

MALAY YOUTH LITERARY ASSOCIATION

UEN Number: S48SS0014A

(Registered under Societies Act, Chapter 311
And Charities Act, Chapter 37, Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021



Helmi Talib LLP

Chartered Accountants of Singapore

An Independent Member Firm of:



Helmi Talib LLP is an accounting limited liability partnership [Registration Number (UEN) T20LL1986] registered in Singapore under the Limited Liability Partnerships Act (Chapter 163A).

Helmi Talib LLP is converted from Helmi Talib & Co [Registration Number (UEN) S92PF0459G] effective from 10 December 2020.

MALAY YOUTH LITERARY ASSOCIATION

UEN Number: S48SS0014A

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And Charities Act, Chapter 37, Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2021

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MALAY YOUTH LITERARY ASSOCIATION

UEN: S48SS0014A

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

STATEMENT BY THE MANAGEMENT COMMITTEE

For the financial year ended 31 March 2021

1 OPINION OF THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee,

- (i) the financial statements of Malay Youth Literary Association (the "Association") 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 Financial Reporting Standards in Singapore ("FRS") so as to give a true and fair view of the state of affairs of the Association as at 31 March 2021 and the results and cash flows of the Association for the financial year then ended;
- (ii) at the date of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due;
- (iii) the accounting and other records required by the Association 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 use of the donation money is in accordance with the objective of the Association as required under Regulation 11 (Use of donations) of the Charities (Institution of Public Character) Regulations;
- (v) the fundraising appeals conducted by the Association 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; and
- (vi) the Association has complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institution of Public Character) Regulations.

2 MEMBERS OF THE MANAGEMENT COMMITTEE

The Management Committee comprises of the following members:

Izzuddin Taherally
Mohamed Ismail Bin Abdul Hakim
Mohd Hasni Mohd Hashim
Nick Iskandar Mohammad Idris
Syed Faisal Bin Syed Ismail
Saifulbahri Mohamed
Boimin Wakiman
Siti Zulriah Mohd Rahmat
Ahmad Iskandar Bin Abdul Latif
Rahmat Nazri Shokor
Muhammad Ashik Bin Mohamed Daud
Nadzir Imaan Muhd Rowter
Andi Rizal Bin Sapuan
Danish Hisham
Nur Atiqah Sulaiman
Nur Hammadah Sulaiman

MALAY YOUTH LITERARY ASSOCIATION

UEN: S48SS0014A

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

STATEMENT BY THE MANAGEMENT COMMITTEE

For the financial year ended 31 March 2021

On behalf of the Management Committee,



IZZUDDIN TAHERALLY

President



NICK ISKANDAR MOHAMMAD IDRIS

Acting Honorary Treasurer

Date: 31 AUG 2021



INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF MALAY YOUTH LITERARY ASSOCIATION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MALAY YOUTH LITERARY ASSOCIATION (the "Association"), which comprise the statement of financial position of the Association as at 31 March 2021, the statement of financial activities, statement of changes in 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 provisions of the Societies Act, Chapter 311 (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 Association as at 31 March 2021 and the financial activities, changes in funds and cash flows of the Association 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 Association in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee set out on 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.

Responsibilities of Management and Those Charged with Governance for 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 Societies 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.

Responsibilities of Management and Those Charged with Governance for Financial Statements (Continued)

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

Those charged with governance comprises the management committee. Their responsibilities include overseeing the Association's financial reporting process.

Auditors' 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 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 skepticism throughout the audit. We also:

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

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Helmi Talib LLP is converted from Helmi Talib & Co [Registration Number (UEN) S92PF0459G] effective from 10 December 2020.

Report on Other Legal and Regulatory Requirements

In our opinion:

- (a) the accounting and other records required to be kept by the Association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) the fundraising appeals 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.

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

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

Helmi Talib LLP

HELMI TALIB LLP
Public Accountants and
Chartered Accountants

Singapore

Date: **31 AUG 2021**

Partner-in-charge : Suriyati Binte Mohamed Yusof
PAB No. : 01627

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MALAY YOUTH LITERARY ASSOCIATION

UEN: S48SS0014A

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

STATEMENT OF FINANCIAL POSITION

As at 31 March 2021

	Note	<u>2021</u> \$	<u>2020</u> \$
Assets			
Current assets			
Cash and cash equivalents	7	1,625,728	1,005,177
Fixed deposits	8	101,931	101,931
Other receivables	9	29,044	143,022
Total current assets		<u>1,756,703</u>	<u>1,250,130</u>
Non-current assets			
Plant and equipment	10	270,053	339,111
Total non-current assets		<u>270,053</u>	<u>339,111</u>
Total assets		<u>2,026,756</u>	<u>1,589,241</u>
Liabilities and equity			
Liabilities			
Current liabilities			
Other payables	11	108,106	243,289
Lease liabilities	16(b)	17,983	16,929
Total current liabilities		<u>126,089</u>	<u>260,218</u>
Non-current liabilities			
Lease liabilities	16(b)	32,492	50,475
Provision for reinstatement costs	12	50,000	78,000
Total non-current liabilities		<u>82,492</u>	<u>128,475</u>
Total liabilities		<u>208,581</u>	<u>388,693</u>
Net assets		<u>1,818,175</u>	<u>1,200,548</u>
Funds			
Unrestricted funds			
General fund	13	1,704,958	2,749,976
4PM Bestari Award	13	46,389	41,955
VMS Programme	13	(573,484)	(490,017)
ROW Programme	13	335,878	293,370
Childcare Centre	13	72,227	49,191
bITE Programme	13	10,641	12,641
Total unrestricted funds		<u>1,596,609</u>	<u>2,657,116</u>
Restricted funds			
Remaja Resilien Programme	13	-	(74,053)
Care and Share Matching Grant	13	318,328	318,328
GEMS Programme	13	(17,701)	(17,565)
FRENZ Programme	13	-	(1,371,939)
Enhanced Step-Up (Service A&B) Programme	13	-	(318,486)
4PM Debate	13	(25,964)	(31,822)
Academic & Lifeskills Coaching Programme	13	-	41,958
Buddy Programme	13	(67,619)	(15,489)
Youth Edge Programme	13	14,522	12,500
Total restricted funds		<u>221,566</u>	<u>(1,456,568)</u>
Total funds		<u>1,818,175</u>	<u>1,200,548</u>

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

MALAY YOUTH LITERARY ASSOCIATION

UEN: S48SS0014A

(Registered under the Societies Act, Chapter 311 and Charities Act, Chapter 37, Singapore)

