

VIRIYA COMMUNITY SERVICES
[UEN. T01SS0059B]
[Registered under the Societies Act
(Chapter 311) in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2021**

CONTENTS

Statement by the Management Committee	2
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	8
Statement of Changes in Funds	9
Statement of Cash Flows	11
Notes to the Financial Statements	12

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STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the financial statements of **Viriya Community Services** (the "Society") are drawn up so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2021 and the results, changes in funds and cash flows of the Society for the financial year then ended.

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

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

President	Fan Kam Tong, Gilbert
Vice President	Koh Ming Feng, Abner
Honorary Secretary	Tan Yan Song
Honorary Treasurer	Lim Yin Nee Jenny
Committee Member	Tay Hong Beng
Committee Member	Teoh Eong Kow
Committee Member	Chan Guek Cheng Noreen
Committee Member	Goh Joachim
Committee Member	Hiew Wui Sin

For and on behalf of the Management Committee,

DocuSigned by:
Gilbert Fan
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Fan Kam Tong, Gilbert
President

DocuSigned by:
Jenny Lim
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Lim Yin Nee Jenny
Honorary Treasurer

Singapore, 24 March 2022.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

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Independent auditor's report to the members of:

VIRIYA COMMUNITY SERVICES

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in the Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Viriya Community Services** (the "Society"), which comprise the statement of financial position as at 31 December 2021, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard in Singapore ("CAS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2021 and the results, changes in funds and cash flows of the Society for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee (set out on page 2) but does not include the financial statements and our auditor's report thereon and the annual report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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(CONT'D)

Independent auditor's report to the members of:

VIRIYA COMMUNITY SERVICES[UEN. T01SS0059B]
[Registered under the Societies Act (Chapter 311)
in the Republic of Singapore]**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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(CONT'D)

Independent auditor's report to the members of:

VIRIYA COMMUNITY SERVICES

[UEN. T01SS0059B]
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Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

DocuSigned by:

Fiducia LLP

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Fiducia LLP

Public Accountants and
Chartered Accountants

Singapore, 24 March 2022.

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

Viriya Community Services
[UEN. T01SS0059B]

Audited Financial Statements
Financial Year Ended 31 December 2021

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	Corporate		Total S\$	2021		Total funds S\$	
		Restricted funds S\$	Unrestricted funds S\$		2021 NCH Restricted funds S\$	WHFSC Restricted funds S\$		VFSC Restricted funds S\$
INCOME								
Income from generated funds	4	240,643	144,463	385,106	0	69,483	36,275	490,864
Income from charitable activities	4	247,153	2,412,407	2,659,560	1,242,392	3,724,055	2,686,630	10,312,637
Other income	4	0	862,706	862,706	0	11,688	6,901	881,295
Total income		<u>487,796</u>	<u>3,419,576</u>	<u>3,907,372</u>	<u>1,242,392</u>	<u>3,805,226</u>	<u>2,729,806</u>	<u>11,684,796</u>
LESS: EXPENDITURE								
Costs of charitable activities	5	549,121	2,087,132	2,636,253	1,241,197	2,617,761	1,632,793	8,128,004
Governance and other administrative costs	5	0	3,168	3,168	1,195	192,180	182,102	378,645
Total expenditure		<u>549,121</u>	<u>2,090,300</u>	<u>2,639,421</u>	<u>1,242,392</u>	<u>2,809,941</u>	<u>1,814,895</u>	<u>8,506,649</u>
NET (EXPENDITURE)/ INCOME FOR THE FINANCIAL YEAR		(61,325)	1,329,276	1,267,951	0	995,285	914,911	3,178,147
TRANSFER OF FUNDS	13.1	12,438	(12,438)	0	0	0	0	0
TOTAL FUNDS BROUGHT FORWARD		<u>6,589,413</u>	<u>5,518,827</u>	<u>12,108,240</u>	<u>0</u>	<u>7,678,431</u>	<u>3,717,487</u>	<u>23,504,158</u>
TOTAL FUNDS CARRIED FORWARD		<u>6,540,526</u>	<u>6,835,665</u>	<u>13,376,191</u>	<u>0</u>	<u>8,673,716</u>	<u>4,632,398</u>	<u>26,682,305</u>

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

Viriya Community Services
[UEN. T01SS0059B]

Audited Financial Statements
Financial Year Ended 31 December 2021

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (Cont'd)**

	Note	2020					
		Corporate			WHFSC	VFSC	Total funds S\$
		Restricted funds S\$	Unrestricted funds S\$	Total S\$	Restricted funds S\$	Restricted funds S\$	
INCOME							
Income from generated funds	4	228,147	770,662	998,809	148,682	49,957	1,197,448
Income from charitable activities	4	29,278	319,511	348,789	3,163,419	2,258,255	5,770,463
Other income	4	0	844,858	844,858	39,857	34,055	918,770
Total income		<u>257,425</u>	<u>1,935,031</u>	<u>2,192,456</u>	<u>3,351,958</u>	<u>2,342,267</u>	<u>7,886,681</u>
LESS: EXPENDITURE							
Costs of charitable activities	5	601,088	337,555	938,643	2,766,070	1,599,385	5,304,098
Governance and other administrative costs	5	245	10,702	10,947	62,769	99,874	173,590
Total expenditure		<u>601,333</u>	<u>348,257</u>	<u>949,590</u>	<u>2,828,839</u>	<u>1,699,259</u>	<u>5,477,688</u>
NET (EXPENDITURE)/ INCOME FOR THE FINANCIAL YEAR		(343,908)	1,586,774	1,242,866	523,119	643,008	2,408,993
TRANSFER OF FUNDS		70,964	(70,964)	0	0	0	0
TOTAL FUNDS BROUGHT FORWARD		<u>6,862,357</u>	<u>4,003,017</u>	<u>10,865,374</u>	<u>7,155,312</u>	<u>3,074,479</u>	<u>21,095,165</u>
TOTAL FUNDS CARRIED FORWARD		<u>6,589,413</u>	<u>5,518,827</u>	<u>12,108,240</u>	<u>7,678,431</u>	<u>3,717,487</u>	<u>23,504,158</u>

