

**ABILITIES BEYOND LIMITATIONS AND
EXPECTATIONS LIMITED**
(Co. Reg. No. 201022774G)

**FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 SEPTEMBER 2021**

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ABILITIES BEYOND LIMITATIONS AND EXPECTATIONS LIMITED

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of Abilities Beyond Limitations and Expectations Limited (the "Charity") for the financial year ended 30 September 2021.

In the opinion of the directors:

- (i) the financial statements set out on pages 6 to 34 are properly drawn up so as to give a true and fair view of the financial position of the Charity at 30 September 2021 and of the financial performance, changes in accumulated funds and cash flows of the Charity for the financial year then ended in accordance with the provisions of the Companies Act, Chapter 50, the Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Charity will be able to pay its debts as and when they fall due.

Directors

The directors in office at the date of this statement are:

Adrian Kow Tuck Hoong
Amelia Vincent
Bernadus Angkawidjaja
Gan Siok Loon
Lawrence Darius Loh Wai Yin
Lee Guat Hoon (Li Yueyun) @ Jessica Rita Lee
Marcia Troxler Yeo Teck Cheng
Trillion So
Teo Tzu Li Sylvia (Zhang Shuli Sylvia)
Wong Kwek Seong Simon
Grace Chow Sok Theng
Quek Siow Peng Andrew
Goh Song Wei Timothy
Cheah Eu Jin Andre

Arrangement to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Charity a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Charity to acquire benefits by means of the acquisition of shares in or debentures of the Charity or any other body corporate.

Other matters

As the Charity is limited by guarantee and does not have a share capital, matters relating to the issue of shares, debentures or share options are not applicable.

Abilities Beyond Limitations and Expectations Limited

Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



Adrian Kow Tuck Hoong
Director

24 January 2022



Bernardus Angkawidjaja
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ABILITIES BEYOND LIMITATIONS AND EXPECTATIONS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Abilities Beyond Limitations and Expectations Limited (the "Charity") as set out on pages 6 to 34, which comprise the balance sheet as at 30 September 2021, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provision of the Companies Act, Chapter 50 (the "Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Charity as at 30 September 2021 and of the financial performance, changes in accumulated funds and cash flows of the Charity 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 Charity 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 Directors' Statement as set out on pages 1 to 2.

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
ABILITIES BEYOND LIMITATIONS AND EXPECTATIONS LIMITED (cont'd)**

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act, the Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Charity'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 Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ABILITIES BEYOND LIMITATIONS AND EXPECTATIONS LIMITED (cont'd)**

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 Charity'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 Charity 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 the directors 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 Charity have been properly kept in accordance with the provisions of the Act and the Charities Act and Regulations.

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

- a) the Charity has not used the donation moneys in accordance with the objectives as required under Regulation 11 of the Charities (Institution of a Public Character) Regulations; and
- b) the Charity 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

24 January 2022

ABILITIES BEYOND LIMITATIONS AND EXPECTATIONS LIMITED

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 30 September 2021

	Note	Unrestricted funds 2021 \$	Restricted funds 2021 \$	Total 2021 \$	Total 2020 \$
Income					
Donations and grants	3	1,562,274	273,000	1,835,274	1,589,007
Income from charitable activities	4	556,029	68,440	624,469	459,956
Income from fund raising events	5	334,636	–	334,636	839,172
Interest income	6	48,662	–	48,662	87,857
Other income	7	38,022	–	38,022	60,518
Total income		2,539,623	341,440	2,881,063	3,036,510
Expenditure					
Depreciation of property, plant and equipment	13	(162,295)	(66,211)	(228,506)	(120,409)
Cost of fund raising events	8	(24,697)	–	(24,697)	(131,361)
Cost of charitable activities	9	(1,557,619)	(170,556)	(1,728,175)	(1,777,171)
Governance costs	10	(65,200)	–	(65,200)	(61,933)
Other expenditure	11	(251,753)	(23,987)	(275,740)	(336,281)
Total expenditure		(2,061,564)	(260,754)	(2,322,318)	(2,427,155)
Surplus for the financial year		478,059	80,686	558,745	609,355
Other comprehensive (loss)/income					
<i>Items that may be reclassified subsequently to income or expenditure</i>					
Fair value (loss)/gain on financial assets at fair value through other comprehensive (loss)/income	22	(5,310)	–	(5,310)	7,500
Net surplus and total comprehensive income for the financial year		472,749	80,686	553,435	616,855