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2021

2021	Note	Unrestricted funds						Restricted funds						Total funds		
		General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Remaja Resilien programme	Care and share matching grant	GEMS programme	FRENZ programme	Enhanced Step-Up programme	4PM debate		Academic & Lifeskills Coaching Programme	Buddy programme
INCOME																
Donation - Non-tax deductible	5,6	13,774	-	-	9,614	-	-	-	-	-	-	548	-	-	-	23,936
Donation - Tax deductible	5,6	179,209	20,000	-	96,465	-	-	-	-	-	-	-	-	-	100	295,774
Grants and funding	6	320,881	8,450	2,600	14,900	-	-	-	6,440	447,150	-	7,080	-	-	6,313	813,814
Refund of balance	5	3,900	-	-	-	-	-	-	-	-	-	-	-	-	-	3,900
Fund raising event income																
- 'We Care We Share' Charity Drive Campaign	6	32,719	-	-	-	-	-	-	-	-	-	-	-	-	-	32,719
- Ramadan Appeal	6	23,050	-	-	-	-	-	-	-	-	-	-	-	-	-	23,050
- Friday Mosque collections	6	2,345	-	-	-	-	-	-	-	-	-	-	-	-	-	2,345
School fees	5	-	-	-	-	346,889	-	-	-	-	-	-	-	-	-	346,889
Interest Income	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Reversal of provision for unused leave	5	-	-	-	-	4,961	-	-	-	3,441	-	-	-	-	-	8,402
Miscellaneous income	5	217,843	-	-	-	-	-	-	-	-	-	-	-	-	-	217,843
TOTAL INCOME		793,721	28,450	2,600	120,979	351,850	-	-	6,440	450,591	-	7,628	-	-	6,413	1,768,672

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STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2021

2021 (Continued)	Note	Unrestricted funds					Restricted funds					Total funds \$				
		General fund \$	4PM Bestari award \$	VMS programme \$	ROW programme \$	Childcare centre \$	bITE programme \$	Remaja Resilien programme \$	Care and share matching grant \$	GEMS programme \$	FRENZ programme \$		Enhanced Step-Up programme \$	4PM debate \$	Academic & Lifeskills Coaching Programme \$	Buddy programme \$
EXPENDITURE																
Bank Fees		667	-	-	-	115	-	-	-	-	-	-	-	-	-	782
Audit fees		7,541	-	-	-	-	-	-	-	-	-	-	-	-	-	7,541
Depreciation	10	-	-	-	-	-	-	-	43,682	-	-	-	-	-	-	43,682 ✓
Expected credit losses	9	-	-	-	-	18,585	-	-	-	-	-	-	-	-	-	18,585 ✓
Donation expenses		2,078	7,280	-	8,000	-	-	-	6,400	8,720	-	-	-	-	-	32,478
Fund raising event expenses																
- 'We Care We Share' Charity/Drive Campaign		15,114	-	-	-	-	-	-	-	-	-	-	-	-	-	15,114 ✕
Interest of lease liabilities	16(c)	-	-	-	-	-	-	-	-	3,615	-	-	-	-	-	3,615 ✓
Salaries and other related costs		-	-	-	-	225,778	-	-	-	323,735	-	-	-	-	-	587,490 ✓
Employer CPF		-	-	-	-	33,467	-	-	-	51,879	-	-	-	-	-	91,804 ✓
SDL and MBMF		692	-	-	-	-	-	-	-	-	-	-	-	-	-	692 ✓
Other benefits		-	-	-	-	-	-	-	-	2,373	-	-	-	-	-	3,025 ✓
Staff training		-	-	-	-	1,765	-	-	-	1,558	-	-	-	-	-	4,506
Recruitment expenses		-	-	-	-	410	-	-	-	230	-	-	-	-	-	640
Communication		-	-	-	48	1,668	-	-	-	7,590	-	-	-	-	-	9,306
Balance carried forward		26,092	7,280	-	8,048	281,788	-	-	6,400	443,382	-	-	-	46,270	-	819,280

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

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STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2021

2021 (Continued)	Note	Unrestricted funds						Restricted funds						Total funds		
		General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Remaja Resilien programme	Care and share matching grant	GEMS programme	FRENZ programme	Enhanced Step-Up programme	4PM debate		Academic & Lifeskills Coaching Programme	Buddy programme
EXPENDITURE (Continued)																
Balance brought forward		26,092	7,280	-	8,048	281,788	-	-	6,400	443,382	-	-	-	46,270	-	819,260
Consulting & Accounting		21,927	-	-	-	-	-	-	-	-	-	-	-	-	-	21,927
Printing & stationery		1,269	-	34	305	1,868	-	-	-	4,375	-	-	-	-	-	7,851
Programme & project expenses		6,914	16,736	14,933	69,611	13,600	2,000	-	-	22,012	-	1,770	-	5,524	4,280	157,380
Food & refreshment		-	-	-	215	-	-	-	-	1,225	-	-	-	-	-	1,440
Rental of Land & Building	16(c)	-	-	-	-	8,134	-	-	-	5,685	-	-	-	-	-	13,819
Utilities		-	-	-	-	4,229	-	-	-	6,519	-	-	-	-	-	10,748
Maintenance of equipment		-	-	-	-	1,100	-	-	-	4,711	-	-	-	-	-	5,811
Maintenance of Land & Building		-	-	-	-	-	-	-	-	3,451	-	-	-	-	-	3,451
Loss on disposal of fixed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation		-	-	-	292	-	-	-	176	1,585	54	-	-	336	86	2,529
Insurance		-	-	-	-	-	-	-	-	471	-	-	-	-	-	471
Miscellaneous expenses		6,718	-	71,100	-	16,595	-	-	-	100	-	-	-	-	-	94,513
General expenses		10,135	-	-	-	1,500	-	-	-	185	-	-	-	-	25	11,845
TOTAL EXPENDITURE		73,055	24,016	86,087	78,471	328,814	2,000	-	6,576	493,701	54	1,770	-	52,130	4,391	1,151,045

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

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

	Unrestricted funds					Restricted funds					Total funds					
	General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Remaja Resilien programme	Care and share matching grant	GEMS programme	FRENZ programme		Enhanced Step-Up programme	4PM debate	Academic & Lifeskills Coaching Programme	Buddy programme	Youth Edge programme
2021 (Continued)																
Surplus/(deficit) for the financial year	720,666	4,434	(83,467)	42,508	23,036	(2,000)	-	-	(136)	(43,110)	(54)	5,858	-	(52,130)	2,022	617,627
Transfer to/from funds during the financial year	(1,765,684)	-	-	-	-	-	74,053	-	-	1,415,049	318,540	-	(41,958)	-	-	-
Total funds brought forward	2,749,976	41,955	(490,017)	293,370	49,191	12,641	(74,053)	318,328	(17,565)	(1,371,939)	(318,486)	(31,822)	41,958	(15,489)	12,500	1,200,548
Total funds carried forward	1,704,958	46,389	(573,484)	335,878	72,227	10,641	-	318,328	(17,701)	-	-	(25,964)	-	(67,619)	14,522	1,818,175

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

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STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2021