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

Viriya Community Services
[UEN. T01SS0059B]

Audited Financial Statements
Financial Year Ended 31 December 2021

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021

	Note	2021				Total	2020			
		Corporate	Restricted funds				Corporate	Restricted funds		
		S\$	NCH S\$	WHFSC S\$	VFSC S\$		S\$	WHFSC S\$	VFSC S\$	Total S\$
ASSETS										
Current assets										
Cash and cash equivalents	7	11,242,752	402,295	8,535,852	4,536,772	24,717,671	10,521,048	7,927,979	3,654,645	22,103,672
Other receivables	8	851,114	1,871	197,516	131,389	1,181,890	110,792	3,788	141,392	255,972
		<u>12,093,866</u>	<u>404,166</u>	<u>8,733,368</u>	<u>4,668,161</u>	<u>25,899,561</u>	<u>10,631,840</u>	<u>7,931,767</u>	<u>3,796,037</u>	<u>22,359,644</u>
Non-current assets										
Investments in financial assets	9	2,050,000	0	0	0	2,050,000	2,050,000	0	0	2,050,000
Plant and equipment	10	181,006	0	3,984	5,575	190,565	166,647	0	0	166,647
		<u>2,231,006</u>	<u>0</u>	<u>3,984</u>	<u>5,575</u>	<u>2,240,565</u>	<u>2,216,647</u>	<u>0</u>	<u>0</u>	<u>2,216,647</u>
Total assets		<u>14,324,872</u>	<u>404,166</u>	<u>8,737,352</u>	<u>4,673,736</u>	<u>28,140,126</u>	<u>12,848,487</u>	<u>7,931,767</u>	<u>3,796,037</u>	<u>24,576,291</u>
LIABILITIES										
Current liabilities										
Other payables	11	948,681	404,166	63,636	41,338	1,457,821	740,247	253,336	78,550	1,072,133
NET ASSETS		<u>13,376,191</u>	<u>0</u>	<u>8,673,716</u>	<u>4,632,398</u>	<u>26,682,305</u>	<u>12,108,240</u>	<u>7,678,431</u>	<u>3,717,487</u>	<u>23,504,158</u>
FUNDS										
Unrestricted										
Accumulated surplus		6,835,665	0	0	0	6,835,665	5,518,827	0	0	5,518,827
Restricted										
Expendable endowment fund	12	3,951,986	0	1,676,008	0	5,627,994	3,921,900	1,662,642	0	5,584,542
Other restricted and designated funds	13	2,588,540	0	6,997,708	4,632,398	14,218,646	2,667,513	6,015,789	3,717,487	12,400,789
		<u>6,540,526</u>	<u>0</u>	<u>8,673,716</u>	<u>4,632,398</u>	<u>19,846,640</u>	<u>6,589,413</u>	<u>7,678,431</u>	<u>3,717,487</u>	<u>17,985,331</u>
		<u>13,376,191</u>	<u>0</u>	<u>8,673,716</u>	<u>4,632,398</u>	<u>26,682,305</u>	<u>12,108,240</u>	<u>7,678,431</u>	<u>3,717,487</u>	<u>23,504,158</u>

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

Viriya Community Services
[UEN. T01SS0059B]

Audited Financial Statements
Financial Year Ended 31 December 2021

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

	Note	Balance at beginning of financial year S\$	Net income / (expenditure) for the financial year S\$	Transfers (from)/to S\$	Balance at end of financial year S\$
2021					
<u>Unrestricted fund</u>					
Accumulated surplus		5,518,827	1,329,276	(12,438)	6,835,665
<u>Restricted funds</u>					
Expendable endowment fund	12	5,584,542	43,452	0	5,627,994
Other restricted and designated funds:	13				
<u>Corporate</u>					
- Care and Share Fund		28,148	148,295	0	176,443
- Learn My Dialect Fund		(12,438)	0	12,438	0
- LHCST - NKF Dialysis Medical Fund		180,491	22,445	0	202,936
- MtG 200 - Intergenerational Fund		235,000	0	0	235,000
- Viriya Children's Education Fund					
(i) KPMG Scholarship Fund		238,728	0	0	238,728
(ii) Sunray Education Fund		8,130	(1,800)	0	6,330
(iii) Wan Boo Sow Fund		225,038	0	0	225,038
- Viriya Children's Medical Programme		609,529	(85,899)	0	523,630
- Viriya Elderly Medical Programme		568,514	(93,400)	0	475,114
- Viriya Gap Fund		425,288	(55,252)	0	370,036
- Viriya MediAssist Programme		161,085	(25,800)	0	135,285
VFSC – Accumulated surplus		3,717,487	914,911	0	4,632,398
WHFSC – Accumulated surplus		6,007,873	1,009,321	0	7,017,194
WHFSC – Care and Share Fund		7,916	(27,402)	0	(19,486)
		<u>12,400,789</u>	<u>1,805,419</u>	<u>12,438</u>	<u>14,218,646</u>
TOTAL FUNDS		<u>23,504,158</u>	<u>3,178,147</u>	<u>0</u>	<u>26,682,305</u>

Viriya Community Services
[UEN. T01SS0059B]