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

ABILITIES BEYOND LIMITATIONS AND EXPECTATIONS LIMITED

BALANCE SHEET At 30 September 2021

	Note	2021 \$	2020 \$
Non-current assets			
Property, plant and equipment	13	314,710	318,640
Other financial assets at amortised cost	14	753,812	1,270,357
Financial assets at fair value through other comprehensive income	15	505,210	510,520
		1,573,732	2,099,517
Current assets			
Other financial assets at amortised cost	14	–	500,468
Trade receivables	16	7,599	24,952
Other receivables	17	127,704	268,324
Cash and cash equivalents	18	2,348,710	689,437
		2,484,013	1,483,181
Total assets		4,057,745	3,582,698
Non-current liability			
Lease liabilities	19	22,408	78,342
Current liabilities			
Trade payables	20	21,716	16,641
Other payables and accruals	21	207,525	251,281
Lease liabilities	19	116,963	100,736
		346,204	368,658
Total liabilities		368,612	447,000
Net assets		3,689,133	3,135,698
Funds			
Fair value reserve	22	(1,540)	3,770
General fund	23	3,369,854	2,899,583
Restricted funds	24	320,819	232,345
Total funds		3,689,133	3,135,698

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

ABILITIES BEYOND LIMITATIONS AND EXPECTATIONS LIMITED

**STATEMENT OF CHANGES IN ACCUMULATED FUNDS
For the financial year ended 30 September 2021**

	← Unrestricted funds →		Restricted funds →								Total \$
	General fund \$	Fair value reserve \$	Deferred Capital fund \$	SociABLE fund \$	Challenge - ELF fund \$	President Bless Our City fund \$	Invictus fund \$	Community Chest fund \$	Caritas Renovation fund \$	Care and Share fund \$	
At 1 October 2019	2,693,390	(3,730)	12,016	3,843	104,151	–	–	–	–	(290,827)	2,518,843
Net surplus/(deficit) for the financial year	208,880	–	(14,056)	(2,275)	29,224	100	49,342	50,000	–	288,140	609,355
Other comprehensive income											
Fair value gain on financial assets at fair value through other comprehensive income	–	7,500	–	–	–	–	–	–	–	–	7,500
Transfer between funds	(2,687)	–	31,571	–	(3,103)	–	(28,468)	–	–	2,687	–
At 30 September 2020	2,899,583	3,770	29,531	1,568	130,272	100	20,874	50,000	–	–	3,135,698
Net surplus/(deficit) for the financial year	478,059	–	(61,256)	–	32,398	(7,560)	(21,649)	45,950	92,803	–	558,745
Other comprehensive loss											
Fair value loss on financial assets at fair value through other comprehensive loss	–	(5,310)	–	–	–	–	–	–	–	–	(5,310)
Transfer between funds	(7,788)	–	142,908	–	(46,655)	–	775	(89,240)	–	–	–
At 30 September 2021	3,369,854	(1,540)	111,183	1,568	116,015	(7,460)	–	6,710	92,803	–	3,689,133

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

ABILITIES BEYOND LIMITATIONS AND EXPECTATIONS LIMITED

STATEMENT OF CASH FLOWS

For the financial year ended 30 September 2021

	2021 \$	2020 \$
Cash flows from operating activities		
Net surplus for the financial year	558,745	609,355
Adjustments for:		
Depreciation of property, plant and equipment	228,506	120,409
Interest income	(48,662)	(87,857)
Interest expense on lease liabilities	7,731	1,601
Amortisation of premium	517	764
Loss on disposal of bond	18,835	–
	<hr/>	<hr/>
Operating surplus before movements in working capital	765,672	644,272
Receivables	117,678	(205,322)
Payables	(38,681)	69,274
	<hr/>	<hr/>
Net cash generated from operating activities	844,669	508,224
	<hr/>	<hr/>
Cash flows from investing activities		
Purchases of property, plant and equipment	(159,085)	(40,710)
Purchase of bond	(252,339)	–
Redemption of bonds	1,250,000	–
Increase in fixed deposit pledged	(70)	–
Interest received	88,957	87,938
	<hr/>	<hr/>
Net cash generated from investing activities	897,154	47,228
	<hr/>	<hr/>
Cash flows from financing activities		
Interest paid	(7,731)	(1,601)
Repayment of lease liabilities	(105,198)	(19,368)
	<hr/>	<hr/>
Net cash used in financing activities	(112,929)	(20,969)
	<hr/>	<hr/>
Net increase in cash and cash equivalents	1,659,203	534,483
Cash and cash equivalents at beginning of the financial year (Note 18)	679,412	154,954
	<hr/>	<hr/>
Cash and cash equivalents at end of the financial year (Note 18)	2,338,615	689,437*
	<hr/>	<hr/>

*Includes fixed deposit pledged of \$10,025 (Note 18)

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

ABILITIES BEYOND LIMITATIONS AND EXPECTATIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2021

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

1 General information

Abilities Beyond Limitations and Expectations Limited (the “Charity”) (Co. Reg. No. 201022774G), is domiciled and incorporated in Singapore. The address of its registered office at 7A Lorong 8 Toa Payoh, #02-09 Agape Village, Singapore 319264.

The principal activities of the Charity are to provide social services for people with disabilities.

2 Significant accounting policies

a) Basis of preparation

The financial statements, expressed in Singapore dollar (“\$”), which is the functional currency of the Charity, have been prepared in accordance with the provisions of the Companies Act, Chapter 50, the Charities Act, Chapter 37 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 revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, 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.

