

**SPD**

UEN: S64SS0052D

**FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2021**

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**SPD**

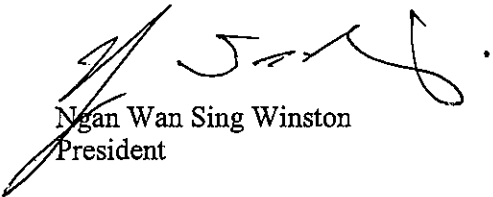
(Registered in Singapore under the Societies Act)

**STATEMENT BY THE BOARD OF MANAGEMENT**

In the opinion of the Board of Management,

- (i) the financial statements of SPD (the "Society") are drawn up in accordance with the provisions of the Societies Act (Chapter 311) (the "Societies Act"), Charities Act (Chapter 37) and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standards in Singapore ("CAS") so as to give a true and fair view of the state of affairs of the Society as at 31 March 2021 and the results and cash flows of the Society for the financial year then ended;
- (ii) 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 tell due;
- (iii) the accounting and other records required by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations;
- (iv) the fund-raising appeals conducted by the Society during the financial year ended 31 March 2021 have been carried out in accordance with Regulation 6 (fund-raising appeal records) of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal;
- (v) the use of the donation money is in accordance with the objective of the Society as required under Regulation 11 (use of donations) of the Charities (Institution of Public Character) Regulations; and
- (vi) the Society has complied with the requirements of Regulation 15 (fund-raising expenses) of the Charities (Institution of Public Character) Regulations.

On behalf of the Board of Management

  
Ngan Wan Sing Winston  
President

  
Ling Ang Kerng Kelvin  
Honorary Treasurer

12 July 2021

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPD**

(Registered in Singapore under the Societies Act)

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of SPD (the "Society") as set out on pages 6 to 37, which comprise the balance sheet as at 31 March 2021, and the statement of financial activities, and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Societies Act, 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 financial position of the Society as at 31 March 2021 and of the financial performance, 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 Matter***

The financial statements of the Society for the financial year ended 31 March 2020 were audited by another independent auditor whose report dated 17 August 2020 expressed an unmodified opinion on those financial statements.

#### ***Other Information***

The Board of Management is responsible for the other information. The other information comprises the information included in the Statement by the Board of Management as set out on page 1, but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after the date of this auditor's 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 identified above 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.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPD (cont'd)**

(Registered in Singapore under the Societies Act)

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

#### ***Other Information (cont'd)***

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Board of Management and take appropriate actions in accordance with SSAs.

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

The Board of Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act, Charities Act and Regulations and CAS, 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, the Board of 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 the the Board of 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SPD (cont'd)**

(Registered in Singapore under the Societies Act)

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Management.
- Conclude on the appropriateness of the Board 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,

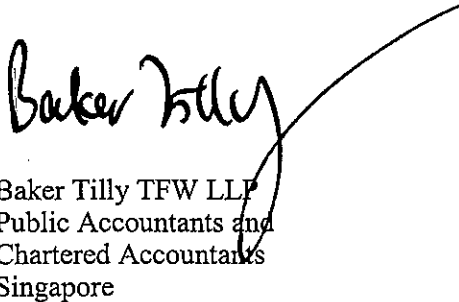
- (i) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (ii) the fund-raising appeal held during the financial year ended 31 March 2021 has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
SPD (cont'd)**  
(Registered in Singapore under the Societies Act)

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

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

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

A large, handwritten signature in black ink that reads "Baker Tilly". The signature is written in a cursive style and is positioned above the printed name of the firm.

Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

12 July 2021

**SPD**

(Registered in Singapore under the Societies Act)

**STATEMENT OF FINANCIAL ACTIVITIES****For the financial year ended 31 March 2021**

	Note	Unrestricted funds \$	Restricted funds \$	Total 2021 \$	Total 2020 \$
<b><u>Income</u></b>					
<i>Income from generated funds</i>					
Voluntary income	4	4,700,582	3,029,862	7,730,444	5,535,878
Investment income	4	458,240	20,908	479,148	671,173
Income from charitable activities	4	–	31,182,783	31,182,783	29,424,129
Other income	4	4,486	5,908	10,394	15,887
<b>Total income</b>		<b>5,163,308</b>	<b>34,239,461</b>	<b>39,402,769</b>	<b>35,647,067</b>
<b><u>Expenditure</u></b>					
<i>Cost of generating funds</i>					
Cost of generating voluntary income	4	506,782	383,355	890,137	1,111,298
Charitable activities	4	48,095	29,749,862	29,797,957	28,146,583
Governance costs	4	654,986	31,500	686,486	927,117
<b>Total expenditure</b>		<b>1,209,863</b>	<b>30,164,717</b>	<b>31,374,580</b>	<b>30,184,998</b>
<b>Net income</b>		<b>3,953,445</b>	<b>4,074,744</b>	<b>8,028,189</b>	<b>5,462,069</b>
<i>Transfers</i>					
Transfer from	5	–	(15,606)	(15,606)	(322,178)
Transfer to	5	–	15,606	15,606	322,178
<b>Net movement in funds</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b><u>Reconciliation of funds</u></b>					
Total funds brought forward		34,454,767	9,729,030	44,183,797	38,721,728
<b>Total funds carried forward</b>		<b>38,408,212</b>	<b>13,803,774</b>	<b>52,211,986</b>	<b>44,183,797</b>

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

**SPD**

(Registered in Singapore under the Societies Act)

**BALANCE SHEET****At 31 March 2021**

	Note	2021 \$	(Restated) 2020 \$
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	7	<b>1,385,008</b>	1,893,581
<b>Current assets</b>			
Inventories	8	<b>49,545</b>	53,381
Trade and other receivables	9	<b>3,839,299</b>	4,425,933
Cash and cash equivalents	10	<b>58,292,827</b>	49,391,511
<b>Total current assets</b>		<b>62,181,671</b>	53,870,825
<b>Total assets</b>		<b>63,566,679</b>	55,764,406
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	<b>11,354,693</b>	11,580,609
<b>Net assets</b>		<b>52,211,986</b>	44,183,797
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
General Fund		<b>30,313,524</b>	26,304,361
Designated funds			
- Sinking fund		<b>3,802,044</b>	3,802,044
- Information Technology fund		<b>2,000,000</b>	2,000,000
- SPD @ Toa Payoh fund		<b>2,292,644</b>	2,292,644
- Property, plant and equipment fund		–	55,718
		<b>38,408,212</b>	34,454,767
<b>Restricted funds</b>			
Programme funds		<b>13,716,546</b>	9,626,196
Lee Boon Huat education fund		<b>87,228</b>	102,834
		<b>13,803,774</b>	9,729,030
<b>Total funds</b>		<b>52,211,986</b>	44,183,797

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



**SPD**

(Registered in Singapore under the Societies Act)