2020	Note	Unrestricted funds						Restricted funds						Total funds			
		General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Remaja Resilien programme	Care and share matching grant	GEMS programme	FRENZ programme	Enhanced Step-Up (Service A & B) programme	4PM debate		Academic & Lifeskills Coaching Programme	Buddy programme	Youth Edge programme
INCOME																	
Donation - Non-tax deductible	5,6	516	-	-	15,740	-	-	-	-	-	-	-	-	-	-	-	16,256
Donation - Tax deductible	5,6	16,384	10,000	-	85,970	-	-	-	-	-	-	-	-	-	-	-	112,354
Grants and funding	6	50,000	15,850	-	20,900	-	-	-	7,000	478,731	-	19,783	-	28,600	19,900	-	640,764
Refund of balance	5	2,098	-	-	-	-	1,192	-	-	-	-	-	-	-	-	-	3,290
Fund raising event income																	
- 4PM Flag Day income	6	45,298	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,298
- Flag Day 2020	6	6,200	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,200
- Friday Mosque collections	6	81,750	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81,750
- Wisma Geylang Serai	6	2,330	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,330
- Ramadan Appeal		15,793	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,793
School fees	5	-	-	-	-	351,385	-	-	-	-	-	-	-	-	-	-	351,385
Interest Income	5	609	-	-	-	-	-	-	-	-	-	-	-	-	-	-	609
Reversal of provision for unused leave	5	-	-	-	-	2,022	-	-	-	11,957	-	-	-	-	-	-	13,979
Miscellaneous income	5	33,607	-	-	-	-	-	-	-	-	-	-	-	-	-	-	33,607
TOTAL INCOME		254,585	25,850	-	122,610	353,407	1,192	-	7,000	490,688	-	19,783	-	28,600	19,900	-	1,323,615

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

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STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 March 2021

	Note	Unrestricted funds										Restricted funds						Total funds				
		General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Remeja Resilien programme	Care and share matching grant	GEMS programme	FRENZ programme	Step-Up (Service A & B) programme	4PM debate	Academic & Lifeskills Coaching Programme	Buddy programme	Youth Edge programme						
EXPENDITURE																						
Bank Fees		1,841	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,841
Audit fees		6,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,000
Depreciation	10	-	-	-	-	-	-	-	-	-	-	-	-	-	51,201	-	-	-	-	-	-	51,201 ✓
Expected credit losses	9	-	-	-	-	42,102	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	42,102 ✓
Donation expenses		-	4,680	-	3,920	-	-	-	-	-	-	5,600	-	20,000	-	7,040	-	8,600	-	-	-	57,240
Fund raising event expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Friday Mosque collections		15,301	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15,301
- 4PM Flag Day 2019		5,416	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,416
Interest of lease liabilities	16(c)	-	-	-	-	-	-	-	-	-	-	-	-	4,606	-	-	-	-	-	-	-	4,606 ✓
Salaries and other related costs		-	-	-	-	217,832	-	-	-	-	-	-	-	389,772	-	-	-	24,677	-	-	-	632,281
Employer CPF		-	-	-	-	33,719	-	-	-	-	-	-	-	66,248	-	-	-	4,195	-	-	-	104,162
SDL and MBMF		473	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	473
Other benefits		-	-	-	-	1,225	-	-	-	-	-	-	-	9,958	-	-	-	357	-	-	-	11,540
Staff training		-	-	-	-	6,283	-	-	-	-	-	-	-	5,213	-	-	-	534	-	-	-	12,030
Communication		-	-	-	-	1,812	-	-	-	-	-	-	-	6,018	-	-	-	-	-	-	-	7,830
Consulting & Accounting		11,263	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,263
Printing and stationery		-	-	-	-	225	-	-	-	-	-	-	-	8,244	-	-	-	-	-	-	-	8,469
Programme and project expenses		-	19,148	12,197	29,326	8,404	-	-	-	-	-	21,183	92,293	5,193	5,050	-	4,744	-	-	-	-	197,538
Balance carried forward		40,294	23,828	12,197	33,246	311,602	-	-	-	-	-	26,783	653,553	5,193	12,090	-	43,107	-	-	-	-	1,169,293

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

MALAY YOUTH LITERARY ASSOCIATION
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STATEMENT OF FINANCIAL ACTIVITIES
 For the financial year ended 31 March 2021

2020 (Continued)	Note	Unrestricted funds										Restricted funds						Total funds
		General fund	4PM award	VMS programme	ROW programme	Childcare centre	bITE programme	Remaja Resilien programme	Care and share matching grant	GEMS programme	FRENZ programme	Enhanced Step-Up (Service A & B) programme	4PM debate	Academic & Lifeskills Coaching Programme	Buddy programme	Youth Edge programme	funds	
EXPENDITURE (Continued)																		
Balance brought forward		40,294	23,828	12,197	33,246	311,602	-	-	-	26,783	653,553	5,193	12,090	-	43,107	7,400	1,169,293	
Food & refreshment		-	-	2,652	1,062	66	-	-	-	-	6,465	-	-	-	-	-	10,245	
Rental of Land & Building	16(c)	-	-	-	-	12,219	-	-	-	-	8,551	-	-	-	-	-	20,770	
Utilities		-	-	-	-	4,843	-	-	-	-	7,965	-	-	-	-	-	12,808	
Maintenance of equipment		-	-	-	-	1,863	-	-	-	-	1,912	-	-	-	-	-	3,775	
Maintenance of Land & Building		-	-	-	-	875	-	-	-	-	3,677	-	-	-	-	-	4,552	
Loss on disposal of fixed assets		125,272	-	-	-	-	-	-	-	-	-	-	-	-	-	-	125,272	
Membership Dues		-	-	-	-	-	-	-	-	-	140	-	-	-	-	-	140	
Transportation		-	-	-	276	-	-	-	-	-	7,030	-	-	-	982	-	8,320	
Miscellaneous expenses		9,706	-	76,732	-	9,046	-	-	-	-	2,204	-	-	-	-	-	97,688	
TOTAL EXPENDITURE		175,272	23,828	91,581	34,584	340,514	-	-	-	26,815	691,497	5,193	12,090	-	44,089	7,400	1,452,863	
Surplus/(deficit) for the financial year		79,313	2,022	(91,581)	88,026	12,893	1,192	-	-	(19,815)	(200,809)	(5,193)	7,693	-	(15,489)	12,500	(129,248)	
Total funds brought forward		2,670,663	39,933	(398,436)	205,344	36,298	11,449	(74,053)	318,328	2,250	(1,169,587)	(313,293)	(39,515)	41,958	-	-	1,331,339	
Effect of adoption of FRS 116 Leases		-	-	-	-	-	-	-	-	-	(1,543)	-	-	-	-	-	(1,543)	
Total funds carried forward		2,749,976	41,955	(490,017)	293,370	49,191	12,641	(74,053)	318,328	(17,565)	(1,371,939)	(318,486)	(31,822)	41,958	(15,489)	12,500	1,200,548	

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

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STATEMENT OF CHANGES IN FUNDS

For the financial year ended 31 March 2021

	Note	Total funds \$
Balance as at 31 March 2019	13	1,331,339
Effect of adoption of FRS 116 Leases		(1,543)
Net loss for the financial year		(129,248)
Balance as at 31 March 2020	13	<u>1,200,548</u>
Net income for the financial year		617,627
Balance as at 31 March 2021	13	<u><u>1,818,175</u></u>