There were no significant judgements made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

The carrying amounts of cash and cash equivalents, receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards

In the current financial year, the Charity 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 Charity’s accounting policies have been made as in accordance with the transitional provisions in the respective FRSs and INT FRSs.

2 Significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards (cont'd)

The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial results and position of the Charity.

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 30 September 2021 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 Charity.

b) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment losses. Depreciation is calculated on the straight-line method so as to allocate the depreciable amount of the property, plant and equipment over the estimated useful lives as follows:

	Years
Motor vehicles	3 - 5
Equipment	3
Computers	1
Furniture and fittings	3
Renovation	1
Leased premises	Over the lease term

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

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

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

c) Employees' benefits

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Charity pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), and will have no legal or constructive obligation to pay further contributions once the contributions have been paid. Contributions to defined contribution plans are recognised as an expense in the period in which the related service is performed.

Employee leave entitlements

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

2 Significant accounting policies (cont'd)

d) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Charity commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Charity has transferred substantially all risks and rewards of ownership.

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

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 Charity classifies its financial assets in the following measurement categories:

- Amortised cost; and
- Fair value through other comprehensive income ("FVOCI")

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

Subsequent measurement

Debt instruments

Debt instruments include trade and other receivables (excluding prepayments) and cash and cash equivalents. These are subsequently measured at amortised cost or fair value through other comprehensive income depending on the Charity's business model for managing the asset and cash flow characteristics of the asset.

Amortised cost

The Charity 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 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.

2 Significant accounting policies (cont'd)

d) Financial assets (cont'd)

Subsequent measurement (cont'd)

Equity instruments

The Charity subsequently measures all its equity investments at their fair values. For equity investments which are not held for trading or not a contingent consideration recognised by an acquirer in a business combination, the Charity may make an irrevocable election (on an investment by investment basis) to designate equity investments as at FVOCI.

The Charity 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.

Impairment

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

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

If the Charity 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 Charity measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Charity 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.

Offset

Financial assets and liabilities are offset and the net amount presented on the balance sheet when, and only when, the Charity has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

2 Significant accounting policies (cont'd)

e) Financial liabilities

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

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

f) Impairment of non-financial assets

At balance sheet date, the Charity assesses the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Charity estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in income or expenditure.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in income or expenditure.

g) Taxation

The Charity is registered as a charity under the Charities Act and is exempted from income tax under the provision of the Income Tax Act, Chapter 134.

h) Provisions

Provisions are recognised when the Charity has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount that reflects the current market assessment of the time value of money and risks specific to the obligation.

When the discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in income or expenditure.

2 Significant accounting policies (cont'd)

i) Leases

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

When the Charity is the lessee

The Charity 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.

For these exempted leases, the Charity recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is 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 Charity uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. 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 liability is presented as a separate line in the balance sheet.

The lease liability is 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 Charity remeasures the lease liability (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 Charity 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 Charity 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, unless those costs are incurred to produce inventories.

2 Significant accounting policies (cont'd)

i) Leases (cont'd)

When the Charity is the lessee (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 Charity at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

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

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

When the Charity is the lessor

Leases for which the Charity is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Charity is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

j) Income recognition

Donations

Donations are recognised upon receipt of money by cheque, fund transfer or cash.

Income from fund raising events and charitable activities

Income from fund raising events and charitable activities is recognised as and when received. If income is received for a specific fund-raising and/or charity activity which has not yet occurred, the income received will be deferred as a liability until the event and/or activity has been conducted.

Service income

The Charity provides social services for people with disabilities. Revenue earned from rendering of services is recognised when services are provided and all criteria for acceptance have been satisfied. The amount of the revenue recognised is based on the transaction price.

2 Significant accounting policies (cont'd)

j) Income recognition (cont'd)

Interest income

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

Rental income

Rental income is recognised on a straight-line basis over the lease term.

k) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to income or expenditure over the expected useful life of the relevant asset by equal annual instalments. When the grant relates to an expense item, it is recognised in income or expenditure over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

l) Funds

Income and expenditure relating to the various funds set up for specific purposes are accounted for directly in those funds.