**STATEMENT OF CASH FLOWS**  
**For the financial year ended 31 March 2021**

	2021	(Restated) 2020
	\$	\$
<b>Cash flows from operating activities</b>		
Net income for the financial year	<b>8,028,189</b>	5,462,069
Adjustments for:		
Depreciation of property, plant and equipment	<b>956,518</b>	1,583,394
Write-off of trade receivables	<b>1,509</b>	5,442
Loss on disposal of property, plant and equipment	–	592
Interest income	<b>(479,148)</b>	(671,173)
Operating cash flows before movements in working capital	<b>8,507,068</b>	6,380,324
Inventories	<b>3,836</b>	(7,166)
Receivables	<b>302,277</b>	(664,783)
Payables	<b>(225,916)</b>	2,649,608
<b>Net cash generated from operating activities</b>	<b>8,587,265</b>	8,357,983
<b>Cash flows from investing activities</b>		
Purchases of property, plant and equipment	<b>(447,945)</b>	(563,507)
Interest received	<b>761,996</b>	630,977
<b>Net cash generated from investing activities</b>	<b>314,051</b>	67,470
<b>Net increase in cash and cash equivalents</b>	<b>8,901,316</b>	8,425,453
Cash and cash equivalents at beginning of financial year	<b>49,391,511</b>	40,966,058
<b>Cash and cash equivalents at end of financial year (Note 10)</b>	<b>58,292,827</b>	49,391,511

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

## **SPD**

(Registered in Singapore under the Societies Act)

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the financial year ended 31 March 2021**

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

#### **1. General information**

SPD (herein referred to as the “Society”) is registered under the Societies Act (Chapter 311) and is domiciled in Singapore. Its Unique Entity Number (UEN) is S64SS0052D. The Society is an approved charity under the Charities Act, Chapter 37 since 28 June 1984 and an approved Institution of a Public Character (the “IPC”) for the period from 1 January 2018 to 31 December 2021.

The registered address and principal place of activities of the Society is located at 2 Peng Nguan Street, SPD Ability Centre, Singapore 168955.

The principal activities of the Society, a charitable organisation, are to undertake promotion, development and provision of welfare programmes and services to people with disabilities, so as to develop their potential to the fullest.

#### **2. Summary of significant accounting policies**

##### **(a) Basis of preparation**

The financial statements are expressed in Singapore dollar (\$), which is the Society’s functional currency. The financial statements have been prepared in accordance with the Societies Act, Chapter 311, Charities Act, Chapter 37 and other relevant regulations and Charities Accounting Standard in Singapore (“CAS”). 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 CAS 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 the Board of Management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

##### *Use of estimates and judgements*

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

## 2. Summary of significant accounting policies (cont'd)

### (b) Income recognition

Income is recognised in the statement of financial activities to the extent that the Society becomes entitled to the income, when it is probable that the income will be received; and when the amount of the income can be measured with sufficient reliability.

#### Categories of income

##### *Voluntary income*

Voluntary income includes income generated from the following sources:

- Gifts and donations, including legacies and donations in kind, given by the founders, patrons, supporters, the general public and businesses; and
- Grants 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, for instance a service agreement with a local authority.

##### *Investment income*

Investment income includes interest income.

##### *Income from charitable activities*

Income from charitable activities are the programmes and activities carried out by the Society to generate income, which will be used to fund its charitable activities.

#### Types of income

##### 1) *Donations*

Donations are recognised when received. If donations are received for a specific fund-raising or charity event and the event has not occurred, the donation received will be deferred as a liability until the event has been conducted.

Donations-in-kind that can be estimated with sufficient reliability are accounted for at a reasonable estimate of the price that the Society would have to pay in the open market for an equivalent item or at the amount actually realised.

##### 2) *Grants*

Grants from government and other organisations are recognised as income only when there is sufficient evidence that the Society has complied with the conditions attached to them and there is reasonable certainty that they will be received. These grants are recognised on an accrual basis. Additionally, grants recognised in the statement of financial activities are calculated based on the funding principles set by the individual organisations. Adjustments to the grants which are made on finalisation by the relevant organisations are recognised in the statement of financial activities in the financial year in which they are finalised. Grants with specific conditions are recognised either when they have been conformed to, or when there is sufficient evidence that they will be met. In instances where there is uncertainty about the ability of the Society to meet the conditions set by grantors, the recognition of the grants as income is deferred until conditions imposed at the time of the grants can be complied with. Grants for capital expenditures are recognised in the statement of financial activities when the Society have entitlement to the income and not deferred over the useful life of the asset.

## 2. Summary of significant accounting policies (cont'd)

### (b) Income recognition (cont'd)

#### Types of income (cont'd)

#### 3) *Programme and transport fees*

Programme and transport fees represent income from rendering of services to people with disabilities. Such fees are recognised as income once the services are rendered.

#### 4) *Interest income*

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

#### 5) *Sale of works*

Income from sale of works is recognised when the goods have been sold to the customer.

### (c) Expenditure

Expenditures are recognised in the statement of financial activities once the goods or services have been received unless the expenditure qualifies for capitalisation as assets such as inventory and property, plant and equipment. Expenditure on performance-related grants are recognised to the extent the specified service or goods have been provided. Expenditures in the statement of financial activities are classified under the cost of generating funds, cost of charitable activities and governance costs.

#### (a) Classification

#### 1) *Cost of generating funds*

The cost of generating funds are those costs attributable to generating income for the Society, other than those costs incurred in undertaking charitable activities in furtherance of the Society's objects.

#### 2) *Charitable activities*

All resources applied in undertaking activities to meet the Society's charitable objectives are classified under cost of charitable activities.

#### 3) *Governance costs*

This includes costs of governance arrangements that relate to the general running of the Society as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. These activities provide the governance infrastructure, which allows the charity to operate, and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the Society.

#### 4) *Support costs*

Support costs are those, whilst necessary to deliver an activity, do not produce or constitute the output of the charitable activities of the Company. These costs are incurred in supporting the income generation activities of the Company. Support costs comprise manpower and other operating costs of Communications & Outreach, Procurement, Facilities and Administration, Finance, Information Technology, Human Resource, Capability Development and Governance. Support costs are apportioned to the relevant activity cost category they support based on the basis as disclosed in Note 15.

## 2. Summary of significant accounting policies (cont'd)

### (c) Expenditure (cont'd)

#### (b) Allocation of costs

Where appropriate, expenditures that are specifically identifiable to each cost classification are allocated directly to the type of costs incurred. Where apportionment between each costs classification is necessary, the following apportionment bases are applied:

- Usage;
- Head count i.e. on the number of people employed within an activity; and
- Total expenditure.

### (d) Employee benefits

#### *Employee leave entitlement*

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

#### *Defined contribution plans*

The Society contributes to the Central Provident Fund (“CPF”), a defined contribution plan regulated and managed by the Singapore Government. Contributions to CPF contributions are recognised as compensation expenses in the same period as the employment that gives rise to the contribution.

### (e) Taxation

As a charity, the Society is exempt from tax on income and gains falling within section 13(1)(zm) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have arisen for the Society during the reporting year.

### (f) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation. All items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Any trade discounts and rebates are deducted in arriving at purchase price. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the statement of financial activities in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property, plant and equipment.

Individual asset items which cost at least \$1,000 are capitalised when acquired.

## 2. Summary of significant accounting policies (cont'd)

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

Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

	<b>Years</b>
Leasehold building	5 to 25
Leasehold improvements	5
Assistive devices and technical aids	3
Computers	3
Office equipment, furniture and fittings	5
Motor vehicles	5
Electrical equipment	5
Machinery	5

Work-in-progress and incomplete projects are not depreciated when it is not yet available for use.

The residual value, useful life and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on derecognition of the asset is included in the statement of financial activities in the year the asset is derecognised.

Fully depreciated assets still in use are retained in the financial statements.