Audited Financial Statements
Financial Year Ended 31 December 2021

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	Note	Balance at beginning of financial year S\$	Net income / (expenditure) for the financial year S\$	Transfers (from)/to S\$	Balance at end of financial year S\$
2020					
<u>Unrestricted fund</u>					
Accumulated surplus		4,003,017	1,586,774	(70,964)	5,518,827
<u>Restricted funds</u>					
Expendable endowment fund	12	5,480,232	104,310	0	5,584,542
Other restricted and designated funds:	13				
<u>Corporate</u>					
- Care and Share Fund		65,418	(37,270)	0	28,148
- Learn My Dialect Fund		(70,963)	(12,439)	70,964	(12,438)
- LHCST - NKF Dialysis Medical Fund		218,428	(37,937)	0	180,491
- MtG 200 - Intergenerational Fund		235,000	0	0	235,000
- Viriya Children's Education Fund					
(i) KPMG Scholarship Fund		268,728	(30,000)	0	238,728
(ii) Sunray Education Fund		8,130	0	0	8,130
(iii) Wan Boo Sow Fund		225,038	0	0	225,038
- Viriya Children's Medical Programme		731,729	(122,200)	0	609,529
- Viriya Elderly Medical Programme		655,024	(86,510)	0	568,514
- Viriya Gap Fund		372,901	52,387	0	425,288
- Viriya MediAssist Programme		304,985	(143,900)	0	161,085
VFSC - Accumulated surplus		3,074,479	643,008	0	3,717,487
WHFSC - Accumulated surplus		5,515,103	492,770	0	6,007,873
WHFSC - Care and Share Fund		7,916	0	0	7,916
		11,611,916	717,909	70,964	12,400,789
TOTAL FUNDS		21,095,165	2,408,993	0	23,504,158

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	2021 S\$	2020 S\$
Cash flows from operating activities			
Net income for the financial year		3,178,147	2,408,993
Adjustments for:			
- Depreciation of plant and equipment	5	64,716	28,720
- Interest and dividend income	4	(179,402)	(373,436)
Operating cash flow before changes in working capital		<u>3,063,461</u>	<u>2,064,277</u>
Changes in working capital			
- Other receivables		(925,918)	365,247
- Other payables		<u>385,688</u>	<u>447,911</u>
Net cash generated from operating activities		<u>2,523,231</u>	<u>2,877,435</u>
Cash flows from investing activities			
Interest and dividend income received		179,402	373,436
Purchases of plant and equipment	10	<u>(88,634)</u>	<u>(84,709)</u>
Net cash generated from investing activities		<u>90,768</u>	<u>288,727</u>
Net increase in cash and cash equivalents		2,613,999	3,166,162
Cash and cash equivalents at beginning of financial year		<u>22,103,672</u>	<u>18,937,510</u>
Cash and cash equivalents at end of financial year	7	<u>24,717,671</u>	<u>22,103,672</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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

1. General information

Viriya Community Services (the "Society") is registered and domiciled in Singapore. Its corporate office and registered address is at 72 Shrewsbury Road, Singapore 307837 and its principal places of activities are at 646 Jurong West St 61, #01 - 142, Singapore 640646, 142 Potong Pasir Ave 3, #01-224, Singapore 350142 and 52 Kent Road, #01-16 Singapore 210052.

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

The principal activities of the Society are aimed at promoting fulfilling lives by providing social services with the right effort and compassion. Its community projects include Dreams, LHCST - NKF Dialysis Centre, Viriya Mental Wellness Hub (formerly known as My Centre @ Moulmein), CREST VIRIYA @ West Coast and Ayer Rajah, CREST VIRIYA @ Potong Pasir and Braddell Heights, CREST VIRIYA @ Nanyang and Pioneer, COMIT Viriya, COMIT - MASS Viriya @ West, National Care Hotline ("NCH"), Viriya Children's Education Fund, Viriya Children's Medical Programme, Viriya Clinical Psychological Programme, Viriya - KK Children's Hospital HomeCare Programme, Viriya Elderly Medical Programme, Viriya Gap Fund, Viriya Grief Support Programme, Viriya MediAssist Programme, Viriya Family Service Centre ("VFSC"), Whispering Hearts Family Service Centre ("WHFSC") and Viriya Therapy Centre ("VTC").

2. Significant accounting policies**2.1 Basis of preparation**

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") and the disclosure requirements of the Societies Act, Chapter 311 and Charities Act, Chapter 37. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

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

2. Significant accounting policies (Cont'd)**2.2 Income recognition**

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

2.2.1 Donations

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

2.2.2 Programme fee and counselling fee

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

2.2.3 Interest income

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

2.2.4 Dividend income

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

2.2.5 Other income

Other income is recognised when received.

2.3 Government grants

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

2.4 Expenditure recognition

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

2.4.1 Cost of charitable activities

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

2.4.2 Governance and other administrative costs

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

2. Significant accounting policies (Cont'd)**2.5 Employee compensation****2.5.1 Defined contribution plans**

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

2.5.2 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Society has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.6 Operating leases

The lease payments under an operating lease are recognised on a straight-line basis over the lease term even if the payments are not on such a basis, unless another systematic and rational basis is more representative of the time pattern of the lessee's benefit.

Incentives to sign an operating lease, in whatever form they may take, are spread by the lessee on a straight-line basis over the lease term.

2.7 Financial assets**2.7.1 Recognition and measurement**

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

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

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

2.7.2 Derecognition

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

2. Significant accounting policies (Cont'd)**2.7 Financial assets (Cont'd)**

2.7.3 Impairment

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

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

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

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits with financial institutions which are stated at cost.

2.9 Plant and equipment

2.9.1 Measurement

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

The cost of an item of plant and equipment shall be recognised as an asset if, and only if:

- It is probable that future economic benefits associated with the item will flow to the Society; and
- The cost of the item can be measured reliably.

2. Significant accounting policies (Cont'd)

2.9 Plant and equipment (Cont'd)

2.9.1 Measurement (Cont'd)

The cost of an item of plant and equipment comprises all of the following:

- a) Its purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality; and
- c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Society incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period.

Plant and equipment are not revalued and are not required to be assessed for impairment under CAS.

