances), the Society minimises credit risk by dealing with high credit quality counterparties. The Society has no significant concentration of credit risk exposure.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 35 FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### *Credit risk (cont'd)*

The following sets out the Society's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Society has no reasonable expectation of recovery of payments	Write-off

#### *Significant increase in credit risk*

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

In particular, when assessing whether credit risk has increased significantly since initial recognition, the Society considers existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations and actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 35 FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### *Credit risk (cont'd)*

##### *Significant increase in credit risk (cont'd)*

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

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

The Society also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

##### *Definition of default*

The Society has determined the default events on a financial asset to be when there is evidence that the borrower is experiencing liquidity issues or when there is a breach of contract, such as a default of payment.

The Society considers the above as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

Irrespective of the above analysis, the Society considers that default has occurred when a financial asset is more than 90 days past due unless the Society has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 35 FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### *Credit risk (cont'd)*

##### *Credit-impaired financial assets*

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

##### *Estimation techniques and significant assumptions*

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

##### *Financial assets at amortised cost*

Financial assets at amortised cost include quoted debt securities, other receivables, fixed deposits and cash and bank balances.

The table below details the credit quality of the Society's financial assets (other than financial assets through profit or loss and financial assets through other comprehensive income):

<b>Society 2023</b>	<b>12-month or lifetime ECL</b>	<b>Gross carrying amount \$</b>	<b>Loss allowance \$</b>	<b>Net carrying amount \$</b>
Other receivables	12-month (Exposure limited)	4,005,755	-	4,005,755
	Lifetime	400	(400)	-
Other financial assets at amortised cost	12-month (Exposure limited)	4,741,779	-	4,741,779
	Lifetime	2	-	2
Fixed deposits	Not applicable (Exposure limited)	17,050,000	-	17,050,000
Cash and bank balances	Not applicable (Exposure limited)	13,873,606	-	13,873,606

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 35 FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### Credit risk (cont'd)

#### Financial assets at amortised cost (cont'd)

The table below details the credit quality of the Society's financial assets (other than financial assets through profit or loss and financial assets through other comprehensive income) (cont'd):

Society 2022	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
Other receivables	12-month (Exposure limited)	3,421,886	-	3,421,886
	Lifetime	5,391	(5,391)	-
Other financial assets at amortised cost	12-month (Exposure limited)	3,273,234	-	3,273,234
	Lifetime	888,791	(888,789)	2
Fixed deposits	Not applicable (Exposure limited)	19,050,000	-	19,050,000
Cash and bank balances	Not applicable (Exposure limited)	14,814,394	-	14,814,394

Movements in credit loss allowance are as follows:

	Other financial assets at amortised cost \$	Other receivables \$	Total \$
<b>Society</b>			
Balance at 1 April 2022	888,789	5,391	894,180
Loss allowance measured:			
Lifetime ECL			
Write-off	(888,789)	-	(888,789)
Write-back of allowance	-	(4,991)	(4,991)
Balance at 31 March 2023	-	400	400

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 35 FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### *Credit risk (cont'd)*

#### *Financial assets at amortised cost (cont'd)*

Movements in credit loss allowance are as follows (cont'd):

	Other financial assets at amortised cost \$	Other receivables \$	Total \$
<b>Society</b>			
Balance at 1 April 2021	888,789	20,485	909,274
Loss allowance measured:			
Lifetime ECL			
Write-back of allowance	-	(15,094)	(15,094)
Balance at 31 March 2022	<u>888,789</u>	<u>5,391</u>	<u>894,180</u>

#### *Interest rate risk*

The Society's income and operating cash flows are substantially independent of changes in market interest rates as it has no significant interest-bearing assets and liabilities except for debt securities and fixed deposits.

Fixed deposits and debt securities are at fixed rates of interest which expose the Society to fair value interest rate risk (i.e. the risk that the value of a financial instrument will fluctuate due to changes in market rates).

For interest income from fixed deposits and debt securities, the Society manages interest rate risks by placing fixed deposits and debt securities with reputable financial institutions and reputable and good credit rating corporations respectively on varying maturities and interest rate terms.

At the balance sheet date, the Society has no significant interest-bearing assets and liabilities at variable rates of interest, therefore the Society's financial performance is substantially independent of changes in market interest rates. Accordingly, the sensitivity analysis for interest rate risk is not disclosed.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 35 FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### *Liquidity risk*

The Board of Governance exercises prudent liquidity and cash flow risk management policies and aims to maintain sufficient level of liquidity and cash flows at all times.