### (g) Inventories

Inventories comprising mainly raw materials for bookbinding and photo albums and finished goods such as photo albums and hand-made notebooks are valued at lower of cost and net realisable value. Cost is determined on an annual weighted average basis and includes freight and handling charges. Allowance is made where necessary for obsolete, slow-moving and defective inventory in arriving at the net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Donated stocks for resale are valued at net realisable value. Donated stocks of gift vouchers are valued based on their face value.

### (h) Trade and other receivables

Trade and other receivables, excluding prepayments, are measured at initial recognition at transaction price, excluding transaction costs, if any. Transaction costs shall be recognised as expenditure in the statement of financial activities. Prepayments shall be initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, trade and other receivables, excluding prepayments, shall be measured at cost less any accumulated impairment losses. Prepayments shall be measured at the amount paid less the economic resources received or consumed during the financial period.

At each balance sheet date, where there is objective evidence that a receivable is impaired, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial activities. The allowance recognised is measured as the difference between the asset's carrying amount and the undiscounted future cash flows that the Society expects to receive from the receivables.

When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the statement of financial activities.

## **2. Summary of significant accounting policies (cont'd)**

### **(i) Provisions**

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that the Society will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### **(j) Cash and cash equivalents**

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

### **(k) Trade and other payables**

Trade and other payables are initially measured at transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Accruals shall be recognised at the best estimate of the amount payable.

### **(l) Funds**

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Board of Management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which the Board of Management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

### **(m) Unrestricted funds**

Unrestricted funds represent funds received by the Society that are expendable for any activity of the Society at the discretion of the Board of Members in furtherance of the Company's charitable objectives. Services subsidised for their activities from unrestricted funds may be required to refund the subsidy should they have surplus in subsequent years.

### **(n) Restricted funds**

Restricted funds represent funds that have been received by the Society for which the usage is restricted - specifically for an activity in one or more of its services or for specified activities within these services. These restrictions may be designated by government agencies, other donor organisations or individuals.

## **2. Summary of significant accounting policies (cont'd)**

### **(o) Operating leases**

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

## **3. Key sources of estimation uncertainty**

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are disclosed below.

### *Estimated useful lives of property, plant and equipment*

The management periodically reviews the estimated useful lives and residual values of property, plant and equipment for reasonableness. The carrying amounts of the Society's property plant and equipment are disclosed in Note 7. The Society's property, plant and equipment are currently depreciated on a straight-line basis, over the estimated useful lives of between 3 to 25 years [Note 2(f)].

The factors considered in assessing the reasonableness of the useful lives include changes in operations and activities of the Society; changes in the Singapore Land Authority's land lease terms for the building and its operations; the assets' expected level of usage and technological developments. These could impact the economic useful lives and the residual values of the assets. Therefore, future depreciation charges may change if the estimates are revised.



## 4. Detailed Statement of Financial Activities

	Note	2021								2020		
		General fund	Property, plant and equipment fund	Unrestricted Designated Sinking fund	Information technology fund	SPD @ Toa Payoh fund	Total unrestricted funds	Programme funds	Restricted Lee Boon Huat education funds	Total restricted funds	Total funds	Total funds
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Income</b>												
Income from generated												
Voluntary income												
- Donations	16,17	2,727,440	-	-	-	-	2,727,440	2,560,442	-	2,560,442	<b>5,287,882</b>	4,527,670
- Grants and funding	14	1,973,142	-	-	-	-	1,973,142	469,420	-	469,420	<b>2,442,562</b>	1,008,208
		4,700,582	-	-	-	-	4,700,582	3,029,862	-	3,029,862	<b>7,730,444</b>	5,535,878
Interest income from financial institutions												
		458,240	-	-	-	-	458,240	20,908	-	20,908	<b>479,148</b>	671,173
Income from charitable activities:												
Grants and funding	14	-	-	-	-	-	-	26,128,405	-	26,128,405	<b>26,128,405</b>	23,933,786
Programme fees <sup>(a)</sup>		-	-	-	-	-	-	3,994,096	-	3,994,096	<b>3,994,096</b>	4,332,291
Sale of works		-	-	-	-	-	-	932,519	-	932,519	<b>932,519</b>	871,171
Transport fees <sup>(a)</sup>		-	-	-	-	-	-	127,763	-	127,763	<b>127,763</b>	286,881
		-	-	-	-	-	-	31,182,783	-	31,182,783	<b>31,182,783</b>	29,424,129
Other income												
Miscellaneous income		4,486	-	-	-	-	4,486	5,908	-	5,908	<b>10,394</b>	15,887
<b>Total income</b>		<b>5,163,308</b>	-	-	-	-	<b>5,163,308</b>	<b>34,239,461</b>	-	<b>34,239,461</b>	<b>39,402,769</b>	35,647,067

<sup>(a)</sup> The programme fees and transport fees income are net of subsidies amounting to \$12,905,016 (2020: \$13,406,535) and \$909,722 (2020: \$942,495) provided to the eligible clients respectively.

## 4. Detailed Statement of Financial Activities (cont'd)

	Note	2021								2020		
		General fund	Property, plant and equipment fund	Unrestricted Designated Sinking fund	Information technology fund	SPD @ Toa Payoh fund	Total unrestricted funds	Programme funds	Restricted Lee Boon Huat education funds		Total restricted funds	Total funds
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Expenditures</b>												
<b>Costs of generating funds</b>												
Costs of generating voluntary income												
Communication		319	–	–	–	–	319	299	–	299	<b>618</b>	1,033
CPF contributions	6	45,471	–	–	–	–	45,471	42,687	–	42,687	<b>88,158</b>	86,096
Depreciation	7	2,032	1,108	–	–	–	3,140	1,908	–	1,908	<b>5,048</b>	19,623
Direct fund-raising expenses	16	54,021	–	–	–	–	54,021	50,713	–	50,713	<b>104,734</b>	295,559
Maintenance expense		5,744	–	–	–	–	5,744	5,392	–	5,392	<b>11,136</b>	8,931
Other expenses		56	–	–	–	–	56	53	–	53	<b>109</b>	118
Rental expense		2,165	–	–	–	–	2,165	2,033	–	2,033	<b>4,198</b>	438
Salaries, allowance and bonus	6	293,383	–	–	–	–	293,383	275,420	–	275,420	<b>568,803</b>	549,775
Staff training and other benefits	6	2,872	–	–	–	–	2,872	2,696	–	2,696	<b>5,568</b>	13,179
Staff transport		606	–	–	–	–	606	569	–	569	<b>1,175</b>	2,292
Supplies		581	–	–	–	–	581	546	–	546	<b>1,127</b>	2,739
Support costs	15	97,317	–	–	–	–	97,317	–	–	–	<b>97,317</b>	121,396
Transport assistance to clients		–	–	–	–	–	–	–	–	–	–	7,468
Utilities		1,107	–	–	–	–	1,107	1,039	–	1,039	<b>2,146</b>	2,418
Volunteers expenses		–	–	–	–	–	–	–	–	–	–	233
		505,674	1,108	–	–	–	506,782	383,355	–	383,355	<b>890,137</b>	1,111,298