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

2.9.2 Depreciation

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

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

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

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

2.9.3 Subsequent expenditure

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

2. Significant accounting policies (Cont'd)**2.9 Plant and equipment (Cont'd)**

2.9.4 Disposal

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

2.10 Financial liabilities

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

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

2.11 Other payables

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

2.12 Provisions for other liabilities and charges

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

2.13 Funds

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

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

2. Significant accounting policies (Cont'd)**2.14 Contingencies**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Where the possibility of an outflow of resources is not remote, the Society shall disclose for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and, where practicable:

- a) an estimate of its financial effect;
- b) an indication of the uncertainties relating to the amount or timing of any outflow; and
- c) the possibility of any reimbursement.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.15 Events occurring after the reporting period

Post year-end events that provide additional information about the Society's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Critical accounting estimates, assumptions and judgements

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

3.1 Critical accounting estimates and assumptions

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of plant and equipment

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

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

The carrying value of plant and equipment as of 31 December 2021 and 2020 are disclosed in Note 10 of the financial statements.

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

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

3.2 Critical judgements in applying the entity's accounting policies

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

Government grants

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

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

For the year ended 31 December 2021 and 2020, the management assessed the Society has met the conditions attached to the grants.

Viriya Community Services
[UEN. T01SS0059B]

Audited Financial Statements
Financial Year Ended 31 December 2021

4. Income

Note	2021						
	Corporate			NCH	WHFSC	VFSC	Total funds S\$
	Restricted funds S\$	Unrestricted funds S\$	Total S\$	Restricted funds S\$	Restricted funds S\$	Restricted funds S\$	
Income from generated funds							
Voluntary income							
- Donations – Non-tax exempt	0	6,458	6,458	0	70	0	6,528
- Donations - Tax exempt	210,550	91,884	302,434	0	2,500	0	304,934
Investment income							
- Interest and dividend income	30,093	46,121	76,214	0	66,913	36,275	179,402
	<u>240,643</u>	<u>144,463</u>	<u>385,106</u>	<u>0</u>	<u>69,483</u>	<u>36,275</u>	<u>490,864</u>
Income from charitable activities							
Counselling fee	0	31,275	31,275	0	4,675	790	36,740
Government funding							
- Care and share	247,153	0	247,153	0	0	0	247,153
- ComChest	0	0	0	0	5,012	108,519	113,531
- Programme	0	2,070,866	2,070,866	1,242,392	0	0	3,313,258
- Recurrent (MSF)	0	0	0	0	2,931,096	2,034,725	4,965,821
- Tote Board	0	0	0	0	781,628	542,596	1,324,224
Programme fee	0	276,760	276,760	0	1,644	0	278,404
Other grants and funding	0	33,506	33,506	0	0	0	33,506
	<u>247,153</u>	<u>2,412,407</u>	<u>2,659,560</u>	<u>1,242,392</u>	<u>3,724,055</u>	<u>2,686,630</u>	<u>10,312,637</u>
Other income							
Job growth incentive	0	328,545	328,545	0	0	0	328,545
Jobs support scheme	18	0	219,760	0	0	0	219,760
Management fee	19	0	239,074	0	0	0	239,074
MOM Enhanced Employment Credit	0	75,327	75,327	0	2,558	2,908	80,793
Miscellaneous	0	0	0	0	9,130	3,993	13,123
	<u>0</u>	<u>862,706</u>	<u>862,706</u>	<u>0</u>	<u>11,688</u>	<u>6,901</u>	<u>881,295</u>
Total income	<u>487,796</u>	<u>3,419,576</u>	<u>3,907,372</u>	<u>1,242,392</u>	<u>3,805,226</u>	<u>2,729,806</u>	<u>11,684,796</u>

Viriya Community Services
[UEN. T01SS0059B]

Audited Financial Statements
Financial Year Ended 31 December 2021

4. Income (Cont'd)

		2020				
		Corporate		WHFSC	VFSC	Total
Note	Restricted funds S\$	Unrestricted funds S\$	Total S\$	Restricted funds S\$	Restricted funds S\$	Total funds S\$
Income from generated funds						
Voluntary income						
	3,930	5,286	9,216	0	450	9,666
- Donations – Non-tax exempt						
- Donations - Tax exempt	150,250	261,596	411,846	2,500	0	414,346
- Bicentennial Community Fund	0	400,000	400,000	0	0	400,000
Investment income						
- Interest and dividend income	73,967	103,780	177,747	146,182	49,507	373,436
	<u>228,147</u>	<u>770,662</u>	<u>998,809</u>	<u>148,682</u>	<u>49,957</u>	<u>1,197,448</u>
Income from charitable activities						
	0	20,567	20,567	2,965	400	23,932
Counselling fee						
Government funding						
- ComChest	0	0	0	34,522	91,226	125,748
- Programme	0	189,248	189,248	0	0	189,248
- Recurrent (MSF)	0	0	0	2,467,829	1,710,498	4,178,327
- Tote Board	0	0	0	658,103	456,131	1,114,234
Programme fee	2,630	109,696	112,326	0	0	112,326
Other grants and funding	26,648	0	26,648	0	0	26,648
	<u>29,278</u>	<u>319,511</u>	<u>348,789</u>	<u>3,163,419</u>	<u>2,258,255</u>	<u>5,770,463</u>
Other income						
Jobs support scheme	18	0	759,215	759,215	0	759,215
Management fee	19	0	72,540	72,540	0	72,540
MOM Enhanced Employment Credit		0	6,089	6,089	24,860	51,447
Miscellaneous		0	7,014	7,014	14,997	35,568
	<u>0</u>	<u>844,858</u>	<u>844,858</u>	<u>39,857</u>	<u>34,055</u>	<u>918,770</u>
Total income	<u>257,425</u>	<u>1,935,031</u>	<u>2,192,456</u>	<u>3,351,958</u>	<u>2,342,267</u>	<u>7,886,681</u>

Viriya Community Services
[UEN. T01SS0059B]