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

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STATEMENT OF CASH FLOWS

For the financial year ended 31 March 2021

	Note	<u>2021</u> \$	<u>2020</u> \$
Cash flows from operating activities			
Net income / (loss) for the financial year		617,627	(129,248)
Adjustments for			
Depreciation of plant and equipment	10	43,682	51,201
Expected credit losses	9	18,585	42,102
Interest expense on lease liabilities	16(b)	3,615	4,606
Loss on disposal of plant and equipment		-	125,272
Interest on fixed deposits		-	(609)
Total adjustments		<u>65,882</u>	<u>222,572</u>
Total operating cash flows before changes in working capital		683,509	93,324
Changes in working capital			
Decrease/(increase) in other receivables		95,393	(4,542)
(Decrease)/increase in other payables		(135,183)	109,068
Total changes in working capital		<u>(39,790)</u>	<u>104,526</u>
Net cash flows generated from operating activities		<u>643,719</u>	<u>197,850</u>
Cash flows from investing activities			
Purchase of plant and equipment	10	(2,624)	(320)
Proceeds from disposal of plant and equipment		-	505
Net cash flows (used in)/generated from investing activities		<u>(2,624)</u>	<u>185</u>
Cash flows from financing activity			
Payment of lease liability	16(b)	(20,544)	(20,544)
Net cash flows used in financing activities		<u>(20,544)</u>	<u>(20,544)</u>
Net increase in cash and cash equivalents		620,551	177,491
Cash and cash equivalents at beginning of financial year		1,005,177	827,686
Cash and cash equivalents at end of financial year	7	<u>1,625,728</u>	<u>1,005,177</u>
Net cash flows			
Net cash flows generated from operating activities		<u>643,719</u>	<u>197,850</u>
Net cash flows (used in)/generated from investing activities		<u>(2,624)</u>	<u>185</u>
Net cash flows used in financing activities		<u>(20,544)</u>	<u>(20,544)</u>

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

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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

Malay Youth Literary Association (the "Association") is registered under the Societies Act (Chapter 311) and domiciled in Singapore. The Association's registered office and principal place of business is at Blk 606, Bedok Reservoir Road, #01-716, Singapore 470606.

The Association was registered on 2 June 1948 under the Societies Act (Chapter 311) and was registered as charity registered under the Charities Act, Chapter 37 on 2 December 1983. The Association has been accorded an Institutions of a Public Character ("IPC") status until 25 June 2022.

The principal activities of the Association are those of promoting among members interests in language and literary activities, art culture, education and general knowledge, sports, recreational and vocational activities, social and welfare activities.

There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the Association for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Management Committee as at the date of the Statement by the Management Committee.

2 SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") and the disclosure requirements of the Societies Act (Chapter 311), the Charities Act (Chapter 37).

The financial statements are prepared under the historical cost basis, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (\$), which is the Association's functional currency.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Association has adopted all the new and amended standards which are relevant to the Association and are effective for annual financial periods beginning on or after 1 April 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Association.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.3 Standards issued but not yet effective

The Association has not adopted the following standards applicable to the Association that have been issued but not yet effective:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendment to FRS 116 <i>Leases: Covid-19-Related Rent Concessions</i>	1 June 2020
Amendments to FRS 109 <i>Financial Instruments</i> , FRS 39 <i>Financial Instruments: Recognition and Measurement</i> , FRS 107 <i>Financial Instruments: Disclosures</i> , FRS 104 <i>Insurance Contracts</i> , FRS 116 <i>Leases: Interest Rate Benchmark Reform – Phase 2</i>	1 January 2021
Amendments to FRS 16 <i>Property, Plant and Equipment: Proceeds before Intended Use</i>	1 January 2022
Amendments to FRS 37 <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract</i>	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023

The management expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.4 Functional currency

The management has determined the currency of the primary economic environment in which the Association operates i.e. functional currency, to be SGD. Donations received, fees and major operating expenses are denominated in SGD.

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Except for the right of use assets classified under office equipment, depreciation is calculated on a written down value basis over 10 years.

Right of use assets are depreciated on a straight line basis over the lease term.

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.5 Plant and equipment (Continued)

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

2.6 Impairment of non-financial assets

The carrying amounts of the Association's assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in profit or loss whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.7 Financial instruments

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Association measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Other receivables are measured at the amount of consideration to which the Association expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the other receivables do not contain a significant financing component at initial recognition.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.7 Financial instruments (Continued)

(a) Financial assets (Continued)

Subsequent measurement

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Association becomes a party to the contractual provisions of the financial instrument. The Association determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.8 Impairment of financial assets

The Association recognises an allowance for expected credit losses ("ECL"s) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Association expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.8 Impairment of financial assets (Continued)

ECLs are recognised in two stages. 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 recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For other receivables, the Association applies a simplified approach in calculating ECLs. Therefore, the Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Association has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Association considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Association may also consider a financial asset to be in default when internal or external information indicates that the Association is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Association. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, fixed deposits and bank balances which are subject to an insignificant risk of changes in value. Cash and cash equivalents carried in the statement of financial position is classified and accounted for as financial asset at amortised cost under FRS 109.

2.10 Provisions

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.11 Employee benefits

(a) *Defined contribution plans*

The Association makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. CPF contributions are recognised as an expense in the period in which the related service is performed.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.11 Employee benefits (Continued)

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they are accrued to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees at the end of the reporting period.

2.12 Government grants

Government grants and contributions from other organisations to finance the current financial year's operating expenses are recognised as income in the same financial year when there is reasonable assurance that the grant will be received and the attaching conditions will be complied with. Government grants shall be recognised in statement of financial activities on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate.

2.13 Leases

The Association 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.

As lessee

The Association applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Association recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Association recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the assets. The estimated useful lives are as follows:

	<u>Useful life</u>
Office equipment	6 years

If ownership of the leased asset transfers to the Association 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 right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.6.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

2 SIGNIFICANT ACCOUNTING POLICIES (Continued)

2.13 Leases (Continued)

Lease liabilities

At the commencement date of the lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed 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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Association and payments of penalties for terminating the lease, if the lease term reflects the Association exercising the option to terminate. 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.

In calculating the present value of lease payments, the Association uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if 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.

2.14 Income recognition

Income is measured based on the consideration to which the Association expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Association satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Donation income

Donation income are donations from individuals and corporations and are accounted for at the point in time when the amounts are received, except for committed donations, which are accounted for when the commitments are signed.

(b) School service fees

School fees is recognised over the period of instruction.

(c) Fund raising event income

Comprise income earned from fund raising events run by the Association. These are recognised as income at the point in time when the events are conducted.

(d) Interest income

Interest income from held-to-maturity is recognised over time on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Association's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgements made in applying accounting policies

Management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Association based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful lives of plant and equipment

The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Association's plant and equipment as at 31 March 2021 are disclosed in Note 10.

4 SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party includes the trustees/office bearers (that is, directors) and key management of the Association. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The Management Committee of the Association are considered as key management personnel.

It is not the practice for the directors/office bearers, or people connected with them, to receive remuneration, or other benefits, from the Association for which they are responsible, or from institutions connected with the Association.

There is no (2020: NIL) compensation paid to the management committee during the financial year.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 March 2021

4 SIGNIFICANT RELATED PARTY TRANSACTIONS (Continued)(a) *Significant related party transactions*

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Management Committee</u>		
Transport allowance	3,600	2,204
Honorarium allowance	67,500	76,732
	<u> </u>	<u> </u>

(b) *Compensation of key management personnel*

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and other short term employee benefits	40,778	67,976
Employer's contribution to Central Provident Fund	6,760	11,555
	<u>47,538</u>	<u>79,531</u>

None of the Association's employees were remunerated more than or equal to \$100,000 for the financial year ended 31 March 2021 and 31 March 2020.