## 4. Detailed Statement of Financial Activities (cont'd)

	Note	2021					2021			2020	
		General fund	Property, plant and equipment fund	Sinking fund	Information technology fund	SPD @ Toa Payoh fund	Total unrestricted funds	Programme funds	Lee Boon Huat education funds	Total restricted funds	Total funds
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Expenditures</b>											
<b>Charitable activities expenses</b>											
Communication		—	—	—	—	—	26,253	—	26,253	<b>26,253</b>	28,447
CPF contributions	6	—	—	—	—	—	2,480,473	—	2,480,473	<b>2,480,473</b>	2,259,752
Depreciation	7	—	48,095	—	—	—	558,262	—	558,262	<b>606,357</b>	1,201,752
Education assistance to clients		—	—	—	—	—	250,511	—	250,511	<b>250,511</b>	230,159
Expenditure relating to sales of work		—	—	—	—	—	292,645	—	292,645	<b>292,645</b>	339,787
Salaries for sales of work	6	—	—	—	—	—	524,487	—	524,487	<b>524,487</b>	305,830
Staff benefits for sales of work	6	—	—	—	—	—	17,718	—	17,718	<b>17,718</b>	11,327
CPF contributions for sales of work	6	—	—	—	—	—	65,358	—	65,358	<b>65,358</b>	36,884
Loss on disposal of fixed assets		—	—	—	—	—	—	—	—	—	592
Maintenance expenses		—	—	—	—	—	751,674	—	751,674	<b>751,674</b>	699,028
Other expense		—	—	—	—	—	34,644	—	34,644	<b>34,644</b>	39,404
Other assistance to clients		—	—	—	—	—	153,328	—	153,328	<b>153,328</b>	176,037
Professional fees		—	—	—	—	—	173,982	—	173,982	<b>173,982</b>	152,167

## 4. Detailed Statement of Financial Activities (cont'd)

	Note	2021						2020				
		General fund	Property, plant and equipment fund	Unrestricted Designated Sinking fund	Information technology fund	SPD @ Toa Payoh fund	Total unrestricted funds	Restricted Programme funds	Lee Boon Huat education funds	Total restricted funds	Total funds	Total funds
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>Expenditures</b>												
<b>Charitable activities expenses (cont'd)</b>												
Public education expense		–	–	–	–	–	771	–	771	771	1,185	
Rental expense		–	–	–	–	–	347,615	–	347,615	347,615	271,850	
Salaries, allowance and bonus	6	–	–	–	–	–	18,307,899	–	18,307,899	18,307,899	16,433,130	
Staff training and other benefits	6	–	–	–	–	–	331,690	–	331,690	331,690	441,249	
Staff transport		–	–	–	–	–	36,051	–	36,051	36,051	121,152	
Supplies		–	–	–	–	–	175,141	–	175,141	175,141	237,841	
Support costs	15	–	–	–	–	–	4,248,404	–	4,248,404	4,248,404	4,073,944	
Transport assistance to clients		–	–	–	–	–	857,852	–	857,852	857,852	929,745	
Utilities		–	–	–	–	–	115,104	–	115,104	115,104	155,179	
Volunteers expense		–	–	–	–	–	–	–	–	–	142	
		–	48,095	–	–	–	48,095	29,749,862	–	29,749,862	29,797,957	28,146,583

## 4. Detailed Statement of Financial Activities (cont'd)

	Note	2021							2020		
		General fund	Property, plant and equipment fund	Unrestricted Designated Sinking fund	Information technology fund	SPD @ Toa Payoh fund	Total unrestricted funds	Programme funds	Restricted Lee Boon Huat education funds	Total restricted funds	Total funds
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>Expenditures</b>											
<b>Governance costs</b>											
Audit fees		37,055	—	—	—	—	37,055	—	—	<b>37,055</b>	22,000
Assurance fees		10,000	—	—	—	—	10,000	31,500	—	<b>41,500</b>	57,736
Communication		1,898	—	—	—	—	1,898	—	—	<b>1,898</b>	2,349
CPF contributions	6	54,240	—	—	—	—	54,240	—	—	<b>54,240</b>	60,986
Depreciation	7	41,162	6,515	—	—	—	47,677	—	—	<b>47,677</b>	116,986
Maintenance expense		23,775	—	—	—	—	23,775	—	—	<b>23,775</b>	26,572
Other expense		60,031	—	—	—	—	60,031	—	—	<b>60,031</b>	74,767
Professional fees		11,565	—	—	—	—	11,565	—	—	<b>11,565</b>	16,276
Public education expense		4,398	—	—	—	—	4,398	—	—	<b>4,398</b>	7,558
Rental expense		3,126	—	—	—	—	3,126	—	—	<b>3,126</b>	1,024
Salaries, allowance and bonus	6	386,760	—	—	—	—	386,760	—	—	<b>386,760</b>	482,462
Staff training and other benefits	6	8,747	—	—	—	—	8,747	—	—	<b>8,747</b>	17,502
Staff transport		(6)	—	—	—	—	(6)	—	—	<b>(6)</b>	1,390
Supplies		4,188	—	—	—	—	4,188	—	—	<b>4,188</b>	5,574
Transport assistance to clients		36	—	—	—	—	36	—	—	<b>36</b>	29,796
Utilities		1,386	—	—	—	—	1,386	—	—	<b>1,386</b>	2,486
Volunteers expense		110	—	—	—	—	110	—	—	<b>110</b>	1,653
		648,471	6,515	—	—	—	654,986	31,500	—	<b>686,486</b>	927,117
		1,154,145	55,718	—	—	—	1,209,863	30,164,717	—	<b>31,374,580</b>	30,184,998

## 4. Detailed Statement of Financial Activities (cont'd)

Note	2021						2020				
	General fund \$	Property, plant and equipment fund \$	Sinking fund \$	Information technology fund \$	SPD @ Toa Payoh fund \$	Total unrestricted funds \$	Programme funds \$	Lee Boon Huat education funds \$	Total restricted funds \$	Total funds \$	Total funds \$
<b>Net income/(expenditure)</b>	4,009,163	(55,718)	–	–	–	3,953,445	4,074,744	–	4,074,744	<b>8,028,189</b>	5,462,069
<b>Transfers</b>											
Transfer from	5	–	–	–	–	–	–	(15,606)	(15,606)	<b>(15,606)</b>	(322,178)
Transfer to	5	–	–	–	–	–	15,606	–	15,606	<b>15,606</b>	322,178
<b>Net movement in funds</b>	–	–	–	–	–	–	15,606	(15,606)	–	–	–
<b>Reconciliation of funds</b>											
Total funds brought forward	26,304,361	55,718	3,802,044	2,000,000	2,292,644	34,454,767	9,626,196	102,834	9,729,030	<b>44,183,797</b>	38,721,728
Total funds carried forward	30,313,524	–	3,802,044	2,000,000	2,292,644	38,408,212	13,716,546	87,228	13,803,774	<b>52,211,986</b>	44,183,797

## 5. Transfer between funds

The following tables show transfers between funds during the financial year:

		2021 \$	2020 \$
From:	To:		
Lee Boon Huat education fund	Restricted programme fund	<b>15,606</b>	18,903
		<hr/>	

The above transfer is to utilise Lee Boon Huat education fund.

		2021 \$	2020 \$
From:	To:		
Property, plant and equipment fund	Restricted programme fund	–	303,275
		<hr/>	

The transfer between funds for 2020 relates to reclassification of donation-in-kind previously classified as designated property, plant and equipment (“PPE”) fund. The PPE was donated for the restricted programmes and the disclosure under restricted funds is in line with the Charity Accounting Standards.

