

Aligning to Empower Fuller Lives



Financial Statements FY2023/24



Financial Statements

For the Financial Year Ended 31 March 2024

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The logo for Baker Tilly, featuring the company name in a stylized, cursive script.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

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 59 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 2024 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



Mr Eugene Toh Ming Hong
Chairperson



Mr Yeo Kai Eng
Honorary Treasurer

18 July 2024

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 59, which comprise the balance sheet as at 31 March 2024, 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 material accounting policy information.

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 2024 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

Management 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 2024, 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 Management and Those Charged with Governance for the Financial Statements

Management 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 management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion,

- (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 2024 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

18 July 2024

Statement of Comprehensive Income

For the financial year ended 31 March 2024

	Note	2024 \$	2023 \$
Income			
Donations and fund-raising income	4	13,501,266	13,032,957
Government grants	5	39,522,956	36,847,439
NCSS grants – Community Chest		391,740	470,481
Programme income		5,183,019	4,635,812
Amortisation of:			
– Capital grants	17	892,605	1,208,333
– Building grants	18	303,391	303,391
Interest income	6	554,505	435,964
Other income	7	809,444	646,348
Total income		61,158,926	57,580,725
Less: Expenditure			
Expenditure on manpower	8	45,968,511	42,154,844
Depreciation of property, plant and equipment	10	4,698,737	4,661,815
Maintenance		3,431,116	2,994,220
General expenditure		11,441,004	10,862,180
Interest expense on lease liabilities	19	128,643	55,509
Net impairment losses on receivables		21,818	18,465
Total expenditure		65,689,829	60,747,033
Deficit for the financial year	9	(4,530,903)	(3,166,308)
Other comprehensive (loss)/income for the financial year:			
<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	(26,302)	(94,572)
– MWS – Dr LCM Manpower Development Fund	25	11,654	(62,847)
– MWS – Lew Foundation Fund	30	14,903	–
– Investments held directly by MWS		(105,368)	(601,335)
		(105,113)	(758,754)
Total comprehensive loss for the financial year		(4,636,016)	(3,925,062)

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

Balance Sheet

At 31 March 2024

	Note	2024 \$	2023 \$
Non-current assets			
Property, plant and equipment	10	9,377,999	11,770,586
Financial assets at fair value through other comprehensive income	11	11,439,039	10,190,609
Other financial assets at amortised cost	12	2,722,644	2,504,768
Financial assets at fair value through profit or loss	13	4,390,608	4,136,125
		<u>27,930,290</u>	<u>28,602,088</u>
Current assets			
Other financial assets at amortised cost	12	4,951,408	2,237,013
Other receivables	14	4,528,146	4,222,391
Fixed deposits	15	12,050,000	17,050,000
Cash and bank balances	16	15,920,270	13,873,606
		<u>37,449,824</u>	<u>37,383,010</u>
Total assets		<u>65,380,114</u>	<u>65,985,098</u>
Non-current liabilities			
Capital grants	17	1,858,844	2,672,022
Building grants	18	2,300,600	2,603,991
Lease liabilities	19	1,138,395	1,404,057
		<u>5,297,839</u>	<u>6,680,070</u>
Current liabilities			
Lease liabilities	19	1,394,346	1,167,652
Sundry payables and accruals	20	9,931,112	5,073,986
Deferred income	20	1,101,991	772,548
		<u>12,427,449</u>	<u>7,014,186</u>
Total liabilities		<u>17,725,288</u>	<u>13,694,256</u>
Net assets		<u>47,654,826</u>	<u>52,290,842</u>
Funds			
General Accumulated Fund	21	39,160,964	46,126,764
Service Centres' Accumulated Funds	22	(902,742)	(1,922,581)
Fair Value Reserve	23	5,716	111,084
Asset Capitalisation Reserve	24	1,263,181	2,257,262
Dr LCM Manpower Development Fund	25	873,554	816,264
Building Maintenance Fund	26	819,387	769,387
Community Outreach Project Fund	27	40,192	45,377
Community Silver Trust	28	2,107,295	1,199,293
MWS - CSL Trust Endowment Fund	29	1,416,176	1,394,875
Low Foundation Fund	30	1,037,599	-
Other Funds	31	1,833,504	1,493,117
Total funds		<u>47,654,826</u>	<u>52,290,842</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 2024

	General Accumulated Fund \$ (Note 21)	Service Centres' Funds \$ (Note 22)	Fair Value Reserve \$ (Note 23)	Asset Capitalisation Reserve \$ (Note 24)	Dr LCM Manpower Development Fund \$ (Note 25)	Building Maintenance Fund \$ (Note 26)	Subtotal Funds \$
2024							
At 1.4.2023	46,126,764	(1,922,581)	111,084	2,257,262	816,264	769,387	48,158,180
(Deficit)/surplus for the financial year	(5,392,813)	(117,225)	-	(1,067,868)	45,636	-	(6,532,270)
Other comprehensive (loss)/income for the financial year, net of tax:							
- Fair value (loss)/gain on financial assets at fair value through other comprehensive income	-	-	(105,368)	-	11,654	-	(93,714)
Other comprehensive (loss)/income for the financial year, net of tax	-	-	(105,368)	-	11,654	-	(93,714)
Total comprehensive (loss)/income for the financial year	(5,392,813)	(117,225)	(105,368)	(1,067,868)	57,290	-	(6,625,984)
Transfer of funds	(1,572,987)	1,137,064	-	73,787	-	50,000	(312,136)
At 31.3.2024	39,160,964	(902,742)	5,716	1,263,181	873,554	819,387	41,220,060