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

m) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, fixed deposits and highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

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

3 Donations and grants

	Unrestricted funds \$	Restricted funds \$	Total 2021 \$	Total 2020 \$
Giving.SG	94,392	–	94,392	61,628
Other cash donations	121,734	–	121,734	52,023
Grant from Caritas Singapore Community Council	750,000	100,000	850,000	750,000
Care and share grant	–	–	–	288,140
Job Support Scheme (“JSS”)	134,097	–	134,097	198,216
President’s challenge	–	123,000	123,000	123,000
VWOs – Charities Capability Fund (“VCF”) Grant	7,300	–	7,300	–
Bless Our City fund	–	–	–	10,000
COVID-19 fund	–	–	–	6,000
Invictus fund	–	–	–	50,000
NCSS Community Chest fund	–	50,000	50,000	50,000
MediaCorp Enabling Fund	933	–	933	–
Bicentennial Community Fund	400,00	–	400,000	–
Caregiver Coordinator Fund	23,342	–	23,342	–
Sparks2019 – Toteboard grant reimbursement	1,843	–	1,843	–
SGUT online fund	18,000	–	18,000	–
Jobs Growth Incentive	10,633	–	10,633	–
	1,562,274	273,000	1,835,274	1,589,007

During the financial year, the Charity issued tax deductible receipts for donations totalling \$136,813 (2020: \$62,196) and non-tax deductible donations totalling \$10,000 (2020: \$13,623).

4 Income from charitable activities

	Unrestricted funds \$	Restricted funds \$	Total 2021 \$	Total 2020 \$
Income from rehabilitation services	429,375	68,440	497,815	350,668
Income from respite services	36,218	–	36,218	34,393
Income from transport services	90,436	–	90,436	74,895
	556,029	68,440	624,469	459,956

5 Income from fund raising events

	Unrestricted funds \$	Restricted funds \$	Total 2021 \$	Total 2020 \$
Charity dinner	–	–	–	812,896
Uma Uma Ramen	–	–	–	16,000
Virtual Pilates	1,052	–	1,052	10,276
Wine sales fundraiser	17,040	–	17,040	–
10 th anniversary fundraising	303,202	–	303,202	–
CNY cookie sales fundraising	13,342	–	13,342	–
	<hr/> 334,636	–	<hr/> 334,636	839,172

During the financial year, the Charity issued tax deductible receipts for donations from fund raising events totaling \$173,752 (2020: \$833,373) and non-tax deductible donations totaling \$160,884 (2020: \$5,799).

6 Interest income

	Unrestricted funds \$	Restricted funds \$	Total 2021 \$	Total 2020 \$
Investment in debt instruments	48,205	–	48,205	87,751
Fixed deposits	457	–	457	106
	<hr/> 48,662	–	<hr/> 48,662	87,857

7 Other income

	Unrestricted funds \$	Restricted funds \$	Total 2021 \$	Total 2020 \$
Rental income	–	–	–	18,869
Employment credit and wage credit scheme	32,141	–	32,141	41,649
Others	5,881	–	5,881	–
	<hr/> 38,022	–	<hr/> 38,022	60,518

8 Cost of fund raising events

	Unrestricted funds \$	Restricted funds \$	Total 2021 \$	Total 2020 \$
Marketing and publicity expenses	24,335	–	24,335	57,818
Fund raising event expenses	362	–	362	73,543
	<hr/> 24,697	–	<hr/> 24,697	131,361

9 Cost of charitable activities

	Unrestricted funds \$	Restricted funds \$	Total 2021 \$	Total 2020 \$
Wages and salaries	1,115,682	104,043	1,219,725	1,249,775
Employer's contribution to defined benefit plans	152,541	17,915	170,456	178,214
Office expenses	49,286	467	49,753	35,017
Rental charges	1,916	–	1,916	80,977
Program costs	217,119	48,131	265,250	212,737
Vehicle expenses	21,075	–	21,075	20,451
	1,557,619	170,556	1,728,175	1,777,171

Cost of charitable activities are allocated to the following cost centres:

	2021 \$	2020 \$
Costs associated with training and transport	232,320	233,996
Cost associated with centre for the respite care service	265,433	310,769
Costs associated with centre for the rehabilitation care service	768,653	773,226
Costs associated with ABLE	461,769	459,180
	1,728,175	1,777,171

10 Governance costs

	Unrestricted funds \$	Restricted funds \$	Total 2021 \$	Total 2020 \$
Audit fees	15,593	–	15,593	18,130
Accounting fees	41,496	–	41,496	34,644
Corporate secretarial fees	1,071	–	1,071	1,911
Payroll services	7,040	–	7,040	7,248
	65,200	–	65,200	61,933

11 Other expenditure

	Unrestricted funds \$	Restricted funds \$	Total 2021 \$	Total 2020 \$
Funding to ABLE SEAS Limited (Note 25)	188,726	–	188,726	254,000
Staff benefits	9,341	–	9,341	9,534
Staff training and development	7,598	2,784	10,382	6,345
IT and administrative expenses	19,222	21,203	40,425	30,861
Advertising and recruitment expenses	–	–	–	9,542
Insurance	12,143	–	12,143	16,017
Others	14,723	–	14,723	9,982
	251,753	23,987	275,740	336,281

Other expenditure are allocated to the following cost centres:

	2021 \$	2020 \$
Costs associated with training and transport	268	804
Cost associated with centre for the respite care service	567	2,921
Costs associated with centre for the rehabilitation care service	20,917	13,508
Costs associated with ABLE	253,288	319,048
	275,040	336,281

12 Employee benefits

	2021 \$	2020 \$
Short-term employee benefits	1,239,448	1,265,654
Contributions to defined contribution plan	170,456	178,214
	1,409,904	1,443,868

Short-term employee benefits include staff salaries, bonuses, welfare and training expenses.