## 6. Employee benefits

(a) Total employee benefits for the Society:

	2021 \$	2020 \$
Salaries, allowances and bonuses	<b>22,582,606</b>	20,470,856
Contributions to defined contribution plan	<b>3,080,154</b>	2,794,101
Other short-term benefits	<b>232,051</b>	284,604
Staff training	<b>194,874</b>	296,259
	<hr/>	
	<b>26,089,685</b>	23,845,820
	<hr/>	

(b) Total employee benefits are charged to:

	2021 \$	2020 \$
Cost of generating voluntary income	<b>735,305</b>	741,200
Charitable activities expenses	<b>24,904,634</b>	22,543,670
Governance costs	<b>449,746</b>	560,950
	<hr/>	
	<b>26,089,685</b>	23,845,820
	<hr/>	

Short-term employee benefits include staff welfare, medical benefits, dental benefits and insurance.

**6. Employee benefits (cont'd)**

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

	<b>2021</b>	2020
	\$	\$
Salaries, allowances and bonuses	<b>1,144,694</b>	1,008,709
Contributions to defined contribution plan	<b>108,545</b>	104,849
	<b>1,253,239</b>	1,113,558

Key management personnel are the persons having authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly. Key management personnel include the Chief Executive Officer and directors of divisions. The members of the Board of Management are volunteers and they do not receive any compensation or honorarium from the Society.

The top 3 employees (including key management personnel) whose annual remuneration amount to over \$100,000 in the financial year are as follows:

	<b>2021</b>	2020
Number of employees per band		
\$100,001 to \$200,000	<b>2</b>	2
\$200,001 to \$300,000	<b>1</b>	1

There is no paid staff who is a close member of the family belonging to the Chief Executive Officer or a member of the board committee.

During the current financial year, there was no (2020: \$Nil) loan made to any employees, member of the Board of Management, related parties or outside parties.



## 7. Property, plant and equipment

	Leasehold building \$	Leasehold improvements \$	Assistive devices and technical aids \$	Computers \$	Office equipment furnitures and fittings \$	Motor vehicles \$	Electrical equipment \$	Machinery \$	Work in progress \$	Total \$
<b>2021</b>										
<b>Cost</b>										
At 1.4.2020	14,261,478	2,918,476	1,588,702	2,009,506	844,671	723,050	645,845	39,138	15,388	23,046,254
Additions	–	–	23,942	310,264	–	–	–	4,176	109,563	447,945
Written off/ disposals	(14,261,478)*	–	(172,355)	(88,623)	(1,800)	–	(5,363)	–	–	(14,529,619)
At 31.3.2021	–	2,918,476	1,440,289	2,231,147	842,871	723,050	640,482	43,314	124,951	8,964,580
<b>Accumulated depreciation</b>										
At 1.4.2020	14,205,760	2,075,101	1,471,161	1,485,999	813,680	604,114	469,149	27,709	–	21,152,673
Depreciation charge	55,718	388,261	60,791	290,895	19,603	52,203	82,836	6,211	–	956,518
Written off/ disposals	(14,261,478)*	–	(172,355)	(88,623)	(1,800)	–	(5,363)	–	–	(14,529,619)
At 31.3.2021	–	2,463,362	1,359,597	1,688,271	831,483	656,317	546,622	33,920	–	7,579,572
<b>Net carrying value</b>										
At 31.3.2021	–	<b>455,114</b>	<b>80,692</b>	<b>542,876</b>	<b>11,388</b>	<b>66,733</b>	<b>93,860</b>	<b>9,394</b>	<b>124,951</b>	<b>1,385,008</b>

\* The lease period of the leasehold building located at 2 Peng Nguan Street, SPD Ability Centre, Singapore 168955 expired on 28 November 2020. Upon the expiry of the leasehold period, the legal ownership of the leasehold building was surrendered to the Singapore Government. Subsequently, the Society entered into a tenancy agreement with the Singapore Government to lease back the aforesaid leasehold building for 3 years effective from 29 November 2020 and with an option to renew for further 3 years.

In addition, the Society also obtained a grant of rental subvention to partially subsidise the rental expenses of the above tenancy agreement. The non-cancellable rental commitment as at 31 March 2021 is disclosed in Note 19 to the financial statements.

**7. Property, plant and equipment (cont'd)**

	Leasehold building \$	Leasehold improvements \$	Assistive devices and technical aids \$	Computers \$	Office equipment furnitures and fittings \$	Motor vehicles \$	Electrical equipment \$	Machinery \$	Work in progress \$	Total \$
<b>2020</b>										
<b>Cost</b>										
At 1.4.2019	14,261,478	2,918,476	1,490,848	1,567,920	847,920	723,050	647,250	40,565	7,000	22,504,507
Additions	–	–	98,255	441,586	–	–	15,278	–	8,388	563,507
Written off/ disposals	–	–	(401)	–	(3,249)	–	(16,683)	(1,427)	–	(21,760)
At 31.3.2020	14,261,478	2,918,476	1,588,702	2,009,506	844,671	723,050	645,845	39,138	15,388	23,046,254
<b>Accumulated depreciation</b>										
At 1.4.2019	13,547,288	1,681,092	1,362,702	1,263,527	800,558	515,668	396,750	22,862	–	19,590,447
Depreciation charge	658,472	394,009	108,860	222,472	16,371	88,446	88,490	6,274	–	1,583,394
Written off/ disposals	–	–	(401)	–	(3,249)	–	(16,091)	(1,427)	–	(21,168)
At 31.3.2020	14,205,760	2,075,101	1,471,161	1,485,999	813,680	604,114	469,149	27,709	–	21,152,673
<b>Net carrying value</b>										
At 31.3.2020	55,718	843,375	117,541	523,507	30,991	118,936	176,696	11,429	15,388	1,893,581

**7. Property, plant and equipment (cont'd)**

Depreciation is charged as follows:

	<b>2021</b>	2020
	\$	\$
General funds	<b>105,574</b>	940,038
Restricted funds	<b>850,944</b>	643,356
	<b>956,518</b>	1,583,394

**8. Inventories**

	<b>2021</b>	2020
	\$	\$
Gift vouchers	<b>9,350</b>	21,260
Raw materials	<b>10,495</b>	10,596
Finished goods	<b>29,700</b>	21,525
	<b>49,545</b>	53,381

**9. Trade and other receivables**

	<b>2021</b>	(Restated) 2020
	\$	\$
<b>Trade receivables:</b>		
Outside parties	<b>812,119</b>	579,791
Less: Allowance for impairment	<b>(7,705)</b>	(7,705)
	<b>804,414</b>	572,086
<b>Other receivables:</b>		
Grant receivables	<b>2,306,860</b>	1,731,466
Grant receivables - Job support scheme (Note 14)	<b>365,958</b>	1,454,803
Interest receivables - fixed deposits	<b>98,916</b>	381,764
Refundable deposits	<b>182,125</b>	184,310
Outside parties	<b>71,563</b>	39,736
Prepayments	<b>9,463</b>	61,768
	<b>3,839,299</b>	4,425,933

Movement in allowance for impairment on trade receivables is as follows:

	<b>2021</b>	2020
	\$	\$
At the beginning and end of financial year	<b>7,705</b>	7,705

During the financial year, the Society has written-off an amount of \$1,509 (2020: \$5,442) of its trade receivables recognised in the statement of financial activities under charitable activities expenses - miscellaneous expenses.