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 2024

	Community Outreach Project Fund	Community Silver Trust	MWS – CSL Trust Endowment Fund	Lew Foundation Fund	Other Funds	Subtotal Funds	Total Funds
2024							
At 1.4.2023	45,377	1,199,293	1,394,875	-	1,493,117	4,132,662	52,290,842
(Deficit)/surplus for the financial year	(5,185)	1,665,866	77,603	22,696	240,387	2,001,367	(4,530,903)
Other comprehensive (loss)/income for the financial year, net of tax:							
- Fair value (loss)/gain on financial assets at fair value through other comprehensive income	-	-	(26,302)	14,903	-	(11,399)	(105,113)
Other comprehensive (loss)/income for the financial year, net of tax	-	-	(26,302)	14,903	-	(11,399)	(105,113)
Total comprehensive (loss)/income for the financial year	(5,185)	1,665,866	51,301	37,599	240,387	1,989,968	(4,636,016)
Transfer of funds	-	(757,864)	(30,000)	1,000,000	100,000	312,136	-
At 31.3.2024	40,192	2,107,295	1,416,176	1,037,599	1,833,504	6,434,766	47,654,826

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 2024

	General Accumulated Fund	Service Centres' Accumulated Funds	Fair Value Reserve	Asset Capitalisation Reserve	Dr LCM Manpower Development Fund	Building Maintenance Fund	Subtotal Funds
	(Note 21)	(Note 22)	(Note 23)	(Note 24)	(Note 25)	(Note 26)	
2023							
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
At 31.3.2023	46,126,764	(1,922,581)	111,084	2,257,262	816,264	769,387	48,158,180

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 2024

	Community Outreach Project Fund	Community Silver Trust	MWS - CSL Endowment Fund	Other Funds	Subtotal Funds	Total Funds
2023						
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)	-
At 31.3.2023	45,377	1,199,293	1,394,875	1,493,117	4,132,662	52,290,842

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

Statement of Cash Flows

For the financial year ended 31 March 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Deficit for the financial year		(4,530,903)	(3,166,308)
Amortisation of:			
- Capital grants	17	(892,605)	(1,208,333)
- Building grants	18	(303,391)	(303,391)
Depreciation of property, plant and equipment	10	4,698,737	4,661,815
Dividend income	7	(586,122)	(539,175)
Net fair value (gain)/loss on financial assets at fair value through profit or loss ("FVTPL")	7	(65,481)	17,606
Net impairment loss on receivables		21,818	18,465
Interest income	6	(554,505)	(435,964)
Interest expense on lease liabilities	19	128,643	55,509
Loss on disposal of financial assets at amortised cost	7	500	14,235
Gain on disposal of financial assets at fair value through other comprehensive income ("FVOCI")	7	(34,779)	-
Gain on lease modification		-	(10,292)
Property, plant and equipment written off		11,280	35,433
Operating deficit before working capital changes		(2,106,808)	(860,400)
Receivables		(286,991)	(543,160)
Payables		4,857,126	1,056,257
Capital grants	17	79,427	2,223,462
Deferred income		329,443	(468,881)
Net cash generated from operating activities		2,872,197	1,407,278
Cash flows from investing activities			
Dividend received		586,122	539,175
Purchase of property, plant and equipment	10	(731,348)	(1,367,696)
Interest received		462,428	309,052
Purchase of financial assets at FVOCI		(1,630,851)	(437,440)
Purchase of financial assets at FVTPL		(189,002)	(205,092)
Purchase of financial assets at amortised cost		(6,131,276)	(2,711,027)
Proceeds from disposal of financial assets at FVOCI		312,087	-
Proceeds from debt securities (financial assets at amortised cost) redeemed		3,250,000	1,255,000
Net cash used in investing activities		(4,071,840)	(2,618,028)
Cash flows from financing activities			
Interest paid	19	(128,643)	(55,509)
Repayment of lease liabilities	19	(1,625,050)	(1,674,529)
Net cash used in financing activities		(1,753,693)	(1,730,038)
Net decrease in cash and cash equivalents		(2,953,336)	(2,940,788)
Cash and cash equivalents at beginning of financial year		30,923,606	33,864,394
Cash and cash equivalents at end of financial year		27,970,270	30,923,606
Cash and cash equivalents comprise:			
Fixed deposits		12,050,000	17,050,000
Cash and bank balances		15,920,270	13,873,606
		27,970,270	30,923,606

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

Notes to the Financial Statements

For the financial year ended 31 March 2024

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.

In accordance with the Society’s constitution, immovable property and investments, other than treasury bills, shall be held in trust by The Secretary of the Trustees of the Methodist Church in Singapore (the “Trustee”). The Trustee shall hold, sell, transfer, lease, mortgage, charge, or otherwise dispose of, encumber or deal with the immovable property and investments of the Society in such manner as the Society’s Board of Governance shall from time to time prescribed. Further details are set out in Notes 10, 11, 12 and 13.

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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

1 GENERAL INFORMATION (CONT'D)

MWS Senior Care Centre – Eunós

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. Personal care services ceased in May 2023.

MWS Nursing Home – Eunós

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

The Home was established on 30 April 2023 and is expected to start operation in the last quarter of financial year ending 31 March 2025.

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. Personal care services ceased in May 2023.

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 (“FDP”)

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

Notes to the Financial Statements

For the financial year ended 31 March 2024

1 GENERAL INFORMATION (CONT'D)

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. The Centre has ceased operation with effect from 1st April 2024.

MWS Family Support Programme – North (Families for Life @ Community wef 1 April 2024)

The Centre is the appointed Parenting Support Provider (“PSP”) by MSF to support schools within the regional cluster of Hougang, Sengkang and Serangoon. With effect from 1 April 2024, this Centre was appointed Families for Life @ Community (FFLC), supporting parenting and marriage programmes, within the same regional cluster.