5 REVENUE(a) *Disaggregation of revenue*

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Type of income</u>		
Grants and funding	813,814	640,764
School fees	346,889	351,385
Donations	319,710	128,610
Government grants	191,904	-
Fundraising event income	58,114	151,371
Miscellaneous income	25,939	33,607
Reversal of provision for unused leave	8,402	13,979
Refund of balance	3,900	3,290
Interest income	-	609
	<u>1,768,672</u>	<u>1,323,615</u>
<u>Timing of transfer of services</u>		
At point in time	1,421,783	972,230
Over time	346,889	351,385
	<u>1,768,672</u>	<u>1,323,615</u>

(b) *Judgement and methods used in estimating income*

There are no significant judgements and estimates involved in estimating income.

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6 TAX EXEMPT RECEIPTS

Receipts during the financial year are allocated as follows:

	<u>2021</u>		<u>2020</u>	
	Tax deductible \$	Non-tax deductible \$	Tax deductible \$	Non-tax deductible \$
Grants and funding	-	832,751	-	640,764
Donations	295,774	23,936	112,354	16,256
Fund raising event income				
• We Care We Share	5,560	27,059		
• Ramadan Appeal	19,300	3,850	15,040	753
• Friday Mosque collections	1,000	1,345	-	81,750
• Geylang Serai market	-	-	-	2,330
• Flag day 2019	-	-	19,950	25,348
• Flag day 2020	-	-	6,200	-
	<u>321,634</u>	<u>888,941</u>	<u>153,544</u>	<u>767,201</u>

During the financial year, the Association issued tax deductible receipts for donations amounting to \$321,634 (2020: \$153,544) pursuant to its Institutions of a Public Character ("IPC") status.

Included within non-tax deductible donations is \$56,190 (2020: \$125,074) relating to donation receipts that are in substance tax deductible in nature. Tax deductible receipts were not issued to these respective donors as they did not require a receipt to be issued.

7 CASH AND CASH EQUIVALENTS

	<u>2021</u> \$	<u>2020</u> \$
Cash at banks	1,625,573	1,004,983
Cash on hand	155	194
	<u>1,625,728</u>	<u>1,005,177</u>

Cash at bank is held in non-interest bearing accounts.

For the purpose of the statement of cash flows, cash and cash equivalents are made up of the balances as shown above.

Cash and cash equivalents are denominated in Singapore Dollar.

8 FIXED DEPOSITS

	<u>2021</u> \$	<u>2020</u> \$
Term deposits	<u>101,931</u>	<u>101,931</u>

Fixed deposits earn interest at 0.60% (2020: 0.60%) per annum and have a maturity period of 12 months (2020: 12 months).

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9 OTHER RECEIVABLES

	<u>2021</u>	<u>2020</u>
	\$	\$
Fees receivable	22,530	53,840
Less: Expected credit losses	<u>(18,585)</u>	<u>(42,102)</u>
	<u>3,945</u>	<u>11,738</u>
Job Support Scheme (Note 11)	13,735	119,303
Deposits	10,301	10,301
Prepayments	703	1,059
Interest receivable	360	361
Other receivables	-	260
	<u>25,099</u>	<u>131,284</u>
Total other receivables	<u>29,044</u>	<u>143,022</u>
Other receivables (excluding prepayments and grant receivable)	14,606	22,660
Add: Cash and cash equivalents (Note 7)	1,625,728	1,005,177
Add: Fixed deposits (Note 8)	101,931	101,931
Total financial assets carried at amortised cost	<u>1,742,265</u>	<u>1,129,768</u>

Job Support Scheme ("JSS") pertains to grants provided by the Singapore Government's initiative in order to support employers and help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty (Covid-19). Employers who have made CPF contributions for their local employees are qualified for the JSS payouts. JSS covers the period from October 2019 to July 2021.

Expected credit losses ("ECL")

The movement in allowance for expected credit losses of fees receivables computed based on lifetime ECL are as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Movement in allowance accounts</u>		
Balance at beginning of financial year	42,102	42,036
Write off during the financial year	(42,102)	(42,036)
Charge for the financial year	18,585	42,102
Balance at the end of the financial year	<u>18,585</u>	<u>42,102</u>

Other receivables are denominated in Singapore Dollar.

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10 PLANT AND EQUIPMENT

	Computer equipment	Electrical equipment	Electrical installation	Furniture and fittings	Office equipment	Renovation	Total
	\$	\$	\$	\$	\$	\$	\$
Cost							
At 31.03.2019	160,083	54,071	19,728	101,953	146,407	594,975	1,077,217
Additions	-	-	-	320	-	-	320
Disposals	(138,968)	(48,028)	(17,798)	(76,558)	(39,451)	(274,420)	(595,223)
At 31.03.2020	21,115	6,043	1,930	25,715	106,956	320,555	482,314
Additions	2,025	599	-	-	-	-	2,624
Adjustment	-	-	-	-	-	(28,000)	(28,000)
At 31.03.2021	23,140	6,642	1,930	25,715	106,956	292,555	456,938
Accumulated depreciation							
At 31.03.2019	107,785	42,056	16,007	74,175	53,643	267,782	561,448
Charge for the financial year	1,363	228	156	2,008	20,835	26,611	51,201
Disposals	(100,301)	(38,296)	(15,640)	(68,539)	(33,337)	(213,333)	(469,446)
At 31.03.2020	8,847	3,988	523	7,644	41,141	81,060	143,203
Charge for the financial year	1,359	265	141	1,810	17,475	22,632	43,682
At 31.03.2021	10,206	4,253	664	9,454	58,616	103,692	186,885
Carrying value							
At 31.03.2020	12,268	2,055	1,407	18,071	65,815	239,495	339,111
At 31.03.2021	12,934	2,389	1,266	16,261	48,340	188,863	270,053

Included within cost of renovation is a provision for premises reinstatement costs of \$50,000 (2020: \$78,000).

Right of use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 16(a).

11 OTHER PAYABLES

	2021	2020
	\$	\$
Accruals	53,114	110,422
Deferred grant income (Note 9)	32,672	119,303
Other payables	20,880	-
Deposits received	1,440	1,440
Provision for unutilised annual leave	-	12,124
	<u>108,106</u>	<u>243,289</u>
Total other payables (excluding deferred grant income)	75,434	123,986
Add: Lease liabilities (Note 16(b))	50,475	67,404
Total financial liabilities carried at amortised cost	<u>125,909</u>	<u>191,390</u>

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11 OTHER PAYABLES (Continued)

Deferred grant income pertains to Jobs Support Scheme ("JSS") provided by the Singapore Government to support employers and help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic uncertainty (Covid-19). The grant income is to be recognised in the profit or loss from April 2021 onwards as the Association is significantly impacted by the economic uncertainty commencing from that period onwards.

Other payables are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

Other payables are denominated in Singapore Dollar.

12 PROVISION FOR REINSTATEMENT COST

The Association conducted renovation works in the HDB used for its office and childcare centres. As the leases on these premises were non-cancellable, a provision for reinstatement was recognised equivalent to the lumpsum to be paid on termination of the agreement and vacating of premises.