**10. Cash and cash equivalents**

	2021 \$	2020 \$
Cash on hand	8,050	5,942
Bank and cash balances	9,641,307	4,529,045
Fixed deposits	48,643,470	44,856,524
	<b>58,292,827</b>	<b>49,391,511</b>

Cash at banks, denominated in SGD, earn interest rate that ranges approximately 0.05% to 0.25% (2020: 0.05% to 0.25%) per annum based on bank balances.

Fixed deposits, denominated in SGD, with maturity period ranging from 1 to 12 months (2020: 1 to 12 months) after the balance sheet date earn interest at rates ranging from 0.24% to 1.03% (2020: 1.12% to 1.95%) per annum.

**11. Trade and other payables**

	2021 \$	(Restated) 2020 \$
<b>Trade payables:</b>		
Outside parties	385,117	299,449
<b>Other payables:</b>		
Deferred grant		
- Community Silver Trust <sup>(a)</sup>	2,405,981	3,228,905
- Care and Share <sup>(b)</sup>	810,459	1,199,879
Accruals <sup>(c)</sup>	5,641,623	4,023,022
Donations received in advance	417,498	385,498
Refundable deposits	139,514	144,269
Deferred income - Job Support Scheme (Note 14)	546,717	1,454,803
Deferred income - Ministry of Health of Singapore ("MOH") <sup>(d)</sup>	311,625	642,219
Deferred income - Others <sup>(e)</sup>	594,139	119,835
Outside parties	102,020	82,730
	<b>11,354,693</b>	<b>11,580,609</b>

<sup>(a)</sup> *Community Silver Trust*

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

<sup>(b)</sup> *Care and Share*

Care and Share Matching grant is given out under the Care and Share movement, managed by the Ministry of Social and Family Development ("MSF"). The Grant is targeted at agencies that provide social services and develop programmes to serve the social service beneficiaries better through funding programmes/activities that contribute to building the agencies' capability and capacity.

The Society participated in the Care and Share Matching Grant scheme and received approval of grant up to \$2,900,000 subject to fulfilling certain conditions set by National Council of Social Service ("NCSS"). During the financial year ended 31 March 2021, the Society recognised \$389,420 (2020: \$210,686) (Note 14) in the statements of financial activities. The remaining balance of the grant is shown as deferred grant and is represented by cash deposited in financial institutions.

## 11. Trade and other payables (cont'd)

### *(c) Accruals*

Included within the accruals are payroll cost accruals such as salaries, bonuses and contributions to defined contribution plan of \$5,446,230 (2020 : \$3,838,944).

### *(d) Deferred income - MOH*

The Ministry of Health ("MOH") provides grants to support Society's provision of rehabilitation services for the Intermediate and Long-Term Care Sector. Cash received from MOH has been recorded in the deferred income pending the fulfilment of all the specific conditions set by MOH for income recognition.

### *(e) Deferred income - Others*

Included within the deferred income balance is a Bicentennial Community Fund grant received of \$400,000 (2020: \$Nil) which is set aside for future fund raising expenditure and volunteer-related expenditure. In addition, the balance includes a Tote-Board funding of \$184,930 (2020: \$101,478) for an Organisation Development Programme.

## 12. Funds

The funds of the Society comprise unrestricted funds and restricted funds which are described in detail below:

### *Unrestricted funds*

#### (a) General fund

This fund is expendable at the discretion of the Society's Board of Management in furtherance of the Society's objects.

#### (b) Designated funds

Designated funds are part of unrestricted funds earmarked for particular projects that are approved by the Board of Management. The designation is for administrative purpose only and does not restrict the Board of Management's discretion to apply the fund. As at the reporting date, the designated funds of the Society are as follows:

##### (i) Sinking fund

The sinking fund is for the purpose of meeting cost of major repairs and replacements.

##### (ii) Information Technology fund

This fund is for developing Information Technology infrastructure and systems to improve productivity and efficiency as well as to enhance client care.

## 12. Funds (cont'd)

### *Unrestricted funds (cont'd)*

#### (a) Designated funds (cont'd)

##### (iii) SPD@Toa Payoh fund

On 1 April 2014, the Society took over the operations of TP Healthcare Limited (“TPHL”), a rehabilitation centre in Toa Payoh, to achieve synergy and economies of scale. The centre, SPD@Toa Payoh, became the Society’s third satellite centre. A designated fund of \$2,292,644 for use by SPD@Toa Payoh was set up. This arises from TPHL’s transfer to the Society its property, plant and equipment at net book value, cash and receivables. No other assets and liabilities were transferred to the Society and no consideration was paid by the Society.

##### (iv) Property, plant and equipment fund

This fund represents the carrying value of property, plant and equipment purchased using grants and donations specifically provided for the purchase of the asset. The costs of such assets once acquired are transferred from the property, plant and equipment restricted fund to the property, plant and equipment designated fund. This fund is then reduced annually by charging the depreciation expense of the asset acquired.

### *Restricted funds*

Restricted funds are funds subject to specific restrictions which may be declared by the donor(s) with their authority or created through legal process, but still within the wider objects of the Society. The funds can be used to defray future operating deficits of the programmes.

As at reporting date, the Society has the following restricted funds:

#### (a) Programme funds

The Society runs various programmes to assist people with disabilities to develop their potential to the fullest. The grants and donations received specifically for the purpose of funding these programmes are classified under programme funds. Details of some of the major programmes carried out by the Society are described below:

##### (i) The Day Activity Centre (“DAC”)

The Day Activity Centre provides day care for people with physical as well as multiple disabilities, and most recently, adults with Autism Spectrum Disorder. The primary aim is to nurture self-help skills through a balanced and structured programme on social and recreational activities of daily living. At the same time, the programme helps provide caregivers and family members with respite and gives them the opportunity to continue working without having to worry about the care of their charges.

##### (ii) The Development Support/Learning Support Programme (“DSLS”)

The Development Support/Learning Support Programme is an initiative by Ministry of Social and Family Development (“MSF”) to provide on-site intervention and learning support to pre-schoolers with mild developmental needs in mainstream kindergartens and childcare centres.

## 12. Funds (cont'd)

### *Restricted funds (cont'd)*

As at reporting date, the Society has the following restricted funds (cont'd):

(a) Programme funds (cont'd)

(iii) The Early Intervention Programme for Infants and Children (“EIPIC”)

The Early Intervention Programme for Infants and Children is a centre-based programme for children with developmental needs. It provides educational and therapy services for children 6 years and below diagnosed with special needs that affect their development.

The Society was appointed by the MSF and the National Council of Social Service (“NCSS”) to set up four EIPIC centres, as follows:

- Building Bridges EIPIC Centre at SPD Ability Centre which started in September 2011 for children who live in the Central area;
- Building Bridges EIPIC Centre at SPD@Jurong which started in June 2012 for children who live in the West area; and
- Building Bridges EIPIC Centre at SPD@Bedok and SPD@Tampines which started in August 2016 for children who live in the East area.

(iv) The Sheltered Workshop (“SW”)

The Sheltered Workshop provides employment and vocational training for people with disabilities. The trainees are engaged in sub-contract work such as packaging, letter-shopping and tagging of products, as well as administrative tasks such as data entry and digital scanning. The projects and contract work secured from various organisations provide a real work environment for the trainees, thus improving their future employment prospects. The ultimate aim is to graduate these trainees to the open employment.

The craftsmen at the SW, who possess skills honed over 20 years, provide services in bookbinding, book restoration and fabrication of lifestyle products such as notebooks, photo frames and photo albums. Educational institutions, commercial organisations and private individuals are among their satisfied customers.