Audited Financial Statements
Financial Year Ended 31 December 2021

5. Expenditure

	Note	2021						Total funds S\$
		Corporate			NCH	WHFSC	VFSC	
		Restricted funds S\$	Unrestricted funds S\$	Total S\$	Restricted funds S\$	Restricted funds S\$	Restricted funds S\$	
Cost of charitable activities								
Activities and events		412,151	5,537	417,688	2,250	8,371	14,090	442,399
Bank charges		112	153	265	18	894	650	1,827
Charitable expenses		38,000	0	38,000	0	0	0	38,000
Course and training		0	46,366	46,366	104,560	37,067	18,842	206,835
COVID-19 virus expense		0	630	630	275	2,358	181	3,444
Depreciation of plant and equipment	10	61,150	3,566	64,716	0	0	0	64,716
Insurance		0	1,721	1,721	333	2,118	2,148	6,320
Maintenance		0	5,993	5,993	536	1,276	1,272	9,077
Management fee	19	0	51,775	51,775	22,582	98,891	65,826	239,074
Miscellaneous expenses		37,708	68,148	105,856	45,394	44,122	13,491	208,863
Postage and courier		0	0	0	0	36	0	36
Printing and stationery		0	2,378	2,378	1,961	1,225	2,194	7,758
Rental of equipment		0	822	822	822	31,931	19,262	52,837
Rental of premises and service charges*		0	7,749	7,749	7,749	17,019	22,410	54,927
Staffing costs	20	0	1,886,317	1,886,317	1,051,903	2,354,832	1,460,037	6,753,089
Supplies and materials		0	194	194	170	1,633	174	2,171
Telecommunication		0	3,949	3,949	992	3,602	3,922	12,465
Transportation		0	223	223	41	504	43	811
Utilities		0	1,611	1,611	1,611	11,882	8,251	23,355
		<u>549,121</u>	<u>2,087,132</u>	<u>2,636,253</u>	<u>1,241,197</u>	<u>2,617,761</u>	<u>1,632,793</u>	<u>8,128,004</u>
Governance and other administrative costs								
Auditors' remuneration		0	6,229	6,229	1,195	6,187	5,887	19,498
Staffing costs	20	0	(3,061)	(3,061)	0	185,993	176,215	359,147
		<u>0</u>	<u>3,168</u>	<u>3,168</u>	<u>1,195</u>	<u>192,180</u>	<u>182,102</u>	<u>378,645</u>
Total expenditure		<u>549,121</u>	<u>2,090,300</u>	<u>2,639,421</u>	<u>1,242,392</u>	<u>2,809,941</u>	<u>1,814,895</u>	<u>8,506,649</u>

* Included COVID-19 related rent concessions received from landlord of S\$9,661 (2020: S\$18,896) to which the Society applied the practical expedient.

Viriya Community Services
[UEN. T01SS0059B]

Audited Financial Statements
Financial Year Ended 31 December 2021

5. Expenditure (Cont'd)

		2020					
		Corporate			WHFSC	VFSC	Total
Note	Restricted funds	Unrestricted funds	Total	Restricted funds	Restricted funds	Total funds	
	S\$	S\$	S\$	S\$	S\$	S\$	
Cost of charitable activities							
	486,027	3,223	489,250	9,955	7,036	506,241	
	131	337	468	607	343	1,418	
	40,000	0	40,000	0	750	40,750	
	4,076	6,172	10,248	22,437	7,414	40,099	
	0	232	232	14,148	7,819	22,199	
10	24,936	3,566	28,502	0	218	28,720	
	0	783	783	0	0	783	
	35	691	726	3,246	2,581	6,553	
	372	5,909	6,281	3,254	1,179	10,714	
19	3,740	0	3,740	34,400	34,400	72,540	
	9,070	15,677	24,747	5,361	5,855	35,963	
	0	0	0	15	51	66	
	103	267	370	1,203	419	1,992	
	822	822	1,644	1,823	0	3,467	
	6,979	6,979	13,958	15,202	16,532	45,692	
20	23,106	289,393	312,499	2,641,054	1,502,465	4,456,018	
	17	57	74	765	851	1,690	
	1,023	2,322	3,345	3,156	3,389	9,890	
	16	45	61	378	69	508	
	635	1,080	1,715	9,066	8,014	18,795	
	<u>601,088</u>	<u>337,555</u>	<u>938,643</u>	<u>2,766,070</u>	<u>1,599,385</u>	<u>5,304,098</u>	
Governance and other administrative costs							
	245	4,579	4,824	2,617	2,617	10,058	
20	0	6,123	6,123	60,152	97,257	163,532	
	<u>245</u>	<u>10,702</u>	<u>10,947</u>	<u>62,769</u>	<u>99,874</u>	<u>173,590</u>	
Total expenditure							
	<u>601,333</u>	<u>348,257</u>	<u>949,590</u>	<u>2,828,839</u>	<u>1,699,259</u>	<u>5,477,688</u>	

Viriya Community Services
[UEN. T01SS0059B]

Audited Financial Statements
Financial Year Ended 31 December 2021

6. Donations in cash

	2021 S\$	2020 S\$
Tax deductible donations	304,934	414,346
Non-tax deductible donations	<u>6,528</u>	<u>9,666</u>
	<u>311,462</u>	<u>424,012</u>
The donations were allocated as follows:		
• Donations	<u>311,462</u>	<u>424,012</u>

During the financial year, the Society issued tax-exempt receipts for donations collected amounting to S\$304,934 (2020: S\$414,346) pursuant to its Institutions of a Public Character ("IPC") status.

7. Cash and cash equivalents

	2021 S\$	2020 S\$
Cash on hand	4,000	3,500
Cash at banks	2,781,888	1,570,493
Fixed deposits	<u>21,931,783</u>	<u>20,529,679</u>
	<u>24,717,671</u>	<u>22,103,672</u>

Fixed deposits at the reporting date have maturity period from 1 month to 12 months (2020: 8 months to 13 months) and have interest rates ranging from 0.35% to 0.50% (2020: 0.40% to 1.91%) per annum.