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.

Research, 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.

Active Ageing 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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

1 GENERAL INFORMATION (CONT'D)

Active Ageing Centres (cont'd)

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

- (i) *MWS Charis ACE Active Ageing Centre - Geylang East*
- (ii) *MWS Active Ageing Centre - Fernvale Rivergrove*
- (iii) *MWS Active Ageing Centre - GreenTops@Sims Place*
- (iv) *MWS Active Ageing Centre - Golden Lily@Pasir Ris*
- (v) *MWS Active Ageing Centre - Kebun Baru*
- (vi) *MWS Active Ageing Centre - Teck Ghee Vista*
- (vii) *MWS Wesley Active Ageing Centre - Jalan Berseh*

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 2024

2 MATERIAL 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”). 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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

a) Basis of preparation (cont'd)

New and revised standards that are adopted (cont'd)

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 except as disclosed below:

Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies

The amendments to FRS 1 and FRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies, and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Society has adopted the amendments to FRS 1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Society's financial statements.

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 2024 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 or amortised in accordance with the policy as described in Note 2(c)
Fund-raising income	- in the period the event occurred or project held
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

Notes to the Financial Statements

For the financial year ended 31 March 2024

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

c) Grants

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.

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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

d) 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

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

e) Financial assets

Recognition and derecognition

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 2024

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

e) 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 ("FVTPL").

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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

e) 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 FVTPL 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 2024

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

e) 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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

e) Financial assets (cont'd)

Impairment (cont'd)

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").

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.

f) 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.

g) Leases

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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

g) Leases (cont'd)

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.

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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

2 MATERIAL ACCOUNTING POLICIES (CONT'D)

g) Leases (cont'd)

Right-of-use assets (cont'd)

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.

h) 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.

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. Similarly, the renovations of the building are depreciated over 5 years.

Notes to the Financial Statements

For the financial year ended 31 March 2024

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

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 2024, the net carrying values of the building and its renovations are \$2,451,010 (2023: \$2,799,841) and \$939,515 (2023: \$2,520,728) respectively and the building grants balances and capital grants balances relating to the building and its renovations are \$2,300,600 (2023: \$2,603,991) and \$819,967 (2023: \$1,330,572) respectively.

The Board of Governance is of the view that depreciating the building over the land's legal lease period of 3 years on the basis that the Society has no legal right to extend the lease to 30 years would not reflect a fair presentation of the Society's financial position and financial performance. As such, the Board of Governance has determined the estimated useful life of the Society's building and renovation to be 30 years and 5 years respectively.

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 2024 would be revised as follows:

- there is no net carrying value of the building and the related building grants balances at 31 March 2024 and 2023; and
- the net carrying value of the renovations of the building and the related capital grants balance at 31 March 2024 would be \$34,549 (2023: \$38,475) and \$Nil (2023: \$24,786) respectively.

The net positive impact on the Society's statement of comprehensive income for the financial year is \$854,007 (2023: net positive impact of \$110,824).

Notes to the Financial Statements

For the financial year ended 31 March 2024

4 DONATIONS AND FUND-RAISING INCOME

	2024	2023
	\$	\$
Donations:		
Tax deductible	1,933,624	1,772,486
Non-tax deductible	2,939,021	3,380,219
	<u>4,872,645</u>	<u>5,152,705</u>
Fund-raising income:		
Tax deductible	8,010,642	7,311,330
Non-tax deductible	617,979	568,922
	<u>8,628,621</u>	<u>7,880,252</u>
Total	<u><u>13,501,266</u></u>	<u><u>13,032,957</u></u>

Total tax deductible receipts issued by the Society amounting to \$9,944,266 (2023: \$9,083,816) as follows:

	2024	2023
	\$	\$
Accumulated Funds	9,915,131	9,069,021
Community Outreach Project Fund (Note 27)	29,135	14,795
	<u>9,944,266</u>	<u>9,083,816</u>

Total direct fund-raising expenses incurred by the Society amounting to \$1,112,975 (2023: \$973,113) and charged to accumulated funds. Included in the total direct fund-raising expenses is expenditure of manpower of \$606,080 (2023: \$438,572).

Notes to the Financial Statements

For the financial year ended 31 March 2024

5 GOVERNMENT GRANTS

	2024	2023
	\$	\$
AIC grant	466,303	1,965,998
AIC Community Care Salary Enhancement	3,543,653	2,439,888
AIC Care at NH Initiative	27,720	110,715
AIC DFIW Claims	-	109,915
AIC Enhanced Nurses Special Payment	446,985	-
Community Silver Trust Grant (Note 28)	1,665,866	-
Government subvention	30,191,635	26,898,494
Government Enhanced Fund-raising support programme	150,000	150,000
IRAS Wage Credit and Special Employment Credit	-	25,254
IRAS Jobs Growth Incentive	60,507	1,188,171
Rental subsidy	1,756,716	1,653,486
Medifund Grant	385,381	353,223
Medifund Silver Grant	235,351	332,734
MOH Financial Assistance Scheme	45,106	-
MSF - Courage-To-Care Award	-	82,700
MSF Corporate Capability Expansion grant ("CCEG")	375,902	145,253
MOH IT and Non IT Grants	-	44,607
Senior Mobility Fund	12,696	21,872
Workforce Development Grant	-	1,076,674
Others	159,135	248,455
Total	39,522,956	36,847,439

6 INTEREST INCOME

	2024	2023
	\$	\$
Interest income from fixed deposits and bank balances	400,987	274,783
Interest income from debt securities and perpetual notes	153,518	161,181
	554,505	435,964