The SW aims to give people with disabilities:

- Community integration and participation
- Increased self-esteem and self-worth
- Pre-employment preparation and training

(v) The SPD Therapy Hub

The SPD Therapy Hub was piloted and developed jointly between the Society and NCSS in January 2005, with the support from MSF to meet the growing need for step-down care in Singapore. SPD Therapy Hub received funding from the Ministry of Health since October 2018 to support the Intermediate and Long-Term Care Sector.

The SPD Therapy Hub is a provider of rehabilitation services including physiotherapy, occupational therapy and speech therapy for Social Service Agencies (“SSAs”) serving children with developmental needs, the elderly and people with disabilities. It recruits, supervises and manages a pool of qualified therapists to provide these services to the clients/residents at day rehabilitation centres, day care centres, dementia day care centres, nursing homes, disability homes, community hospitals, special schools and early intervention centres. The therapists are assigned on a contractual basis to SSAs interested in engaging quality rehabilitation services for their clients/residents.

## 12. Funds (cont'd)

### Restricted funds (cont'd)

As at reporting date, the Society has the following restricted funds: (cont'd)

#### (a) Programme funds (cont'd)

##### (vi) The Transition to Employment (the "TTE")

The Transition to Employment (the "TTE") programme is a community-based return-to-work programme with the objectives to provide a multi-disciplinary and client-centred approach to re-integrate those below 60 years old with acquired physical disabilities and have neurological and orthopaedic injuries, back to sustainable mainstream workforce. Clients will receive intervention support such as active rehabilitation, work hardening training as well as employment placement and support.

##### (vii) The aims of the Specialised Assistive Technology Centre ("Specialised ATC") are:

- to enable and empower individuals with disabilities through the use of Assistive Technology ("AT");
- advocate AT use especially in areas of education; and
- employment and encourage innovation and development of AT devices.

The Centre was established in August 2001 and was later appointed by NCSS as the Specialised ATC in January 2005. It was appointed as the Centre of Specialisation for AT in August 2009 and re-appointed in March 2012. With this appointment, the Specialised ATC was recognised as an AT expert that would conduct practice-related training to build capability in AT and provide advice, consultations and coaching sessions to serve people with different disabilities. The AT team now operates from Tech Able at the Enabling Village.

##### (viii) The Specialised Case Management Programme ("SCMP")

The Specialised Case Management Programme ("SCMP") is a nation-wide pilot programme started in October 2006 to support persons of all age groups with disabilities and their caregivers, to empower them to lead more fulfilling and enriching lives. Through the Society's social workers and case management officers, the SCMP provides the following services:

- Co-ordinating and acquiring resources to support persons with disabilities and their caregivers;
- Counselling;
- Consultancy on disability information and issues;
- Group/peer support;
- Vocational/motivational counselling and coaching;
- Psycho-educational workshops to provide information on health issues and knowledge of self-care;
- Caregiver support and training; and/or
- Wellness programmes for persons with disabilities and their caregivers to enhance their physical health and psychological functioning.

##### (ix) The Continuing Therapy Programme ("CTP")

The Continuing Therapy Programme ("CTP") offers speech and occupational therapy services to children 18 years and below. CTP not only complements the therapy services that the child receives in his special school, it also supports those who attend mainstream schools and require therapy services to improve in their functional and academic performances.



## 12. Funds (cont'd)

### Restricted funds (cont'd)

As at reporting date, the Society has the following restricted funds: (cont'd)

#### (a) Programme funds (cont'd)

##### (x) SPD's Rehabilitation Centre ("RC")

SPD's Rehabilitation Centre ("RC") at SPD Ability Centre and SPD@Toa Payoh provide physiotherapy and occupational therapy to adults who are diagnosed with neurological, orthopaedic, medical, surgical conditions and/or congenital disabilities.

##### (xi) Employment Support Programme

Employment Support Programme provides job placement and support services for people with physical disabilities and sensory impairments, helping them to secure open employment and ensuring that they are able to adapt and cope with the job and working environment.

##### (xii) Employment Support Programme Training

Employment Support Programme Training is a modular vocational training programme that equips people with disabilities with the necessary skills for office based positions. The basic modules provide the foundation for computer-based work and help to ease weaker trainees into learning and performing tasks using computers. The Skills Specific modules target specific skills needed in an office and provide the accreditation and certification for employment

##### (xiii) The Intensive Supported Employment Programme

The Intensive Supported Employment Programme aims to support persons with disabilities who are less job-ready in the competitive open market due to limitations resulting from their conditions to secure and sustain employment. This programme aims to collaborate with industry partners to provide intensive training at the actual workplace to prepare the persons with disabilities by equipping them with the necessary skills for the workplace adaptation, tasks and better work habits. Through this, the programme aims to place this group into employment with the industry partners and have a higher sustainability for the persons with disabilities on the job.

#### (b) Lee Boon Huat education fund

The Lee Boon Huat education fund aims to provide education assistance to students with disabilities from low-income households or deserving students with disabilities.

## 13. Major restricted Programme Fund Balances

Included in restricted programme funds are the following major programmes mainly funded by MSF, MOH, NCSS, Tote Board and SG Enable. The following table shows the fund balances of each programme as at 31 March 2021 and 31 March 2020. Services with accumulated funds in deficit will be funded where required through reserves maintained as unrestricted funds. However, for those services with common funding, the deficit will be made good by reserves held by similar services subject to funder's approval.

**13. Major restricted Programme Fund Balances (cont'd)**

	2021 \$	2020 \$
Specialised Assistive Technology Centre	(2,212,540)	(2,122,361)
Continuing Therapy Programme	(76,606)	(230,997)
Day Activity Centre	1,455,800	1,095,254
DSLS (Jurong East & Tampines)	(230,494)	(400,640)
EIPIC (Jurong East)	1,262,196	463,174
EIPIC (Tiong Bahru)	794,755	571,596
EIPIC (Tampines)	1,887,632	608,759
EIPIC (Bedok)	827,362	298,571
Employment Support Programme	335,040	(33,798)
Employment Support Programme Training	(186,973)	(219,134)
Sheltered Workshop	1,480,217	837,680
SPD Therapy Hub	6,009,459	5,197,276
Specialised Case Management Programme	(1,032,910)	(1,188,271)
Rehabilitation Centres	2,680,782	1,751,789
Transition to Employment	739,924	570,911
Intensive Supported Employment Programme	(97,141)	–

The detailed statement of the financial activities for programme funds is disclosed in Note 4.