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

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

	2021 S\$	2020 S\$
Less than 3 months	1,779,901	2,773,545
More than 3 months	<u>20,151,882</u>	<u>17,756,134</u>
	<u>21,931,783</u>	<u>20,529,679</u>

8. Other receivables

	2021 S\$	2020 S\$
Deposits	5,830	6,922
Grant receivables – Jobs Support Scheme	0	88,850
Grant receivables – ComChest, MSF and Tote Board	313,028	0
Grant receivables - Info Tech System Intergrators	16,992	0
Grant receivables - AIC	844,440	0
Other receivables	1,600	140,200
Prepayments	<u>0</u>	<u>20,000</u>
	<u>1,181,890</u>	<u>255,972</u>

8. Other receivables (Cont'd)

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

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

9. Investments in financial assets

	2021 S\$	2020 S\$
At cost		
Investment funds	2,000,000	2,000,000
Quoted equity shares in Singapore	50,000	50,000
	<u>2,050,000</u>	<u>2,050,000</u>

The movement of accounts are as follows:

	2021 S\$	2020 S\$
Balances at the beginning and end of the financial year	<u>2,050,000</u>	<u>2,050,000</u>

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

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

The fair values of these investments in financial assets, based on the closing prices on the last market day of the financial year, were S\$2,427,258 (2020: S\$2,416,595).

Investments in financial assets are all investment assets in Singapore.

10. Plant and equipment

2021	Balance b/f S\$	Additions S\$	(Written off) S\$	Transfer S\$	Balance c/f S\$
At cost					
Furniture and fittings	64,867	35,158	0	0	100,025
Office equipment and computer	63,842	0	0	0	63,842
Renovation	357,368	53,476	(29,510)	84,709	466,043
Renovation in progress	84,709	0	0	(84,709)	0
	<u>570,786</u>	<u>88,634</u>	<u>(29,510)</u>	<u>0</u>	<u>629,910</u>
	Balance b/f S\$	Depreciation S\$	(Written off) S\$	Transfer S\$	Balance c/f S\$
Accumulated depreciation					
Furniture and fittings	64,867	9,146	0	0	74,013
Office equipment and computer	56,711	3,566	0	0	60,277
Renovation	282,561	52,004	(29,510)	0	305,055
Renovation in progress	0	0	0	0	0
	<u>404,139</u>	<u>64,716</u>	<u>(29,510)</u>	<u>0</u>	<u>439,345</u>
	Balance b/f S\$				Balance c/f S\$
Carrying amount					
Furniture and fittings	0				26,012
Office equipment and computer	7,131				3,565
Renovation	74,807				160,988
Renovation in progress	84,709				0
	<u>166,647</u>				<u>190,565</u>

10. Plant and equipment (Cont'd)

	Balance b/f S\$	Additions S\$	(Written off) S\$	Balance c/f S\$
2020				
At cost				
Furniture and fittings	64,867	0	0	64,867
Office equipment and computer	63,842	0	0	63,842
Renovation	357,368	0	0	357,368
Renovation in progress	0	84,709	0	84,709
	<u>486,077</u>	<u>84,709</u>	<u>0</u>	<u>570,786</u>

	Balance b/f S\$	Depreciation S\$	(Written off) S\$	Balance c/f S\$
Accumulated depreciation				
Furniture and fittings	64,867	0	0	64,867
Office equipment and computer	53,145	3,566	0	56,711
Renovation	257,407	25,154	0	282,561
Renovation in progress	0	0	0	0
	<u>375,419</u>	<u>28,720</u>	<u>0</u>	<u>404,139</u>

	Balance b/f S\$	Balance c/f S\$
Carrying amount		
Furniture and fittings	0	0
Office equipment and computer	10,697	7,131
Renovation	99,961	74,807
Renovation in progress	0	84,709
	<u>110,658</u>	<u>166,647</u>

Breakdown of depreciation charge as follows:	2021 S\$	2020 S\$
Restricted - Care and share	61,150	24,936
Restricted - VFSC	0	218
Unrestricted - Corporate	3,566	3,566
	<u>64,716</u>	<u>28,720</u>

11. Other payables

	Note	2021 S\$	2020 S\$
Accruals		817,549	531,838
Amount due to MSF	13.10	387,908	0
Deferred grant income - JSS		0	104,117
Deferred grant income - NCSS		192,000	192,000
Funds received for restricted purposes		60,364	105,296
Other payables		0	138,882
		<u>1,457,821</u>	<u>1,072,133</u>

11. Other payables (Cont'd)

The amount due to Ministry of Social and Family Development (MSF) on programme of the National Care Hotline will be recognised as a grant income over the periods necessary to match it with the related costs. The Society shall therefore return the unutilised funding to MSF upon expiry of the agreement.

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

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

Funds received for restricted purposes are from ComCare Fund, Lee Foundation and The Straits Times School Pocket Money Fund. The Society acts as an agent in the disbursement of these funds. The total contributions received from these funds and total disbursements to beneficiaries during the financial year are as follows:

	2021 S\$	2020 S\$
Balance at beginning of financial year	105,296	59,657
Contribution received	90,301	215,828
Disbursement to beneficiaries	<u>(135,233)</u>	<u>(170,189)</u>
	<u>60,364</u>	<u>105,296</u>

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

12. Expendable endowment fund

2021	Corporate S\$	WHFSC S\$	Total S\$
Balance at beginning of financial year	3,921,900	1,662,642	5,584,542
Net income for the financial year	<u>30,086</u>	<u>13,366</u>	<u>43,452</u>
Balance at end of financial year	<u>3,951,986</u>	<u>1,676,008</u>	<u>5,627,994</u>
2020	Corporate S\$	WHFSC S\$	Total S\$
Balance at beginning of financial year	3,847,939	1,632,293	5,480,232
Net income for the financial year	<u>73,961</u>	<u>30,349</u>	<u>104,310</u>
Balance at end of financial year	<u>3,921,900</u>	<u>1,662,642</u>	<u>5,584,542</u>

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

The fund under WHFSC comprises largely accumulated donations and will be used in accordance to the donors' intent and prevailing regulations under Charities Act.