Notes to the Financial Statements

For the financial year ended 31 March 2024

7 OTHER INCOME

	2024	2023
	\$	\$
Net fair value gain/(loss) on financial assets at fair value through profit or loss	65,481	(17,606)
Loss on disposal of financial assets at amortised cost	(500)	(14,235)
Gain on disposal of financial assets at fair value through other comprehensive income	34,779	-
Dividend income	586,122	539,175
Sundry income	123,562	139,014
	<u>809,444</u>	<u>646,348</u>

8 EXPENDITURE ON MANPOWER

	2024	2023
	\$	\$
Salaries and related costs	39,923,468	36,604,259
Central Provident Fund ("CPF")	4,192,933	4,109,325
Manpower contract services	543,307	191,299
Other staff benefits and training	1,308,803	1,249,961
	<u>45,968,511</u>	<u>42,154,844</u>

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

	2024	2023
	\$	\$
Salaries and related costs	5,925,947	5,272,491
CPF	592,919	493,229
	<u>6,518,866</u>	<u>5,765,720</u>

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

During the financial year, \$302,890 (2023: \$156,767) of the salaries and related costs were eligible for Ministry of Social and Family Development ("MSF") Corporate Capability Expansion Grant ("CCEG"). The amount to be claimed for these funded positions amounted to \$197,607 (2023: \$109,423). No other fundings were claimed for these staff salaries.

Notes to the Financial Statements

For the financial year ended 31 March 2024

9 DEFICIT FOR THE FINANCIAL YEAR

This is arrived at after charging/crediting:

	2024	2023
	\$	\$
Net impairment losses on receivables:		
- Bad debts recovered	(50)	(135)
- Allowance for doubtful receivables	7,582	(4,991)
- Bad debts written off	14,286	23,591
Audit fees:		
- Auditor of the Society	93,660	90,880
Non-audit fees:		
- Auditor of the Society	27,720	27,720
Food and refreshments	1,708,236	1,602,666
Input Goods and Services Tax not recoverable	798,606	667,488
Medical supplies	1,324,857	1,400,889
Professional fees	1,767,090	1,481,437
Rent of building, equipment and others	503,296	459,826
Repairs and maintenance	2,907,202	2,534,394
Specific assistance to clients	2,570,467	2,425,633
Stationery and printing	133,761	100,204
Supplies and materials	1,055,836	1,121,873
Utilities	1,071,337	1,023,687
	<u>1,071,337</u>	<u>1,023,687</u>

Notes to the Financial Statements

For the financial year ended 31 March 2024

10 PROPERTY, PLANT AND EQUIPMENT

	Building	Leased properties	Equipment	Computers	Furniture, fittings and office equipment	Motor vehicles	Renovations	Total
	\$	\$	\$	\$	\$	\$	\$	\$
2024								
Cost								
At 1.4.2023	10,462,931	4,558,927	4,694,632	1,108,101	1,349,772	603,067	12,669,511	35,446,941
Additions	-	1,586,082	401,899	93,890	71,802	-	163,757	2,317,430
Write-offs	-	-	(34,287)	(86,950)	(15,644)	-	(7,474)	(144,355)
Lease modification*	-	(1,585,761)	-	-	-	-	-	(1,585,761)
At 31.3.2024	10,462,931	4,559,248	5,062,244	1,115,041	1,405,930	603,067	12,825,794	36,034,255
Accumulated depreciation								
At 1.4.2023	7,663,090	2,006,329	2,477,264	936,474	812,866	441,717	9,338,615	23,676,355
Depreciation charge	348,831	1,663,890	491,793	134,589	130,985	45,980	1,882,669	4,698,737
Reclassification	-	-	(60,031)	-	60,031	-	-	-
Write-offs	-	-	(27,637)	(86,681)	(11,283)	-	(7,474)	(133,075)
Lease modification*	-	(1,585,761)	-	-	-	-	-	(1,585,761)
At 31.3.2024	8,011,921	2,084,458	2,881,389	984,382	992,599	487,697	11,213,810	26,656,256
Net carrying value								
At 31.3.2024	2,451,010	2,474,790	2,180,855	130,659	413,331	115,370	1,611,984	9,377,999
2023								
Cost								
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	10,462,931	4,558,927	4,694,632	1,108,101	1,349,772	603,067	12,669,511	35,446,941
Accumulated depreciation								
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)	(376,455)	(699,851)
Lease modification*	-	(2,452,180)	-	-	-	-	-	(2,452,180)
At 31.3.2023	7,663,090	2,006,329	2,477,264	936,474	812,866	441,717	9,338,615	23,676,355
Net carrying value								
At 31.3.2023	2,799,841	2,552,598	2,217,368	171,627	536,906	161,350	3,330,896	11,770,586

* 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 2024

10 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

a) Included in property, plant and equipment of the Society are right-of-use assets of \$2,474,790 (2023: \$2,552,598) (Note 34).

b) Non-cash transactions

	2024	2023
	\$	\$
Aggregate cost of property, plant and equipment acquired:	2,317,430	4,340,188
Less: Additions to right-of-use assets (Note 34)	<u>(1,586,082)</u>	<u>(2,972,492)</u>
Net cash outflow for purchase of property, plant and equipment	<u>731,348</u>	<u>1,367,696</u>

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

	2024	2023
	\$	\$
Accumulated Funds	3,630,869	3,594,250
Asset Capitalisation Reserve (Note 24)	<u>1,067,868</u>	<u>1,067,565</u>
	<u>4,698,737</u>	<u>4,661,815</u>