**14. Grants and funding income**

Grants and funding income include the following government and non-government fundings:

	2021 \$	2020 \$
<b>Unrestricted funds</b>		
NCSS Fund	90,306	–
Tote Board Fund	414,048	273,521
VCF Fund	–	4,000
Wage Support Funding <sup>(a)</sup>	1,419,623	250,402
Other funds	49,165	–
	<b>1,973,142</b>	<b>527,923</b>
<b>Restricted funds</b>		
Care and Share Fund	389,420	210,686
Community S.E.T. Fund	2,710,005	2,645,633
Community Silver Trust Fund	1,602,697	1,811,882
IMDA Fund	8,910	1,515
MOH Fund	2,162,467	2,954,825
MSF Fund	12,468,688	12,275,058
NCSS ComChest Fund	1,038,276	1,493,967
SG Enable Fund	1,399,677	1,527,181
Tote Board Fund	599,652	1,224,977
The Invictus Fund	80,000	–
VCF Fund	80,000	186,016
Wage Support Funding <sup>(a)</sup>	3,957,086	–
Other funds	100,947	82,331
	<b>26,597,825</b>	<b>24,414,071</b>
	<b>28,570,967</b>	<b>24,941,994</b>

**14. Grants and funding income (cont'd)**

- (a) Included within Wage Support Funding is \$4,589,454 (2020: Nil) which was recognised under the Job Support Scheme (the "JSS"). Under the JSS, the Singapore Government will cofund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty. In determining the recognition of the JSS grant income, management has evaluated and concluded that the period of economic uncertainty commenced in April 2020 when the COVID-19 pandemic started affecting the Society's operations. As at year end, the Society recorded JSS grant receivable of \$365,958 (2020: \$1,454,803) (Note 9) and deferred government JSS grant of \$546,717 (2020: \$1,454,803) (Note 11).

**15. Support costs**

	<b>Cost of generating voluntary income \$</b>	<b>Charitable activities \$</b>	<b>Governance costs \$</b>	<b>Total costs \$</b>
<b>2021</b>				
Communications & Outreach	10,960	402,214	68,999	482,173
Capability Development & Governance	18,858	940,852	114,597	1,074,307
Facilities & Administration	12,919	474,054	81,323	568,296
Procurement	3,710	136,148	23,356	163,214
Finance	18,402	675,256	115,838	809,496
Human Resources	15,917	794,115	96,724	906,756
Information Technology	16,551	825,765	100,579	942,895
	<b>97,317</b>	<b>4,248,404</b>	<b>601,416</b>	<b>4,947,137</b>
<b>2020</b>				
Communications & Outreach	23,231	550,840	134,623	708,694
Capability Development & Governance	19,183	903,739	120,924	1,043,846
Facilities & Administration	14,809	351,122	85,813	451,744
Finance	32,267	765,097	186,986	984,350
Human Resources	16,598	781,968	104,631	903,197
Information Technology	15,308	721,178	96,497	832,983
	<b>121,396</b>	<b>4,073,944</b>	<b>729,474</b>	<b>4,924,814</b>

Included in the support costs of costs of generating voluntary income, charitable activities expenses and governance costs are the following expenses:

<b>2021</b>				
Staff costs	<b>71,359</b>	<b>3,115,224</b>	<b>441,000</b>	<b>3,627,583</b>
Staff associated costs	<b>1,415</b>	<b>61,786</b>	<b>8,747</b>	<b>71,948</b>
Maintenance expenses	<b>3,846</b>	<b>167,949</b>	<b>23,775</b>	<b>195,570</b>
Depreciation	<b>6,661</b>	<b>290,775</b>	<b>41,163</b>	<b>338,599</b>
<b>2020</b>				
Staff costs	89,826	2,960,215	538,588	3,588,629
Staff associated costs	2,324	95,283	14,339	111,946
Maintenance expenses	3,764	148,269	23,097	175,130
Depreciation	6,078	238,953	37,284	282,315

**16. Fund-raising appeals**

	<b>2021</b>	2020
	\$	\$
Gross donations, representing total receipts from fund-raising (Note 4)	<b>5,287,882</b>	4,527,670
Direct fund-raising expenses (Note 4)	<b>104,734</b>	295,559
Percentage of direct fund-raising expenses to total receipts	<b>1.98%</b>	6.53%

**17. Donations from President's Challenge**

The Society received donations of \$45,000 (2020: \$250,000) from President's Challenge during the financial year. The Society utilised \$136,000 (2020: \$230,000) during the financial year for the provision of Pre-vocational Skills training and Job Specific Skills training to clients. The remaining unutilised fund as at the end of the financial year of \$159,000 (2020: \$250,000) is included in donations received in advance in Note 11.

**18. Tax deductible receipts**

As an Institution of a Public Character ("IPC"), the Society enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the Society. During the financial year, the Society issued tax deductible receipts for donations received amounting to \$4,088,103 (2020: \$3,841,837).

**19. Operating lease commitments**

The Society has entered into operating leases for the use of the photocopier machines and for rental of premise and service centres. The leases have an average term of 2 to 5 years with a renewal option included in the contracts at a rental rate to be agreed between the parties.

Rental expenses for the photocopier machines, premise and service centres recognised in the statement of financial activities amounted to \$377,526 (2020: \$278,770).

The future aggregate minimum lease payments payable under non-cancellable operating leases as of 31 March are as follows:

	<b>2021</b>	2020
	\$	\$
Within one financial year	<b>638,010</b>	97,372
Within two to five financial years	<b>964,954</b>	62,386
	<b>1,602,964</b>	159,758

Included in the operating lease payments are rental of premises payable of \$1,540,579 (2020: \$Nil) by the Society for its leasehold land. The land rental expenses are partially subsidised by the Ministry of Health and the Ministry of Social and Family Development (Note 7).

**20. Reserve management**

The Board of Management regularly reviews the financial performance and budgets to ensure that reserves are adequate to fulfil our continuing obligations. The Board of Management's current policy is for the Society to maintain reserves that are freely available for operating purposes of no more than two (2) years of its total operating expenditure for financial sustainability. This should enable services with unanticipated reduction or disruption in funding to continue running smoothly until new funding is available.

## 21. Capital commitments

Capital commitments not provided for in the financial statements:

	2021 \$	2020 \$
Expenditure for property, plant and equipment, approved by Board of Members and contracted for	<b>452,476</b>	294,480

## 22. Related party transactions

In addition to related party transactions disclosed elsewhere in the financial statements, there are no significant related party transactions which took place between the Society and related parties during the financial year. The Society did not provide any sponsorship to other charities during the financial year ended 31 March 2021 and 31 March 2020.

## 23. Comparative figures and reclassifications

### (a) Comparative figures

The financial statements of the Society for the financial year ended 31 March 2020 were audited by another independent auditor whose report dated 17 August 2020 expressed an unmodified opinion on those financial statements.

### (b) Reclassifications

Prior year adjustments have been made to the previous year's financial statements to reclassify the deferred income on grant received from a government agency that offset against grant receivables to deferred income in trade and other payables for the financial year ended 31 March 2020. As a result, certain line items have been amended on the balance sheet and the related notes to the financial statements for the previous financial year ended 31 March 2020.

The items were reclassified as follows:

	As previously reported 2020 \$	Amount reclassified \$	As reclassified 2020 \$
<i>Balance Sheet</i>			
Trade and other receivables	3,765,357	660,576	4,425,933
Trade and other payables	(10,920,033)	(660,576)	(11,580,609)
	(7,154,676)	–	(7,154,676)
<i>Statement of Cash Flows</i>			
<i>Cash flows from operating activities</i>			
Receivables	(4,207)	(660,576)	(664,783)
Payables	1,989,032	660,576	2,649,608
	1,984,825	–	1,984,825

The reclassification has no impact on the statement of financial activities of the Society for the financial year ended 31 March 2020.

### **23. Comparative figures and reclassifications (cont'd)**

#### **(b) Reclassifications (cont'd)**

As permitted by the CAS, the third balance sheet as at the beginning of the preceding period (i.e. 1 April 2019) is not prepared.

### **24. Authorisation of financial statements**

The financial statements of the Society for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Management dated 12 July 2021.