Included in the above are remuneration paid to key management personnel as follows:

	2021 \$	2020 \$
Short-term employee benefits	130,014	143,917
Contributions to defined contribution plan	6,307	7,343
	136,321	151,260

Key management personnel are directors and those person having authorities and responsibilities for planning, directing and controlling the activities of the Charity, directly or indirectly. Remunerations for key management personnel have been disclosed above. Key management of the Charity comprise of 1 staff (2020: 1 staff).

13 Property, plant and equipment

	Motor vehicles \$	Equipment \$	Computers \$	Furniture and fittings \$	Renovation \$	Leased premises \$	Total \$
2021							
Cost							
At 1.10.2020	387,796	192,498	101,560	41,714	290,114	198,446	1,212,128
Additions	–	68,673	4,377	1,288	84,747	65,491	224,576
Disposals	–	(30,761)	(309)	–	–	–	(31,070)
At 30.9.2021	387,796	230,410	105,628	43,002	374,861	263,937	1,405,634
Accumulated depreciation							
At 1.10.2020	282,703	188,871	70,293	41,501	290,114	20,006	893,488
Depreciation charge	49,732	9,332	32,574	131	29,264	107,473	228,506
Disposals	–	(30,761)	(309)	–	–	–	(31,070)
At 30.9.2021	332,435	167,442	102,558	41,632	319,378	127,479	1,090,924
Net carrying value							
At 30.9.2021	55,361	62,968	3,070	1,370	55,483	136,458	314,710

13 Property, plant and equipment (cont'd)

	Motor vehicles \$	Equipment \$	Computers \$	Furniture and fittings \$	Renovation \$	Leased premises \$	Total \$
2020							
Cost							
At 1.10.2019	387,796	189,565	63,783	41,714	290,114	–	972,972
Recognition of right-of-use assets on initial application of FRS 116	–	–	–	–	–	23,299	23,299
At 1.10.2019 (Restated)	387,796	189,565	63,783	41,714	290,114	23,299	996,271
Additions	–	2,933	37,777	–	–	175,147	215,857
At 30.9.2020	387,796	192,498	101,560	41,714	290,114	198,446	1,212,128
Accumulated depreciation							
At 1.10.2019	205,143	183,896	54,211	39,715	290,114	–	773,079
Depreciation charge	77,560	4,975	16,082	1,786	–	20,006	120,409
At 30.9.2020	282,703	188,871	70,293	41,501	290,114	20,006	893,488
Net carrying value							
At 30.9.2020	105,093	3,627	31,267	213	–	178,440	318,640

(a) Included in property, plant and equipment of the Charity are right-of-use assets of \$136,458 (2020: \$178,440) (Note 19).

(b) Non-cash transactions

	2021 \$	2020 \$
Aggregate cost of property, plant and equipment acquired	224,576	215,857
Less: Additions to right-of-use assets	(65,491)	(175,147)
Net cash outflow for purchase of property, plant and equipment	159,085	40,710

14 Other financial assets at amortised cost

	2021 \$	2020 \$
Balance at the beginning of financial year	1,770,825	1,771,589
Less: Amortisation of premium	(517)	(764)
Less: Loss on disposal of bond	(18,835)	–
Less: Redemption of bonds	(1,250,000)	–
Add: Purchase of bond	252,339	–
	<hr/>	<hr/>
Balance at end of financial year	753,812	1,770,825
	<hr/>	<hr/>
Representing:		
Current	–	500,468
Non-current	753,812	1,270,357
	<hr/>	<hr/>
	753,812	1,770,825
	<hr/>	<hr/>

The debt securities represent quoted bonds with coupon rates ranging from 1.73% to 3.65% (2020: 2.25% to 4.50%) per annum and maturity dates ranging from 9 September 2024 to 19 May 2031 (2020: 21 April 2021 to 19 May 2026).

15 Financial assets at fair value through other comprehensive income

These represent investment on perpetual bonds that bears interest at 3.95% (2020: 3.95%) per annum. The investment is not held for trading and it is the Charity's strategy to hold the investment for long-term purposes. Accordingly, management has elected to designate this investment at fair value through other comprehensive income.

16 Trade receivables

	2021 \$	2020 \$
Related parties	100	100
Third parties	7,499	24,852
	<hr/>	<hr/>
	7,599	24,952
	<hr/>	<hr/>

17 Other receivables

	2021 \$	2020 \$
Deposits	26,571	26,846
Prepayments	1,934	10,005
Interest receivable	9,366	30,309
Grant receivables	89,600	189,706
Amount due from related party	–	11,394
Other receivables	233	64
	<hr/>	<hr/>
	127,704	268,324
	<hr/>	<hr/>

Amount due from related party is unsecured, interest free and repayable on demand.