11 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2024	2023
	\$	\$
<i>Security investments designated at FVOCI</i>		
- MWS - CSL Trust Endowment Fund (Note 29)	1,383,945	1,370,222
- Dr LCM Manpower Development Fund (Note 25)	832,660	780,009
- Lew Foundation Fund (Note 30)	761,721	-
- Investments held directly by the Society	<u>8,460,713</u>	<u>8,040,378</u>
	<u>11,439,039</u>	<u>10,190,609</u>

Included in the investments held directly by the Society are perpetual notes of \$491,475 (2023: \$719,358) which are non-cumulative non-convertible that bear interest at 3.65% and 3.73% (2023: 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 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 2024

12 OTHER FINANCIAL ASSETS AT AMORTISED COST

	2024	2023
	\$	\$
<i>Debt securities</i>		
Current	4,951,408	2,237,013
Non-current	2,722,644	2,504,768
	<u>7,674,052</u>	<u>4,741,781</u>

The debt securities represent bonds and treasury bills with fixed interest rates ranging from 2.1% to 4.11% (2023: 2.25% to 4.11%) per annum and maturity dates ranging from 21 November 2024 to 29 August 2029 (2023: 5 July 2024 to 13 July 2027).

The fair values of the debt securities at the balance sheet date totalled \$7,644,315 (2023: \$4,679,503). 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

	2024	2023
	\$	\$
Investment fund	3,880,469	3,804,534
Exchange-traded funds	510,139	331,590
Others	-	1
	<u>4,390,608</u>	<u>4,136,125</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 (2023: \$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 2024

14 OTHER RECEIVABLES

	2024	2023
	\$	\$
Grant receivables	2,864,260	1,766,853
Sundry receivables	826,259	1,614,868
Interest receivables	94,985	165,348
Sundry deposits	486,049	458,686
Prepayments	256,593	216,636
	<u>4,528,146</u>	<u>4,222,391</u>

15 FIXED DEPOSITS

All fixed deposits are placed with banks and mature within 12 months from the balance sheet date. At balance sheet date, the interest rates of these fixed deposits range from 2.20% to 3.33% (2023: 0.30% to 3.79%) per annum.

16 CASH AND BANK BALANCES

	2024	2023
	\$	\$
Cash on hand	7,152	142,691
Cash at bank	15,913,118	13,730,915
	<u>15,920,270</u>	<u>13,873,606</u>

Notes to the Financial Statements

For the financial year ended 31 March 2024

17 CAPITAL GRANTS

	2024 \$	2023 \$
Cost		
At beginning of the financial year	7,377,968	5,154,506
Grant received/receivable	<u>79,427</u>	<u>2,223,462</u>
At end of the financial year	<u>7,457,395</u>	<u>7,377,968</u>
Accumulated amortisation		
At beginning of the financial year	4,705,946	3,497,613
Amortisation	<u>892,605</u>	<u>1,208,333</u>
At end of the financial year	<u>5,598,551</u>	<u>4,705,946</u>
Net carrying value		
At end of the financial year	<u>1,858,844</u>	<u>2,672,022</u>

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

18 BUILDING GRANTS

	2024 \$	2023 \$
Cost		
At beginning and end of the financial year	<u>10,141,625</u>	<u>10,141,625</u>
Accumulated amortisation		
At beginning of the financial year	7,537,634	7,234,243
Amortisation	<u>303,391</u>	<u>303,391</u>
At end of the financial year	<u>7,841,025</u>	<u>7,537,634</u>
Net carrying value		
At end of the financial year	<u>2,300,600</u>	<u>2,603,991</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 longer and to apply the grants received for the purposes as stipulated in the letter of undertaking to MOH dated 1 September 2001.

Notes to the Financial Statements

For the financial year ended 31 March 2024

19 LEASE LIABILITIES

	2024	2023
	\$	\$
Current	1,394,346	1,167,652
Non-current	1,138,395	1,404,057
	<u>2,532,741</u>	<u>2,571,709</u>

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

	Lease liabilities	
	2024	2023
	\$	\$
Balance at 1 April	2,571,709	1,541,377
Changes from financing cash flows:		
- Repayments	(1,625,050)	(1,674,529)
- Interest paid	(128,643)	(55,509)
Non-cash changes:		
- Cancellation of lease	-	(267,631)
- Interest expense	128,643	55,509
- Additions	1,586,082	2,972,492
Balance at 31 March	<u>2,532,741</u>	<u>2,571,709</u>

Notes to the Financial Statements

For the financial year ended 31 March 2024

20 SUNDRY PAYABLES AND ACCRUALS AND DEFERRED INCOME

	2024	2023
	\$	\$
Sundry payables and accruals		
Sundry payables	5,036,771	2,327,223
Accrued operating expenses	370,919	1,069,641
Provision for unutilised leave and bonus for the year	4,004,118	1,182,690
Residents' deposits and monies held for safekeeping	519,304	494,432
	<u>9,931,112</u>	<u>5,073,986</u>
Deferred income		
Deferred donations (net) ^(a)	201,378	185,317
Donation received from Chen Su Lan Trust ^(b)	792,613	500,000
Donation received from President's Challenge ^(c)	-	84,000
Other deferred grant income	108,000	3,231
	<u>1,101,991</u>	<u>772,548</u>

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

^(b) The donation of \$792,613 (2023: \$500,000) from Chen Su Lan Trust is to fund the Debt Reduction and Savings Matching programmes over a 3-year period from 2022 to 2024.

^(c) The donation of \$Nil (2023: \$84,000) from President's Challenge to fund Debt Reduction and Savings Matching programme, was fully utilised in the financial year ended 31 March 2024.