The provision was capitalised and included as part of renovation in the plant and equipment and depreciated on a written down value for 10 years according to the policy of the Association. The estimate was based on quotations received from an interior and contract works firm. The basis of payment is as follows:

- a) 50% on confirmation of reinstatement works
- b) 50% on completion

The Association reassess the value of its reinstatement cost on a regular basis, hence, the current, undiscounted value of \$50,000 (2020: \$78,000) is recognised as a provision for reinstatement cost in the current financial year.

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13 FUNDS

	Unrestricted funds					Restricted funds					Total funds					
	General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Remaja Resilien programme	Care and share matching grant	GEMS programme	FRENZ programme		Enhanced Step-Up programme	4PM debate Programme	Academic & Lifeskills Coaching Programme	Buddy programme	Youth Edge programme
Balance as at 31 March 2019	2,670,663	39,933	(398,436)	205,344	36,298	11,449	(74,053)	318,328	2,250	(1,169,587)	(313,293)	(39,515)	41,958	-	-	1,331,339
Effect of adoption of FRS 116 Leases	-	-	-	-	-	-	-	-	-	(1,543)	-	-	-	-	-	(1,543)
Net income / (loss) for the financial year	79,313	2,022	(91,581)	88,026	12,893	1,192	-	-	(19,815)	(200,809)	(5,193)	7,693	-	(15,489)	12,500	(129,248)
Balance as at 31 March 2020	2,749,976	41,955	(490,017)	293,370	49,191	12,641	(74,053)	318,328	(17,565)	(1,371,939)	(318,486)	(31,822)	41,958	(15,489)	12,500	1,200,548
Net income / (loss) for the financial year	720,666	4,434	(83,467)	42,508	23,036	(2,000)	-	-	(136)	(43,110)	(54)	5,858	-	(52,130)	2,022	617,627
Transfer to/from funds during the financial year	(1,765,684)	-	-	-	-	-	74,053	-	-	1,415,049	318,540	-	(41,958)	-	-	-
Balance as at 31 March 2021	1,704,958	46,389	(573,484)	335,878	72,227	10,641	-	318,328	(17,701)	-	-	(25,964)	-	(67,619)	14,522	1,818,175

UNRESTRICTED FUNDS

(a) General Fund

This is a general-purpose fund to be used for non-specific purpose at the discretion of the Management Committee in furtherance of the Association's objectives.

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13 FUNDS (Continued)

UNRESTRICTED FUNDS (Continued)

(b) *4PM Bestari Award*

This fund is an annual award ceremony that acknowledges the top 45 Malay Muslim ITE students for their outstanding academic and CCA achievements.

(c) *Volunteer Management System (VMS) Programme*

This programme aims to create a sustainable ecosystem for volunteer training and development. It also provides platforms to advocate youth interests and promote youth-centered voices. VMS represents 4PM to a variety of stakeholders including external volunteers and organizational representatives and engages them to achieve 4PM's mission by informing them of the organisation's collaborative efforts, developing partnerships and maintaining these coalitions.

(d) *ROW programme*

ROW programme is a volunteer driven initiative aimed to provide assistance to elderly in need and low-income families who are struggling to make their ends meet in Singapore. It focuses on synergizing community spirit of co-operation with the common purpose to help uplift the community via a 6-month engagement.

(e) *Childcare Centre*

Child Care Centre offers full day-care childcare services for children aged 3 years to 6 years old.

(f) *bITE Programme*

bITE Programme aims to provide holistic service to these students through creation of opportunities for them to develop, grow and inculcate values such as lifelong and independent learning, as well as entrepreneurial and social-centric mindsets.

RESTRICTED FUNDS

(a) *Remaja Resilien Programme*

The objective of the programme is to develop resilience in youths by:

- Providing positive engagement for youth at risk
- Providing opportunities for youth at risk to acquire skills through pro-social opportunities
- Nurturing and developing potential "youth models" to demonstrate their strengths and knowledge

Programme components include outreach, developmental activities (motivational, life and social skills, skills training and youth camp), weekend soccer league and community service.

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13 FUNDS (Continued)

RESTRICTED FUNDS (Continued)

(b) *Care and Share Matching Grant*

Care and Share Fund accounts for matching grants received from the Singapore Government under its Care & Share-Programme. It is a restricted fund under the Programme and should be used for the Association's capability and capacity building, new programmes and enhancements and expansion. Also up to 20% of the grants received can be used for the Association's critical existing needs

(c) *Guide. Empower. Motivate and Support (GEMS) Programme*

The main objective of GEMS is to Guide, Empower, Motivate and Support youths by providing positive engagement for youth at risk.

- providing opportunities for our youth to acquire skills through pro-social and meaningful healthy activities;
- enabling youth to build a strong social network of support and guidance;
- nurturing and developing potential "Youths models" to demonstrate their strengths and knowledge in leadership through service, and
- To equip youths with vital life skills for inter and intra personal development through active participation in development of personal qualities like resilience, self-reliance and social responsibility.

(d) *FRENZ Programme*

FRENZ is a year-long mentoring programme for at-risk ITE youths based on the Positive Youth Development (PYD) framework. In this programme, a mentor will be matched to the ITE students in a relationship based on interpersonal support, guidance, mutual exchange. Coaching and role- modelling. Apart from the students (mentees), this programme aims to achieve a partnership between schools and the community to ensure a stable network of supporting systems. The programme catered to a total of six classes of students (two classes per ITE College).

The objectives of the programme are:

- to guide students to acquire skills that will develop them holistically
- to provide students with appropriate socio-emotional support to motivate them to continue with and improve their learning journey.

The FRENZ Programme was funded by National Council of Social Service under the Community Chest Funding ("NCSS") and Yayasan Mendaki under the Community Leader Forum Programme ("Yayasan Mendaki – CLF Programme").

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13 FUNDS (Continued)**RESTRICTED FUNDS (Continued)***(d) FRENZ Programme (Continued)*

	NCSS Community Chest Funding		Yayasan Mendaki CLF Programme		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
At beginning of the financial year	(739,192)	(554,911)	(632,747)	(614,676)	(1,371,939)	(1,169,587)
Effect of adopting FRS 116 Leases (Note 16)	-	(1,543)	-	-	-	(1,543)
At beginning of financial year (restated)	(739,192)	(556,454)	(632,747)	(614,676)	(1,371,939)	(1,171,130)
Income						
Grant and funding	406,250	396,466	40,900	82,265	447,150	478,731
Reversal of provision	-	-	3,441	11,957	3,441	11,957
	406,250	396,466	44,341	94,222	450,591	490,688
Expenditure						
Salaries and other related costs	323,735	389,772	-	-	323,735	389,772
Employer CPF	51,879	66,248	-	-	51,879	66,248
Depreciation	26,486	34,005	-	-	26,486	34,005
Depreciation - ROU	17,196	17,196	-	-	17,196	17,196
Utilities	6,519	7,965	-	-	6,519	7,965
Rental - premises	5,685	8,551	-	-	5,685	8,551
Maintenance of equipment	4,711	1,912	-	-	4,711	1,912
Printing and stationery	4,375	8,244	-	-	4,375	8,244
Interest on lease liabilities	3,615	4,606	-	-	3,615	4,606
Maintenance of premises	3,451	3,677	-	-	3,451	3,677
Other benefits	2,373	9,958	-	-	2,373	9,958
Transportation	1,585	7,030	-	-	1,585	7,030
Staff training	1,558	5,213	-	-	1,558	5,213
Food & refreshment	1,225	6,465	-	-	1,225	6,465
Balance carried forward	454,393	570,842	-	-	454,393	570,842