18 Cash and cash equivalents

	2021	2020
	\$	\$
Cash on hand	8,157	3,762
Cash at bank	530,146	575,569
Fixed deposits	1,810,407	110,106
	<hr/>	
Cash and bank balances	2,348,710	689,437
Less: Fixed deposits pledged	(10,095)	(10,025)
	<hr/>	
Cash and cash equivalents as presented in statement of cash flows	2,338,615	679,412
	<hr/>	

At the balance sheet date, the fixed deposits held by the Charity bear interest ranging from 0.05% to 0.70% (2020: 0.15% to 0.25%) per annum and mature within 3 to 12 (2020: within 3 to 9) months from the balance sheet date. The Charity's fixed deposit with carrying amounts of \$10,095 (2020: \$10,025) are pledged to secure bank facilities.

19 Leases**a) The Charity as a lessee***Nature of the Charity's leasing activities*

The Charity leases various offices with varying tenures from non-related and related party under non-cancellable operating lease agreements.

The maturity analysis of the lease liabilities is disclosed in Note 26(b). Information about leases for which the Charity is a lessee is presented below:

Amounts recognised in balance sheet

	30.9.2021	30.09.2020
	\$	\$
<i>Carrying amount of right-of-use assets</i>		
Office units	136,458	178,440
	<hr/>	
<i>Carrying amount of lease liabilities</i>		
Current	116,963	100,736
Non-current	22,408	78,342
	<hr/>	
	139,371	179,078
	<hr/>	

19 Leases (cont'd)

a) The Charity as a lessee (cont'd)

Nature of the Charity's leasing activities (cont'd)

Amounts recognised in income or expenditure

	2021	2020
	\$	\$
<i>Depreciation charge for the financial year</i>		
Office units	107,473	20,006
	<hr/>	<hr/>
Interest expense on lease liabilities	7,731	1,601
	<hr/>	<hr/>
<i>Lease expense not included in the measurement of lease liabilities</i>		
Lease expense – short-term leases	1,916	80,977
Lease expense – low value leases	2,440	2,439
	<hr/>	<hr/>

Total cash flow for leases amounted to \$117,285 (2020: \$104,385).

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

	Lease liabilities
	\$
Balance at 1 October 2019	–
On adoption of FRS 116	23,299
Changes from financing cash flows:	
- Repayments	(19,368)
- Interest paid	(1,601)
Non-cash changes:	
- Interest expense	1,601
- Additions	175,147
	<hr/>
Balance at 30 September 2020	179,078
Changes from financing cash flows:	
- Repayments	(105,198)
- Interest paid	(7,731)
Non-cash changes:	
- Interest expense	7,731
- Additions	65,491
	<hr/>
Balance at 30 September 2021	139,371
	<hr/>

19 Leases (cont'd)**b) The Charity as a lessor***Nature of the Charity's leasing activities*

The Charity had subleased office premises to a third party for monthly lease payments. The lease is classified as an operating lease because the risk and rewards incidental to ownership of the assets are not substantially transferred.

Income from the subleasing recognised during the financial year was \$Nil (2020: \$18,869). The lease has been terminated during the financial year and the undiscounted lease payments to be received after the reporting date is \$Nil (2020: \$Nil).

20 Trade payables

	2021	2020
	\$	\$
Third parties	21,716	16,641

21 Other payables and accruals

	2021	2020
	\$	\$
Accrued operating expenses	54,082	57,226
Deferred income	–	44,800
Deferred JSS grant income	–	86,457
Grant payable	66,768	–
Provision for unutilised annual leave	84,695	60,818
Other payables	1,980	1,980
	207,525	251,281

JSS was announced at Budget 2021, and further enhanced at Resilience, Solidarity and Fortitude Budgets. Under the JSS, the Government will co-fund between 25% to 75% of the first \$4,600 of gross monthly wages paid to each local employee in a ten-month period from April 2021 through cash subsidies.

The Charity accounted for the JSS grants in accordance to FRS 20 Accounting for Government Grants and Disclosure of Government Assistance. As a result, the Charity recognised the deferred JSS grant income of \$Nil (2020: \$86,457), a corresponding JSS grant receivables of \$Nil (2020: \$66,706) included in other receivables (Note 17) and grant income of \$134,097 (2020: \$198,216) included in donations and grants (Note 3).