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

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

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

13. Other restricted and designated funds

	2021 S\$	2020 S\$
Restricted		
<u>Corporate</u>		
- Care and Share Fund	176,443	28,148
- Learn My Dialect Fund	0	(12,438)
- Wan Boo Sow Fund	225,038	225,038
National Care Hotline ("NCH")	0	0
VFSC - Accumulated surplus	4,632,398	3,717,487
WHFSC - Accumulated surplus	7,017,194	6,007,873
WHFSC - Care and Share Fund	(19,486)	7,916
	<u>12,031,587</u>	<u>9,974,024</u>
Designated		
<u>Corporate</u>		
- KPMG Scholarship Fund	238,728	238,728
- LHCST - NKF Dialysis Medical Fund	202,936	180,491
- MtG 200 - Intergenerational Fund	235,000	235,000
- Sunray Education Fund	6,330	8,130
- Viriya Children's Medical Programme	523,630	609,529
- Viriya Elderly Medical Programme	475,114	568,514
- Viriya Gap Fund	370,036	425,288
- Viriya MediAssist Programme	135,285	161,085
	<u>2,187,059</u>	<u>2,426,765</u>
	<u>14,218,646</u>	<u>12,400,789</u>

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

13.1 Learn My Dialect Fund

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

	2021 S\$	2020 S\$
Income		
Income from charitable activities		
Third party funding	0	26,648
Programme fee	0	2,630
Total income	<u>0</u>	<u>29,278</u>
Expenditure		
Cost of charitable activities		
Activities and events	0	1,915
Bank charges	0	18
Insurance	0	35
Maintenance	0	372
Management fee	0	3,740
Miscellaneous expenses	0	2,691
Balance carried forward to page 30	<u>0</u>	<u>8,771</u>

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

13.1 Learn My Dialect Fund (Cont'd)

Details of income and expenditure during the financial year are as follows: (Cont'd)

	2021 S\$	2020 S\$
Expenditure (Cont'd)		
Cost of charitable activities (Cont'd)		
Balance brought forward from page 29	0	8,771
Printing and stationery	0	103
Rental of equipment	0	822
Rental of premises and service charges	0	6,979
Staffing costs		
- CPF and SDL contributions	0	2,114
- Salaries and bonus	0	19,929
- Staff welfare	0	1,063
Supplies and materials	0	17
Telecommunication	0	1,023
Transportation	0	16
Utilities	0	634
Governance and other administrative costs		
Auditors' remuneration	0	245
Total expenditure	<u>0</u>	<u>41,716</u>
Net expenditure for the financial year	<u>0</u>	<u>(12,438)</u>

During the year, the Society transfer the funds amounting to S\$12,438 from unrestricted funds to Viriya Mental Wellness Hub (MWH) Learn My Dialect restricted funds to cover the deficit of the Programme.

13.2 LHCST-NKF Dialysis Medical Fund

The fund is to support needy patients requiring dialysis treatment.

13.3 Care and Share matching grants

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

	2021 S\$	2020 S\$
Balance at beginning of financial year	36,064	73,334
Grant received during the financial year	<u>247,153</u>	<u>0</u>
	283,217	73,334
Less: Expenditure incurred during the financial year		
- Capacity building	61,150	29,462
- Critical existing needs	0	1,853
- Capability building	0	4,076
- New/ Enhanced programmes	<u>65,110</u>	<u>1,879</u>
	<u>126,260</u>	<u>37,270</u>
Balance at end of financial year	<u>156,957</u>	<u>36,064</u>

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

13.3 Care and Share matching grants (Cont'd)

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

	2021 S\$	2020 S\$
Viriya - Care and Share Fund	176,443	28,148
WHFSC - Care and Share Fund	<u>(19,486)</u>	<u>7,916</u>
	<u>156,957</u>	<u>36,064</u>

13.4 Viriya Children's Medical Programme

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

13.5 Viriya Elderly Medical Programme

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

13.6 Viriya Gap Fund

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

13.7 Viriya MediAssist Programme

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

13.8 MtG 200 - Intergenerational Fund

The fund was established in 2019 for the purpose of expanding the outreach and services of Viriya Corner. However, due to various restrictive measures during the novel coronavirus, the planned activities were not carried and may not resume in the ensuing year end 31 December 2022. The Society has written to the donor through the Community Foundation of Singapore to re-channel the fund to support mental wellness programmes at the Viriya Mental Wellness Hub ("MWH"). At the date of report sign off, the Society is still pending for approval from the Community Foundation of Singapore.

13.9 Viriya Children's Education Fund

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

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

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

13.10 National Care Hotline ("NCH")

Ministry of Social and Family Development (MSF) provides funding to the Society to operate the Programme. The Funding is provided by MSF based on 100% norm cost for the staffing model consisting of a team of Supervisors, Duty Care Officers and Administration Officer as stipulated in the prevailing service model.

The Society shall therefore return the unutilised balance of the funding to MSF upon expiry of the agreement, the amount was included in Other payables, as disclosed in Note 11.

14. Income tax

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

15. Related party balances and transactions

There are no related party balances as at the reporting date.