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13 FUNDS (Continued)**RESTRICTED FUNDS (Continued)***(d) FRENZ Programme (Continued)*

	NCSS Community Chest Funding		Yayasan Mendaki CLF Programme		Total	
	2021	2020	2021	2020	2021	2020
	\$	\$	\$	\$	\$	\$
Balance carried forward	454,393	570,842	-	-	454,393	570,842
Insurance	471	-	-	-	471	-
Miscellaneous expenses	285	2,204	-	-	285	2,204
Recruitment expenses	230	-	-	-	230	-
Programme and project expenses	-	-	22,012	92,293	22,012	92,293
Donation expense	-	-	8,720	20,000	8,720	20,000
Communication	7,590	6,018	-	-	7,590	6,018
Membership due	-	140	-	-	-	140
	<u>462,969</u>	<u>579,204</u>	<u>30,732</u>	<u>112,293</u>	<u>493,701</u>	<u>691,497</u>
At the end of financial year	<u>(795,911)</u>	<u>(739,192)</u>	<u>(619,138)</u>	<u>(632,747)</u>	<u>(1,415,049)</u>	<u>(1,371,939)</u>

(e) Enhanced Step-Up (Service A&B Programme)

Enhanced Step-Up is a support programme for students at risk of dropping out of school, as well as out-of-school youth.

Service A: To provide school social work services to students with attendance issues through strengthening their social and emotional resilience so that they remain in school.

Service B: To provide social work support to students with high absenteeism issues and out of school youth so that they can be meaningfully engaged.

(f) 4PM Debate

Bahas 4PM is the national Malay-language pre-university debating competition which has been well received among the national oratorical competitions since 1993. During its formative years, 4PM's main focus was on education and the promotions of the Malay language, with debate being one of its core programmes.

(g) Academic & Lifeskills Coaching Programme

The Academic & Lifeskills Coaching Programme (ALCP) is a collaborative project between the Education Trust Fund (ETF), the Institute of Technical Education (ITE) and Yayasan MENDAKI. The programme provides academic and lifeskills coaching to Malay/Muslim ITE students from low income families. The objective of the programme is to provide the relevant support to help them remain in school, excel in their studies and graduate with a good NITEC / Higher NITEC certificate.

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13 FUNDS (Continued)

RESTRICTED FUNDS (Continued)

(h) *Buddy Programme*

4PM Buddy Mentoring Programme is a two-run 1 year pilot programme (6 months each) where mentors and mentees do group activities together but will have a one-to-one session after. The programme focuses on Self awareness and Social awareness. Self awareness aids in mentee's development and Social awareness aims to bring light to social causes.

The first run consists of first year mentees at the Institute of Technical Education (ITE) while the second run is with lower secondary school mentees. Mentors come from diverse backgrounds such as university students, working adults or retired seniors. Mentees are able to gain life knowledge and experiences from interacting with mentors.

Mentors too can learn to communicate effectively with youth and understanding things from their perspective.

The overall goal of the project is to:-

1. Allow adult mentors and youth mentees to establish a trusting relationship with accountability and responsibility.
2. To provide youths with an adult mentor who displays care such that they can be assured that they are not alone in dealing with their day to day challenges.
3. Educate, equip and empower youths with pro-social skills and resilience.

(i) *Youth Edge Programme*

Youth EDGE is a 12-month programme for youths aged 11-20 years old who have family members who is currently or previously incarcerated. The overall goal of Youth EDGE is to empower youths and their families/ caregivers and to reduce intergenerational offending by catering to the youth's needs. The programme consists of 10 sessions consisting of: 4 Group Sessions, 1 Learning Journey / Community Service, 2 Family Sessions, 1 Family Bonding, 1 Youth Camp and 1 Youth Graduation.

The objectives of Youth EDGE are to develop resilience in youths who have been impacted by incarceration by providing:

- a) Social-emotional support
- b) Enhance sense of self and esteem
- c) Life-skills through pro-social activities
- d) Caregivers support

14 FUND-RAISING APPEALS

	<u>2021</u>	<u>2020</u>
	\$	\$
Gross donations, representing total receipts from fund-raising	58,114	151,371
Direct fund-raising expenses	15,114	20,717
Percentage of direct fund-raising expenses to total receipts	<u>26%</u>	<u>14%</u>

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15 INCOME TAX

The Association is registered as a charity organisation under the Charities Act, Chapter 37. As an approved charity, it is exempted from income tax under Section 13(1) of the Income Tax Act.

16 LEASES

The Association has a lease contract for its office premises and photocopier machine. The Association's obligations under these leases are secured by the lessor's title to the leased assets. The Association is restricted from assigning and subleasing the leased assets.

The Association also has leases of office premises with lease terms of 12 months or less. The Association applies the 'short-term lease' recognition exemptions for these leases.

- (a) Carrying amounts of right-of-use asset classified within plant and equipment

	<u>Office equipment</u>
	\$
Cost	
At 31.03.2019	-
Effect of implementation of FRS116	103,150
At 31.03.2020 and 31.03.2021	<u>103,150</u>
Accumulated depreciation	
At 31.03.2019	22,928
Charge for the financial year	17,196
At 31.03.2020	<u>40,124</u>
Charge for the financial year	17,196
At 31.03.2021	<u>57,320</u>
Net carrying amount	
At 31.03.2020	63,026
At 31.03.2021	<u>45,830</u>

- (b) Lease liabilities

The carrying amounts of lease liabilities, the movements during the financial year and the maturity analysis of lease liabilities are disclosed below.

	<u>2021</u>	<u>2020</u>
	\$	\$
Within one financial year	20,544	20,544
Within two to five financial years	34,240	54,784
Total minimum lease payments	<u>54,784</u>	<u>75,328</u>
Financial charges allocated to future periods	(4,309)	(7,924)
Present value of minimum lease payments	50,475	67,404
Present value within one financial year	<u>(17,983)</u>	<u>(16,929)</u>
Present value after one financial year	<u>32,492</u>	<u>50,475</u>

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16 LEASES (Continued)

(b) Lease liabilities (Continued)

A recognition of lease liabilities arising from financial activities is as follows:

	1 April 2020	Cash flows	Non-cash changes Accretion of interest	31 March 2021
	\$	\$	\$	\$
Lease liabilities	67,404	(20,544)	3,615	50,475

	1 April 2019	Cash flows	Non-cash changes Accretion of interest	31 March 2020
	\$	\$	\$	\$
Lease liabilities	83,342	(20,544)	4,606	67,404

(c) Amounts recognised in profit or loss

	2021	2020
	\$	\$
Depreciation of right-of-use assets	17,196	17,196
Interest expense on lease liabilities	3,615	4,606
Lease expense not capitalised in lease liabilities:		
- Expense relating to short-term leases	13,819	20,770
Total amount recognised in profit or loss	34,630	42,572

(d) Total cash outflow

The Association had total cash outflows for its leases of \$34,363 as at 31 March 2021 (2020: \$41,314).

(e) Extension options

The Association does not have any lease contracts that include extension options.