21 GENERAL ACCUMULATED FUND

	2024	2023
	\$	\$
At beginning of the financial year	46,126,764	44,850,220
(Deficit)/surplus for the financial year	(5,392,813)	3,092,895
Balance before transfers	40,733,951	47,943,115
Transfers to:		
- Service Centres' Accumulated Funds	(472,987)	(1,716,351)
- Other Funds - General Maintenance Fund (Note 31)	(100,000)	(100,000)
- Transfer of fund to Lew Foundation Fund (Note 30)	(1,000,000)	-
At end of the financial year	<u>39,160,964</u>	<u>46,126,764</u>

Notes to the Financial Statements

For the financial year ended 31 March 2024

22 SERVICE CENTRES' ACCUMULATED FUNDS

2024	At 1.4.2023 \$	Surplus/ (deficit) \$	Transfer of funds \$	At 31.3.2024 \$
Funds held by service centres:				
MWS Home Hospice*	1,202,891	(98,309)	50,874	1,155,456
MWS Bethany Nursing Home – Choa Chu Kang (“MWS BNH”)*	(870,477)	1,526,119	396,575	1,052,217
MWS Charis ACE Active Ageing Centre – Geylang East*	(118,093)	56,505	4,650	(56,938)
MWS Christalite Student Care Centre*	(60,035)	(141,238)	116,206	(85,067)
MWS Home Care*	(2,939,252)	(15,651)	1,480	(2,953,423)
MWS Girls’ Residence*	(298,574)	157,903	-	(140,671)
MWS Active Ageing Centre – Fernvale Rivergrove*	(371,285)	(184,933)	134,932	(421,286)
MWS Active Ageing Centre – GreenTops@Sims Place*	(93,624)	(108,791)	88,791	(113,624)
MWS Active Ageing Centre – Golden Lily@Pasir Ris*	(82,399)	(71,245)	72,946	(80,698)
MWS Active Ageing Centre – Kebun Baru*	(242,071)	(22,738)	28,150	(236,659)
MWS Active Ageing Centre – Teck Ghee Vista*	(243,404)	18,486	70,796	(154,122)
MWS Family Development Programme	(816,392)	(280,673)	-	(1,097,065)
MWS Nursing Home – Yew Tee*	(5,357,186)	1,493,210	64,205	(3,799,771)
MWS Family Service Centre – Hougang and Buangkok*	641,455	(193,490)	-	447,965
MWS Family Service Centre – Yishun*	2,595,427	(694,007)	-	1,901,420
MWS Family Service Centre – Tampines*	3,603,640	(693,661)	-	2,909,979
MWS Wesley Active Ageing Centre – Jalan Berseh* (“MWS Wesley AAC – Jalan Berseh”)	36,904	(59,489)	30,876	8,291
MWS Christalite Methodist Home (“MWS CMH”)*	731,414	(876,501)	72,543	(72,544)
MWS Family Support Programme – North*	428,092	123,145	-	551,237
MWS Family Support Programme – East*	363,601	202,957	-	566,558
MWS Senior Care Centre – Eunos*	(279,177)	(193,130)	4,040	(468,267)
MWS Strengthening Families Programme @ FSC*	287,684	192,802	-	480,486
MWS Research, Innovation & Training Academy	(41,720)	(302,991)	-	(344,711)
MWS Nursing Home – Eunos*	-	48,495	-	48,495
Total	(1,922,581)	(117,225)	1,137,064	(902,742)

Notes to the Financial Statements

For the financial year ended 31 March 2024

22 SERVICE CENTRES' ACCUMULATED FUNDS (CONT'D)

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 – Hougang and Buangkok*	417,525	223,930	–	641,455
MWS Family Service Centre – Yishun*	2,751,585	(156,158)	–	2,595,427
MWS Family Service 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 – Eunos*	(280,802)	(270,862)	272,487	(279,177)
MWS Strengthening Families Programme @ FSC*	–	287,684	–	287,684
MWS Research, Innovation & Training Academy	–	(41,720)	–	(41,720)
Total	1,645,252	(5,317,293)	1,749,460	(1,922,581)

Notes to the Financial Statements

For the financial year ended 31 March 2024

22 SERVICE CENTRES' ACCUMULATED FUNDS (CONT'D)

* 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

	2024	2023
	\$	\$
At beginning of the financial year	2,257,262	2,977,756
Income	-	19,943
Depreciation of property, plant and equipment (Note 10)	(1,067,868)	(1,067,565)
Write-off	-	(962)
Deficit for the financial year	(1,067,868)	(1,048,584)
Balance before transfer	1,189,394	1,929,172
Transfer from General Maintenance Fund (Note 31)	-	209,814
Transfer from Community Silver Trust (Note 28)	73,787	118,276
At end of the financial year	<u>1,263,181</u>	<u>2,257,262</u>

Notes to the Financial Statements

For the financial year ended 31 March 2024

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

	2024	2023
	\$	\$
At beginning of the financial year	816,264	858,119
Dividends received	45,636	39,892
Expenditure (see below)	-	(18,900)
Surplus for the financial year	45,636	20,992
Fair value gain/(loss) on financial assets at fair value through other comprehensive income	11,654	(62,847)
At end of the financial year	<u>873,554</u>	<u>816,264</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 \$832,660 (2023: \$780,009) (Note 11) and the remainder in cash.

26 BUILDING MAINTENANCE FUND

	2024	2023
	\$	\$
At beginning of the financial year	769,387	719,387
Transfer from Service Centres' Accumulated Funds	50,000	50,000
At end of the financial year	<u>819,387</u>	<u>769,387</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 2024

27 COMMUNITY OUTREACH PROJECT FUND

	2024	2023
	\$	\$
At beginning of the financial year	45,377	27,586
Receipts	31,917	17,791
Expenditure	(37,102)	-
(Deficit)/surplus for the financial year	(5,185)	17,791
At end of the financial year	<u>40,192</u>	<u>45,377</u>

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 \$29,135 (2023: \$14,795) for the community outreach projects.