The financial liabilities of the Society as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted repayment obligations. The table below summarises the maturity profile of the Society's non-derivative financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	Within 1 year \$	1 to 5 years \$	Total \$
<b>Society</b>			
<b>2023</b>			
Sundry payables and accruals	3,404,065	-	3,404,065
Lease liabilities	1,246,500	1,450,373	2,696,873
	<u>4,650,565</u>	<u>1,450,373</u>	<u>6,100,938</u>
<b>2022</b>			
Sundry payables and accruals	2,338,975	-	2,338,975
Lease liabilities	1,435,885	138,892	1,574,777
	<u>3,774,860</u>	<u>138,892</u>	<u>3,913,752</u>

#### *Market price risk*

Market price risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). At 31 March 2023, the Society is exposed to changes in market price arising from its investment in equity instruments and investment funds classified as financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss respectively. The Society does not have exposure to commodity price risk.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 35 FINANCIAL INSTRUMENTS (CONT'D)

### (b) Financial risk management (cont'd)

#### *Market price risk (cont'd)*

#### *Sensitivity analysis*

At 31 March 2023, the Society's investment in equity instruments and investment funds are \$10,190,609 (2022: \$10,511,923) and \$4,136,124 (2022: \$3,948,638) respectively. At 31 March 2023, if prices of the Society's investments increase/decrease by 10% (2022: 10%) with all other variables held constant, the Society's income or expenditure would have been \$413,613 (2022: \$394,864) higher/lower, arising as a result of higher/lower fair value gain on investment funds, and the Society's fair value reserve in equity would have been \$1,019,061 (2022: \$1,051,192) higher, arising as a result of an increase in fair value of equity instruments.

## 36 FAIR VALUES OF ASSETS AND LIABILITIES

### (a) Fair value hierarchy

The tables below analyse the fair value measurements by the levels in the fair value hierarchy based on the inputs to the valuation techniques. The different levels are defined as follows:

- (a) Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities;
- (b) Level 2 - inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices);  
and
- (c) Level 3 - inputs for the asset or liability that are not based on observable market data (unobservable inputs).

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 36 FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

### (b) Fair value measurements of assets that are measured at fair value

The following table presents the level of fair value hierarchy for each class of financial instruments at fair value on the balance sheet date:

	Level 1 \$	Level 2 \$	Total \$
<b>2023</b>			
<b>Financial assets</b>			
Fair value through other comprehensive income:			
- Quoted security investments – MWS – CSL Trust Endowment Fund	1,370,222	-	1,370,222
- Quoted security investments – Dr LCM Manpower Development Fund	780,009	-	780,009
- Security investments – Investments held directly by MWS	7,321,020	719,358	8,040,378
	<u>9,471,251</u>	<u>719,358</u>	<u>10,190,609</u>
Fair value through profit or loss:			
- Investment fund	-	3,804,534	3,804,534
- Exchange-traded funds	331,590	-	331,590
- Others	1	-	1
	<u>331,591</u>	<u>3,804,534</u>	<u>4,136,125</u>
<b>2022</b>			
<b>Financial assets</b>			
Fair value through other comprehensive income:			
- Quoted security investments – MWS – CSL Trust Endowment Fund	1,451,286	-	1,451,286
- Quoted security investments – Dr LCM Manpower Development Fund	839,261	-	839,261
- Security investments – Investments held directly by MWS	7,468,178	753,198	8,221,376
	<u>9,758,725</u>	<u>753,198</u>	<u>10,511,923</u>
Fair value through profit or loss:			
- Investment fund	-	3,810,348	3,810,348
- Exchange-traded funds	138,290	-	138,290
- Others	1	-	1
	<u>138,291</u>	<u>3,810,348</u>	<u>3,948,639</u>

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 36 FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

### (c) Assets not carried at fair value but which fair values are disclosed

	Carrying amount \$	Fair value measurement at balance sheet date Level 2 \$
2023		
Financial assets		
Other financial assets at amortised costs		
- Debt securities	4,741,781	4,679,503
	<hr/>	<hr/>
2022		
Financial assets		
Other financial assets at amortised costs		
- Debt securities	3,273,236	3,282,840
	<hr/>	<hr/>

### (d) Determination of fair values

Fair values have been determined for measurement and/or disclosure purposes based on the following methods:

#### *Quoted security investments and exchange-traded funds*

The fair values of quoted security investments and exchange-traded funds are based on quoted market prices or dealer quotes for similar investments at the balance sheet date. These instruments are included in Level 1.

#### *Investment fund, debt securities and perpetual notes*

The fair values of investment fund, debt securities and perpetual notes are determined based on market prices provided by financial institutions at the balance sheet date. These instruments are included in Level 2.

# Notes to the Financial Statements

For the financial year ended 31 March 2023

## 36 FAIR VALUES OF ASSETS AND LIABILITIES (CONT'D)

### (e) Fair value of financial instruments by classes that are not measured at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of these financial assets and financial liabilities are reasonable approximation of their fair values due to their short-term nature and where the effect of discounting is immaterial.

## 37 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Society for the financial year ended 31 March 2023 were authorised for issue in accordance with a resolution of the Board of Governance dated 13 July 2023.

# Empowering people to have life to the full



70 Barker Road #05-01

Singapore 309936

Tel: 6478 4700 Fax: 6478 4701

Email: [admin@mws.sg](mailto:admin@mws.sg)

Website: [www.mws.sg](http://www.mws.sg)



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