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17 FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The Association's activities expose it to a variety of financial risks from its operations. The key financial risks arising from the Association's financial instruments are credit risk, liquidity risk and market risk (including foreign currency risk). The Association has no interest rate risk and market price risk.

The management reviews and agree policies and procedures for the management of these risks, which are executed by the management team. It is and has been throughout the current and previous financial year, the Association's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Association's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Association's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Association. The Association's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Association minimises credit risk by dealing exclusively with high credit rating counterparties.

The Association's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Association trades only with recognised and creditworthy third parties. It is the Association's policy that all customers who wish to trade on credit terms are subject to credit verification procedures.

The Association considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Association has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 1 year, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Association has developed and maintained the Association's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information, where available and applicable, and the Association's own trading records to rate its counterparties. To assess whether there is a significant increase in credit risk, the Association compares the risk of a default occurring on the asset as at reporting date with the risk of default as at the date of initial recognition.

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17 FINANCIAL INSTRUMENTS (Continued)

(a) Financial risk management objectives and policies (Continued)

Credit risk (Continued)

The Association considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Association determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganization
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Association categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 180 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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17 FINANCIAL INSTRUMENTS (Continued)**(a) Financial risk management objectives and policies (Continued)****Credit risk (Continued)**

The Association's current credit risk grading framework comprises the following categories:

Category	Description	Basis for recognizing expected credit losses (ECL)
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL or Lifetime ECL (Simplified)
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default	Amount is >1 year past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written-off

The table below details the credit quality of the Association's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
<u>2021</u>						
Fees receivable	9	Performing (Note A)	Lifetime ECL (Simplified)	22,530	(18,585)	3,945
Other receivables (excluding prepayments and grant receivable)	9	Performing (Note B)	12-month ECL	10,661	-	10,661
				<u>33,191</u>	<u>(18,585)</u>	<u>14,606</u>
<u>2020</u>						
Fees receivable	9	Performing (Note A)	Lifetime ECL (Simplified)	53,840	(42,102)	11,738
Other receivables (excluding prepayments)	9	Performing (Note B)	12-month ECL	130,225	-	130,225
				<u>184,065</u>	<u>(42,102)</u>	<u>141,963</u>

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17 FINANCIAL INSTRUMENTS (Continued)**(a) Financial risk management objectives and policies (Continued)****Credit risk (Continued)****Fees receivable (Note A)**

For fees receivable, the Association has applied the simplified approach in FRS 109 to measure the loss allowance at Lifetime ECL (Simplified). The Association determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of fees receivable is presented based on their past due status in terms of the provision matrix.

	Other receivables					Total \$
	Days past due					
	Current \$	Within 30 days \$	31 - 60 days \$	61 - 90 days \$	More than 90 days \$	
2021						
ECL Rate	25%	50%	60%	70%	90%	
Estimated total gross carrying amount at default	1,470	990	130	1,510	18,430	22,530
ECL	(368)	(495)	(78)	(1,057)	(16,587)	(18,585)
	<u>1,102</u>	<u>495</u>	<u>52</u>	<u>453</u>	<u>1,843</u>	<u>3,945</u>
2020						
ECL Rate	25%	50%	60%	70%	90%	
Estimated total gross carrying amount at default	4,256	3,536	3,566	5,518	36,964	53,840
ECL	(1,064)	(1,768)	(2,140)	(3,863)	(33,267)	(42,102)
	<u>3,192</u>	<u>1,768</u>	<u>1,426</u>	<u>1,655</u>	<u>3,697</u>	<u>11,738</u>

Information regarding loss allowance movement of other receivables is disclosed in Note 9.

Other receivables (Note B)

The Association assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Association measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Liquidity risk

Liquidity risk refers to the risk that the Association will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Association's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Association's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Association's operations are financed mainly through equity. The management is satisfied that funds are available to finance the operations of the Association.

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17 FINANCIAL INSTRUMENTS (Continued)**(a) Financial risk management objectives and policies (Continued)****Liquidity risk (Continued)****Analysis of financial instruments by remaining contractual maturities**

The table below summarises the maturity profile of the Association's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Note	Carrying amount \$	Contractual cash flows \$	One year or less \$	2 to 5 years \$
2021					
Financial assets					
Cash and cash equivalents	7	1,625,728	1,625,728	1,625,728	-
Fixed deposits	8	101,931	101,931	101,931	-
Other receivables (excluding prepayments and grant receivable)	9	14,606	14,606	14,606	-
Total undiscounted financial assets		1,742,265	1,742,265	1,742,265	-
Financial liabilities					
Other payables (excluding deferred grant income)	11	75,434	75,434	75,434	-
Lease liabilities	16(b)	50,475	54,784	20,544	34,240
Total undiscounted financial liabilities		125,909	130,218	95,978	34,240
Total net undiscounted financial assets / (liabilities)		1,616,356	1,612,047	1,646,287	(34,240)
2020					
Financial assets					
Cash and cash equivalents	7	1,005,177	1,005,177	1,005,177	-
Fixed deposits	8	101,931	101,931	101,931	-
Other receivables (excluding prepayments)	9	141,963	141,963	141,963	-
Total undiscounted financial assets		1,249,071	1,249,071	1,249,071	-
Financial liabilities					
Other payables (excluding deferred grant income)	11	123,986	123,986	123,986	-
Lease liabilities	16(b)	67,404	75,328	20,544	54,784
Total undiscounted financial liabilities		191,390	199,314	144,530	54,784
Total net undiscounted financial assets / (liabilities)		1,057,681	1,049,757	1,104,541	(54,784)

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18 RESERVE POSITION AND POLICY

The Association's reserve position for the financial year ended 31 March is as follows:

	<u>2021</u>	<u>2020</u>	<u>Increase /</u>
	\$'000	\$'000	<u>(decrease)</u>
			%
A <u>Unrestricted Funds</u>			
General Fund	1,705	2,750	-38.00%
Other unrestricted funds	(108)	(93)	16.68%
B Restricted Funds	222	(1,457)	-115.21%
C Total Fund	<u>1,818</u>	<u>1,201</u>	51.45%
D Total Annual Operating Expenditure	1,151	1,453	-20.77%
E Ratio of Funds to Annual Operating Expenditure (A/D)	<u>1.39</u>	<u>1.83</u>	

Reference:

C Total funds include unrestricted and restricted funds.

D Total Annual Operating Expenditure include total expenditure.

The Association's Reserve Policy is as follows:

The reserve of the Association provides financial stability and the means for the development of the Association's activities. The Management Committee intends to maintain the reserves at a level sufficient for its operating needs. The Association reviews the level of reserves regularly for the Association's continuing obligations.

19 MANAGEMENT OF RESERVES

The primary objective of the Association's capital management is to ensure that it maintains its reserves at a level sufficient for its operating needs. The Association reviews the level of reserves regularly for the Association's continuing obligations. The capital structure of the Association comprises restricted and unrestricted fund balance as its reserves.

The Association manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Association is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes during the financial years ended 31 March 2021 and 31 March 2020.

20 MANAGEMENT OF CONFLICT OF INTEREST

During the current and previous financial year, none of the Committee members received any remuneration from the Association other than those disclosed in Note 4.

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