22 Fair value reserve

	2021	2020
	\$	\$
Balance at beginning of the financial year	3,770	(3,730)
Fair value gains on financial assets at fair value through other comprehensive income	(5,310)	7,500
Balance at end of the financial year	(1,540)	3,770

23 General fund

	2021 \$	2020 \$
Balance at beginning of the financial year	2,899,583	2,693,390
Income	2,539,623	2,476,229
Less: Expenditure	(2,061,564)	(2,267,349)
Transfer	(7,788)	(2,687)
	<hr/>	<hr/>
Balance at end of the financial year	3,369,854	2,899,583

24 Restricted funds

	Note	At 1.10.2020 \$	Income \$	Expenditure \$	Transfers \$	At 30.9.2021 \$
2021						
Deferred Capital fund	(a)	29,531	–	(61,256)	142,908	111,183
SociABLE fund	(b)	1,568	–	–	–	1,568
President Challenge - ELF fund	(c)	130,272	191,440	(159,042)	(46,655)	116,015
Bless Our City fund	(d)	100	–	(7,560)	–	(7,460)
Invictus fund	(f)	20,874	–	(21,649)	775	–
Community Chest fund	(g)	50,000	50,000	(4,050)	(89,240)	6,710
Caritas Renovation fund	(i)	–	100,000	(7,197)	–	92,803
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		232,345	341,440	(260,754)	7,788	320,819
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Note	At 1.10.2019 \$	Income \$	Expenditure \$	Transfers \$	At 30.9.2020 \$
2020						
Deferred Capital fund	(a)	12,016	–	(14,056)	31,571	29,531
SociABLE fund	(b)	3,843	–	(2,275)	–	1,568
President Challenge - ELF fund	(c)	104,151	156,141	(126,917)	(3,103)	130,272
Bless Our City fund	(d)	–	10,000	(9,900)	–	100
Community Chest - COVID-19 fund	(e)	–	6,000	(6,000)	–	–
Invictus fund	(f)	–	50,000	(658)	(28,468)	20,874
Community Chest fund	(g)	–	50,000	–	–	50,000
Care and Share fund	(h)	(290,827)	288,140	–	2,687	–
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		(170,817)	560,281	(159,806)	2,687	232,345
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

24 Restricted funds (cont'd)

The purposes of the restricted funds are set out below:

(a) *Deferred Capital fund*

Transfers are made to the Deferred Capital fund when amounts are utilised for purchases of property, plant and equipment using funds which are specifically donated or received for purchases of property, plant and equipment. The depreciation charge of the assets purchased with the related donation and grants are taken to the Deferred Capital fund over the useful lives of the related assets.

(b) *SociABLE fund*

The Charity's campaign to raise funds for the programme has ran from 4 September 2018 to 28 February 2020. The programme aims to create an environment of learning, growing and social interactions for physically challenged care recipients. This is achieved through daily programmes like music and art therapy, person-to-person befriending, board games, cooking and baking, and outings.

(c) *President Challenge - ELF Fund*

The Charity has been selected to be one of the beneficiaries supported by the President's Challenge 2018. This represents funding assistance for ABLE's speech and language therapy programme.

(d) *Bless Our City Fund*

The fund was established by Central Singapore Community Development Council to provide support for the Respite for Physically Challenged Care Recipients programme.

(e) *COVID-19 Community Chest Fund*

This is a one-off funding provided by Community Chest, with the objective of offsetting additional operating expenses due to the COVID-19 situation. The scope of use for the funds include strengthening business continuity measures, carrying out professional cleaning and disinfection work for premises, and purchasing personal protective equipment to ensure safety of staff and service users.

(f) *Invictus Fund*

The Invictus Fund was established by National Council of Social Service to marshal private donations to support Social Service Agencies ("SSAs") in that deliver critical social services to vulnerable groups in the community. The objective of this fund is to enable SSAs to maintain their operations, adopt technology and other business continuity initiatives to continue serving their users, and emerge stronger through this period.

(g) *Community Chest Fund*

The Community Chest fund was established by Community Chest, with the objective of running programmes that empower social service users and families, support their capital expenses to improve service quality and efficiency, and build their capability for community engagements to benefit service users.

(h) *Care and Share fund*

This fund is set up to develop social service related Voluntary Welfare Organisations and their services to better serve the beneficiaries. The grant can be used for the following areas:

- (i) Capability building
- (ii) Capacity building
- (iii) New initiatives/ expansion of existing services
- (iv) Critical existing needs

24 Restricted funds (cont'd)

The purposes of the restricted funds are set out below (cont'd):

(i) *Caritas Renovation Fund*

Grant was provided by Caritas Singapore for the one-time grant for the purpose of providing services and programmes at planned expansion of ABLE rehabilitation center from 1 August 2021 to 31 July 2022. The Grant can be used for Expenditure on Manpower and Other operating expenses for the renovation purpose.