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

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

	2021 S\$	2020 S\$
Salaries and other short-term employee benefits	430,602	434,433
Post-employment benefits – Contributions to CPF	44,329	46,129
	<u>474,931</u>	<u>480,562</u>

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

16. Remuneration of the three highest paid staff

	2021 No. of personnel	2020 No. of personnel
Remuneration band S\$100,001 to S\$200,000	<u>3</u>	<u>3</u>

17. Commitments

17.1 Operating lease commitments

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

	2021 S\$	2020 S\$
Rental of premises		
Within one year	18,856	22,627
Later than one year but not later than five years	0	18,855
	<u>18,856</u>	<u>41,482</u>
Rental of equipment		
Within one year	4,943	3,467
Later than one year but not later than five years	4,473	3,531
	<u>9,416</u>	<u>6,998</u>

17.2 Capital commitments

	2021 S\$	2020 S\$
Plant and equipment		
Renovation	0	52,766

18. Jobs support scheme

During the financial year, the Society recognised income of S\$219,760 (2020: S\$759,215) from Jobs support scheme (JSS). This amount is determined based on the number of eligible staff including those assigned to WHFSC and VFSC. However, the Management Committee is of the view that there is no obligation to allocate the JSS grant income to these FSCs. Having considered the financial position of WHFSC and VFSC, the Management Committee decided to recognise the JSS grant income wholly under "Corporate - Unrestricted" and to apply it as it deemed appropriate in accordance with the Society's vision and mission.

19. Management fee

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

	2021 S\$	2020 S\$
Projects under Corporate office	51,775	3,740
National Care Hotline ("NCH")	22,582	0
Whispering Hearts Family Service Centre ("WHFSC")	98,891	34,400
Viriya Family Service Centre ("VFSC")	65,826	34,400
	<u>239,074</u>	<u>72,540</u>

19. Management fee (Cont'd)

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

	2021			2020	
	NCH S\$	WHFSC S\$	VFSC S\$	WHFSC S\$	VFSC S\$
Strategy	2,759	6,897	4,598	6,286	6,286
Programmes and services	7,062	17,656	11,770	0	0
Human resources	7,583	22,582	15,442	6,286	6,286
Accounting and finance	1,942	7,120	4,795	15,716	15,716
Internal audit and regulatory compliance	1,655	4,138	2,759	2,619	2,619
Digitalisation and systems processes	614	11,424	9,747	0	0
Supervision and training	967	28,540	16,181	0	0
Corporate communications	0	534	534	1,310	1,310
General matters	0	0	0	2,183	2,183
	<u>22,582</u>	<u>98,891</u>	<u>65,826</u>	<u>34,400</u>	<u>34,400</u>

20. Staffing costs

	Corporate S\$	NCH S\$	WHFSC S\$	VFSC S\$	Total S\$
2021					
CPF and SDL contributions	249,152	123,300	341,416	215,594	929,462
Salaries and bonuses	1,633,677	928,603	2,195,651	1,418,627	6,176,558
Staff welfare	427	0	3,758	2,031	6,216
	<u>1,883,256</u>	<u>1,051,903</u>	<u>2,540,825</u>	<u>1,636,252</u>	<u>7,112,236</u>

The staff costs were allocated as follows:

- Costs of charitable activities	1,886,317	1,051,903	2,354,832	1,460,037	6,753,089
- Governance and administrative costs	(3,061)	0	185,993	176,215	359,147
	<u>1,883,256</u>	<u>1,051,903</u>	<u>2,540,825</u>	<u>1,636,252</u>	<u>7,112,236</u>

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

The staff costs were allocated as follows:

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

20. Staffing costs (Cont'd)

The number of staff as at financial year end are as follows:

	2021	2020
Number of staff	109	80

21. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2021 and 2020 is as follows:

	2021	2020	Increase
	S\$	S\$	%
A Unrestricted funds			
Accumulated surplus	6,835,665	5,518,827	24
B Restricted and designated funds			
Other restricted and designated funds	14,218,646	12,400,789	15
C Expendable endowment fund	5,627,994	5,584,542	1
D Total funds	26,682,305	23,504,158	14
E Total annual operating expenditure	8,506,649	5,477,688	55
F Ratio of funds to annual operating expenditure (A/E)	0.80	1.01	

The Society's reserve position for financial year ended 31 December 2021 and 2020 is as follows: (Cont'd)

Reference:

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

The Society's reserve policy is as follows:

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

22. Management of conflict of interest

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

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

23. Event occurring after the reporting date

Subsequent to the reporting date, on 21 February 2022 the Society entered into a renovation project for the Centre, VFSC and WHFSC with the capital commitments amounting to S\$38,000 and S\$52,000 respectively.

24. Comparative figures

Certain reclassifications have been made to the comparative information to enhance comparability with current year's financial statements.

The following reclassifications were made for grants received which provide core funding or are of a general nature provided by government and charitable foundations but not including those grants which are specifically for the performance of a service or production of charitable goods:

	As previously reported S\$	Reclassification S\$	As reclassified S\$
2020			
Statement of Financial Activities			
Income from generated funds			
Government funding			
- Bicentennial Community Fund	0	400,000	400,000
Income from charitable activities			
Government funding			
- Bicentennial Community Fund	400,000	(400,000)	0

25. Impact of COVID-19 (Coronavirus Disease 2019)

The COVID-19 pandemic has affected almost all countries of the world and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Society's significant operations are in Singapore which have been affected by the spread of COVID-19 in 2021. The nature of the Society's business are those of activities that are aimed at promoting fulfilling lives by providing social services with the right effort and compassion. Therefore, the impact of COVID-19 on the Society's operations are minimal with donations and funding received. The impact of COVID-19 on the Society's financial performance reflected in this set of financial statements for the year ended 31 December 2021 are summarised below:

- i. The Society has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The management is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the service disruption.
- ii. The Society was granted a total of 3-months rental waiver for the months of Jun, August and October 2021 as part of the Government's rental relief framework in an assistance package to help business and cushion the impact of COVID-19. The effect of such rental concession received were offset against the related expenditure as disclosed in Note 5.

As the global COVID-19 situation remains very fluid as at the date of these financial statements were authorised for issuance, the Society cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2022. If the situation persists beyond management's current expectations, the Society's assets may be subject to further write downs in the subsequent financial years.

26. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on 24 March 2022.