28 COMMUNITY SILVER TRUST

	2024	2023
	\$	\$
At beginning of the financial year	1,199,293	1,333,678
Grants received	1,678,947	-
Grants refund	(13,081)	-
Surplus for the financial year	1,665,866	-
Balance before transfer	2,865,159	1,333,678
Transfer to Asset Capitalisation Reserve (Note 24)	(73,787)	(118,276)
Transfer to Service Centres' Accumulated Funds	(684,077)	(16,109)
At end of the financial year	<u>2,107,295</u>	<u>1,199,293</u>

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 2024

29 MWS – CSL TRUST ENDOWMENT FUND

	2024	2023
	\$	\$
At beginning of the financial year	1,394,875	1,480,971
Dividends received	77,603	75,476
Surplus for the financial year	77,603	75,476
Fair value loss on financial assets at fair value through other comprehensive income	(26,302)	(94,572)
Transfer to Service Centres' Accumulated Funds	(30,000)	(67,000)
At end of the financial year	<u>1,416,176</u>	<u>1,394,875</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 \$1,383,945 (2023: \$1,370,222) (Note 11) and the remainder in cash.

30 LEW FOUNDATION FUND (“LF FUND”)

	2024	2023
	\$	\$
At beginning of the financial year	-	-
Dividends received	22,696	-
Expenditure (see below)	-	-
Surplus for the financial year	22,696	-
Fair value gain on quoted equity investment at fair value through other comprehensive income	14,903	-
Transfer from General Accumulated Fund (Note 21)	1,000,000	-
At end of the financial year	<u>1,037,599</u>	-

Notes to the Financial Statements

For the financial year ended 31 March 2024

30 LEW FOUNDATION FUND (“LF FUND”) (CONT’D)

The Lew Foundation (LF) Fund is set up from unutilised LF donation of \$1,000,000 received from the Lew Foundation.

According to LF’s wishes, annual investment income and their matching amount in the first 3 years shall not be utilised. The Society shall have the flexibility to utilise the accumulated investment income and the matched amount for the operational needs of MWS BNH and MWS Nursing Home – Yew Tee after that. The Society has full discretion and autonomy to invest the monies in the LF Fund.

The LF Fund is represented by quoted equity investments at fair value of \$761,721 (2023: \$Nil) (Note 11), debt security (bond) at fair value of \$250,295 (2023: \$Nil) and the remainder in cash.

31 OTHER FUNDS

2024	At 1.4.2023	Receipts	Expenditure	Surplus/ (deficit)	Transfer of funds, net	At 31.3.2024
	\$	\$	\$	\$	\$	\$
General Maintenance Fund (Note 21, Note 24)	1,190,186	-	-	-	100,000	1,290,186
Medifund	184,876	385,382	(293,064)	92,318	-	277,194
Medifund Silver	58,573	235,351	(160,445)	74,906	-	133,479
Financial Assistance Fund	12,677	-	-	-	-	12,677
FSC Comcare Fund	18,750	11,250	(12,070)	(820)	-	17,930
School Pocket Money Fund	27,455	30,595	(24,430)	6,165	-	33,620
PLMC Immediate Fund	600	42,000	(4,600)	37,400	-	38,000
MOH Financial Assistance Scheme Fund	-	45,106	(14,688)	30,418	-	30,418
	1,493,117	749,684	(509,297)	240,387	100,000	1,833,504

Notes to the Financial Statements

For the financial year ended 31 March 2024

31 OTHER FUNDS (CONT'D)

	At 1.4.2022	Receipts	Expenditure	Surplus/ (deficit)	Transfer of funds, net	At 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
	1,610,516	779,933	(787,518)	(7,585)	(109,814)	1,493,117

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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

31 OTHER FUNDS (CONT'D)

PLMC Immediate Fund

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

MOH Financial Assistance Scheme Fund

The Financial Assistance Scheme ("FAS") was introduced in March 2011 to support a small group of needy Permanent Residents ("PRs") who are on the Medical Fee Exemption Card ("MFEC") or ComCare Long-Term Assistance ("LTA") for their subsidised LTC bills incurred at some MediFund-accredited nursing homes, community hospitals, chronic sick hospitals, and inpatient hospices.

MOH extended the FAS to support the healthcare bills of needy PRs in the Public Healthcare Institution ("PHI") and Intermediate and Long-Term Care ("ILTC") settings in September 2023.

FAS is centrally administered by Agency of Integrated Care ("AIC") FAS Committee.

32 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 2024 and 31 March 2023. The Society's ratio of reserves is as shown below:

	2024	2023
	\$	\$
General Accumulated Fund	39,160,964	46,126,764
Service Centres' Accumulated Fund	(902,742)	(1,922,581)
Total Reserves ⁽¹⁾	<u>38,258,222</u>	<u>44,204,183</u>
Annual Operating Expenditure	<u>65,689,829</u>	<u>60,747,033</u>
Ratio of Reserves ⁽¹⁾ to Annual Operating Expenditure	<u>0.58</u>	<u>0.73</u>

⁽¹⁾ 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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

33 CAPITAL COMMITMENTS

	2024	2023
	\$	\$
Property, plant and equipment contracted for but not provided for in the financial statements relating to		
- Equipment	366,868	-
- Renovation	-	121,080
	<u>-</u>	<u>121,080</u>

34 LEASES

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:

	2024	2023
	\$	\$
<u>Classified within property, plant and equipment</u>		
Leasehold properties	2,474,790	2,552,598
Additions to leased properties	<u>1,586,082</u>	<u>2,972,492</u>

Notes to the Financial Statements

For the financial year ended 31 March 2024

34 LEASES (CONT'D)

Amounts recognised in income or expenditure

	2024	2023
	\$	\$
<u>Depreciation charge for the financial year</u>		
Leasehold properties	<u>1,663,890</u>	1,655,889
Interest expense on lease liabilities	<u>128,643</u>	55,509
<u>Lease expense not included in the measurement of lease liabilities</u>		
Lease expense – short term leases	460,329	416,859
Lease expense – low value leases	<u>42,967</u>	42,967
Total (Note 9)	<u>503,296</u>	459,826

Total cash outflow for leases during the financial year amounted to \$2,256,989 (2023: \$2,189,864).