25 Related parties

Other than disclosed elsewhere in the financial statements, transactions by the Charity with other related parties on terms agreed between the parties concerned are as follows:

	2021 \$	2020 \$
<i>With related parties</i>		
Funding provided to ABLE SEAS Limited	188,726	254,000
Accounting fees charged by ABLE SEAS Limited	40,896	33,696
Payroll fees charged by ABLE SEAS Limited	7,040	7,248
Printing and stationery charged by ABLE SEAS Limited	600	840
Transport service rendered to ABLE SEAS Limited	–	100
Electricity, printing, telecommunication charged by Caritas Singapore Community Council Limited	12,543	4,850
Rental charged by Caritas Singapore Community Council Limited	116,299	87,298
Grant received from Caritas Singapore Community Council Limited	(850,000)	(750,000)
	<hr/>	<hr/>

26 Financial instruments

a) Categories of financial instruments

The financial instruments as at the balance sheet date are as follows:

	2021 \$	2020 \$
<i>Financial assets</i>		
Financial assets at amortised cost	3,235,891	2,743,533
Financial assets at fair value through other comprehensive income	505,210	510,520
	<hr/> 3,741,101	<hr/> 3,254,053
<i>Financial liabilities</i>		
Financial liabilities at amortised cost	283,917	254,925
	<hr/>	<hr/>

26 Financial instruments (cont'd)

b) Financial risk management

The Charity's activities expose it to a variety of financial risks including credit risk, interest rate risk, foreign currency risk and liquidity risk. Risk management is carried out by the Board of Directors of the Charity with the assistance of the members of the Finance Committee and Risk Committee. They review and agree policies for the management of these risks.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Charity. The Charity adopts a policy of dealing only with high credit quality counterparties.

The carrying amounts of trade and other receivables, other financial assets at amortised cost, financial assets at fair value through other comprehensive income and cash and cash equivalents represent the Charity's maximum exposure to credit risk in relation to financial assets. There is no significant concentration of credit risk as at 30 September 2020 and 30 September 2021.

The following sets out the Charity'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 180 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Charity has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Financial assets at amortised cost and debts instruments at FVOCI

Financial assets at amortised cost include trade and other receivables (excluding prepayments), other financial assets at amortised cost and cash and cash equivalents.

26 Financial instruments (cont'd)**b) Financial risk management (cont'd)***Credit risk (cont'd)**Financial assets at amortised cost and debts instruments at FVOCI (cont'd)*

The table below details the credit quality of the Charity's financial assets as at 30 September 2021 and 30 September 2020:

2021	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
Financial assets at FVOCI	12-month ECL	505,210	–	505,210
Trade receivables	Lifetime ECL	7,599	–	7,599
Other receivables (excluding prepayment)	12-month ECL	125,770	–	125,770
Other financial assets at amortised cost	12-month ECL	753,812	–	753,812
Cash and cash equivalents	Not applicable (Exposure limited)	2,348,710	–	2,348,710
2020				
Financial assets at FVOCI	12-month ECL	510,520	–	510,520
Trade receivables	Lifetime ECL	24,952	–	24,952
Other receivables (excluding prepayment)	12-month ECL	191,613	–	191,613
Other financial assets at amortised cost	12-month ECL	1,770,825	–	1,770,825
Cash and cash equivalents	Not applicable (Exposure limited)	689,437	–	689,437

26 Financial instruments (cont'd)**b) Financial risk management (cont'd)***Interest rate risk*

The Charity's income and operating cash flows are substantially independent of changes in market interest rates as they do not have significant interest-bearing assets or liabilities as at the balance sheet date except for fixed deposits where interest earned is not significant.

Foreign exchange risk

The Charity has minimal exposure to foreign exchange rate fluctuation as its transactions are mainly denominated in Singapore dollar.

Liquidity risks

The Charity exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times. The table below summarises the maturity profile of the Charity's financial liabilities at the balance sheet date based on contractual undiscounted repayment obligations.

	1 year or less \$	1 to 5 years \$	Total \$
2021			
Trade payables	21,716	–	21,716
Other payables and accruals	122,830	–	122,830
Lease liabilities	120,555	22,774	143,329
	265,101	22,774	287,875
2020			
Trade payables	16,641	–	16,641
Other payables and accruals	59,206	–	59,206
Lease liabilities	105,539	84,379	189,918
	181,386	84,379	265,765

27 Fair value 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:

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

27 Fair value of assets and liabilities (cont'd)

b) Fair value of financial instruments that are carried at fair value

The following table represents the level of fair value hierarchy for each class of financial instruments measured at fair value on the balance sheet date.

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
2021				
Financial assets with fair value through other comprehensive income				
- Perpetual bonds	–	505,210	–	505,210
<hr/>				
2020				
Financial assets with fair value through other comprehensive income				
- Perpetual bonds	–	510,520	–	510,520
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The fair value of perpetual bonds traded in over-the-counter (“OTC”) market is based on the last transacted prices at the balance sheet date. These instruments are included in Level 2.

c) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

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

28 Funds management

The Charity’s objectives when managing its funds are to safeguard and maintain adequate working capital to continue as a going concern and to develop its principal activities over the long term.

No changes were made to the Charity’s fund management objectives or policies during the financial years ended 30 September 2021 and 30 September 2020.

29 Authorisation of financial statements

The financial statements of the Charity for the financial year ended 30 September 2021 were authorised for issue in accordance with a resolution of the directors dated 24 January 2022.