As at 31 March 2024, the Society is committed to \$41,665 (2023: \$54,993) for short-term leases.

35 FINANCIAL INSTRUMENTS

a) Categories of financial instruments

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

	2024	2023
	\$	\$
<i>Financial assets</i>		
Financial assets at amortised cost	37,051,615	37,904,289
Financial assets at fair value through other comprehensive income	11,439,039	10,190,609
Financial assets at fair value through profit or loss	<u>4,390,608</u>	4,136,125
<i>Financial liabilities</i>		
Financial liabilities at amortised cost	<u>11,297,139</u>	6,455,329

Notes to the Financial Statements

For the financial year ended 31 March 2024

35 FINANCIAL INSTRUMENTS (CONT'D)

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.

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

Notes to the Financial Statements

For the financial year ended 31 March 2024

35 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Credit risk (cont'd)

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.

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 of 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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

35 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Credit risk (cont'd)

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.

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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

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):

Society 2024	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
Other receivables	12-month (Exposure limited)	1,407,293	-	1,407,293
	Lifetime	7,982	(7,982)	-
Other financial assets at amortised cost	12-month (Exposure limited)	7,674,052	-	7,674,052
Fixed deposits	Not applicable (Exposure limited)	12,050,000	-	12,050,000
Cash and bank balances	Not applicable (Exposure limited)	15,920,270	-	15,920,270

Society 2023	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
Other receivables	12-month (Exposure limited)	2,238,902	-	2,238,902
	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 2024

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:

	Other financial assets at amortised cost \$	Other receivables \$	Total \$
Society			
Balance at 1 April 2023	-	400	400
Loss allowance measured:			
Lifetime ECL			
- Significant increase in credit risk	-	7,982	7,982
Write-back of allowance	-	(400)	(400)
Balance at 31 March 2024	-	7,982	7,982
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 2024

35 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

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.

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.

Notes to the Financial Statements

For the financial year ended 31 March 2024

35 FINANCIAL INSTRUMENTS (CONT'D)

b) Financial risk management (cont'd)

Liquidity risk (cont'd)

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 \$
Society			
2024			
Sundry payables and accruals	8,764,398	-	8,764,398
Lease liabilities	1,466,944	1,228,530	2,695,474
	<u>10,231,342</u>	<u>1,228,530</u>	<u>11,459,872</u>
2023			
Sundry payables and accruals	3,883,620	-	3,883,620
Lease liabilities	1,246,500	1,450,373	2,696,873
	<u>5,130,120</u>	<u>1,450,373</u>	<u>6,580,493</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 2024, 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.

Sensitivity analysis

At 31 March 2024, the Society's investment in equity instruments and investment funds are \$11,439,039 (2023: \$10,190,609) and \$4,390,608 (2023: \$4,136,125) respectively. At 31 March 2024, if prices of the Society's investments increase/decrease by 10% (2023: 10%) with all other variables held constant, the Society's income or expenditure would have been \$439,061 (2023: \$413,613) 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 \$1,143,904 (2023: \$1,019,061) higher, arising as a result of an increase in fair value of equity instruments.

Notes to the Financial Statements

For the financial year ended 31 March 2024

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).

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 \$
2024			
Financial assets			
Fair value through other comprehensive income:			
- Quoted security investments			
- MWS – CSL Trust Endowment Fund	1,383,945	-	1,383,945
- Quoted security investments			
- Dr LCM Manpower Development Fund	832,660	-	832,660
- Quoted security investments			
- Low Foundation Fund	761,721	-	761,721
- Security investments			
- Investments held directly by the Society	7,969,238	491,475	8,460,713
	10,947,564	491,475	11,439,039
Fair value through profit or loss:			
- Investment fund	-	3,880,469	3,880,469
- Exchange-traded funds	510,139	-	510,139
	510,139	3,880,469	4,390,608

Notes to the Financial Statements

For the financial year ended 31 March 2024

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

b) Fair value measurements of assets that are measured at fair value (cont'd)

	Level 1	Level 2	Total
	\$	\$	\$
2023			
Financial assets			
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 the Society	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>

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

	Carrying amount	Fair value measurement at balance sheet date Level 2
	\$	\$
2024		
Financial assets		
Other financial assets at amortised cost		
- Debt securities	<u>7,674,052</u>	<u>7,644,315</u>
2023		
Financial assets		
Other financial assets at amortised cost		
- Debt securities	<u>4,741,781</u>	<u>4,679,503</u>

Notes to the Financial Statements

For the financial year ended 31 March 2024

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

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.

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 POST BALANCE SHEET EVENT

On 1 April 2024, the Society ceased to operate MWS Family Support Programme – East as previously agreed with MSF. Accordingly, all assets and liabilities amounting to \$602,930 and \$36,374 respectively have been transferred to the Corporate Services on that date, pending confirmation from MSF in the next financial year on the utilisation of the funds.

38 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Society for the financial year ended 31 March 2024 were authorised for issue in accordance with a resolution of the Board of Governance dated 18 July 2024.



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