

# **MALAY YOUTH LITERARY ASSOCIATION**

*UEN Number: S48SS0014A*  
(Registered under Societies Act 1966  
And Charities Act 1994, Singapore)

FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 MARCH 2023

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**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

**STATEMENT BY THE MANAGEMENT COMMITTEE**

For the financial year ended 31 March 2023

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**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 1966 (the "Societies Act"), Charities Act 1994 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 2023 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 2023 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:

Nassar Bin Mohamad Zain  
Syed Faisal Bin Syed Ismail  
Muhammad Saufi Bin Abdul Rashid  
Mohd Hasni Bin Mohd Hashim  
Abu Bakar Sidiq Bin Aslam (Appointed on 16 September 2023)  
Nick Iskandar Mohammad Idris  
Muhammad Ashik Bin Mohd Daud  
Afza Fahmidah Binte Amir  
Rahmat Nazri Shokor  
Nur Atiqah Binte Sulaiman  
Kamal Ashraf Kamil Jumat (Appointed on 18 August 2022)  
Nurul Jannah Mansor (Appointed on 18 August 2022)  
Nurul Eriyanie Mohammed Nazri (Appointed on 18 August 2022)  
Muhammad Sufi Bin Abd Samat  
Nurul Ain Mohd Shahrin (Appointed on 20 October 2023)  
Muhammad Shahril Bin Samri (Appointed on 20 October 2023)  
Mohd Hilman Bin Mohd Hatta (Appointed on 20 October 2023)

**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A


(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)


**STATEMENT BY THE MANAGEMENT COMMITTEE**

For the financial year ended 31 March 2023

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On behalf of the Management Committee,

DocuSigned by:  
  
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**NASSAR BIN MOHAMAD ZAIN**  
President

DocuSigned by:  
  
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**AFZA FAHMIDAH BINTE AMIR**  
Honorary Treasurer

Date: 31 October 2023

*Helmi Talib LLP*

Registration No. (UEN): T20LL1986E

Chartered Accountants of Singapore

An Independent Member Firm of IAPA

- 133 Cecil Street Keck Seng Tower, #15-02 Singapore 069535
- Tel : (65) 6339 2776
- Fax : (65) 6339 6716
- E-mail : enquiry@helmitalib.com.sg
- Website : www.helmitalib.com

## 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 2023, 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 1966 (the "Act"), the Charities Act 1994 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 2023 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.



## *Helmi Talib LLP*

### *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.

## *Helmi Talib LLP*

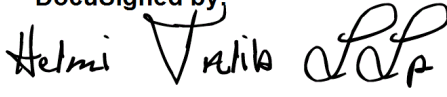
### **Report on Other Legal and Regulatory Requirements**

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 2023 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.

DocuSigned by;  
  
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**HELMI TALIB LLP**  
Public Accountants and  
Chartered Accountants

Singapore

Date: 31 October 2023

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

**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2023

	Note	<u>2023</u> \$	<u>2022</u> \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,473,302	2,002,549
Fixed deposits	8	401,931	101,931
Other receivables	9	105,188	32,991
Total current assets		<u>1,980,421</u>	<u>2,137,471</u>
<b>Non-current assets</b>			
Plant and equipment	10	311,448	274,256
Total non-current assets		<u>311,448</u>	<u>274,256</u>
<b>Total assets</b>		<u>2,291,869</u>	<u>2,411,727</u>
<b>Liabilities and equity</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Other payables	11	56,434	88,146
Lease liabilities	16(b)	7,455	19,102
Total current liabilities		<u>63,889</u>	<u>107,248</u>
<b>Non-current liabilities</b>			
Provision for reinstatement costs	12	50,000	50,000
Lease liabilities	16(b)	33,136	13,390
Total non-current liabilities		<u>83,136</u>	<u>63,390</u>
<b>Total liabilities</b>		<u>147,025</u>	<u>170,638</u>
<b>Net assets</b>		<u>2,144,844</u>	<u>2,241,089</u>
<b>Funds</b>			
<b>Unrestricted funds</b>			
General fund	13	2,204,094	2,089,961
ROW Programme	13	493,258	491,564
4PM Bestari Award	13	59,035	61,794
Childcare Centre	13	48,208	57,604
bITE Programme	13	10,641	10,641
VMS Programme	13	(622,954)	(612,153)
Total unrestricted funds		<u>2,192,282</u>	<u>2,099,411</u>
<b>Restricted funds</b>			
Care and Share Matching Grant	13	406,425	318,328
CEC Programme	13	(5,045)	-
GEMS Programme	13	(12,414)	(11,914)
Youth Edge Programme	13	(10,372)	24,398
4PM Debate	13	(70,882)	(40,770)
Buddy Programme	13	(87,146)	(86,582)
FRENZ Programme	13	(268,004)	(61,782)
Total restricted funds		<u>(47,438)</u>	<u>141,678</u>
<b>Total funds</b>		<u>2,144,844</u>	<u>2,241,089</u>

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



**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES**

For the financial year ended 31 March 2023

	Note	Unrestricted funds						Restricted funds						Total funds	
		General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Care and share matching grant	GEMS programme	FRENZ programme	4PM Debate	Buddy programme	Youth Edge programme		CEC programme
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>INCOME</b>															
Donation - Non-tax deductible	6	21,209	-	-	7,111	-	-	-	-	-	-	-	-	-	28,320
Donation - Tax deductible	6	185,351	16,000	-	108,352	-	-	-	-	-	-	-	-	-	309,703
Grants and funding	5,6	35,317	11,123	3,315	16,481	3,863	-	88,097	-	425,913	86,976	1,680	28,369	8,993	710,127
Government Grants	5	4,574	-	-	-	-	-	-	-	-	-	-	-	-	4,574
Fund raising event income															
- DELOITTE Gives Back	6	11,120	-	-	-	-	-	-	-	-	-	-	-	-	11,120
- Satay Charity 2022	6	5,905	-	-	-	-	-	-	-	-	-	-	-	-	5,905
School fees	5	-	-	-	26,673	396,674	-	-	-	-	-	-	-	-	423,347
Interest Income		14,063	-	-	-	-	-	-	-	-	-	-	-	-	14,063
Membership fees	5	110	-	-	-	-	-	-	-	-	-	-	-	-	110
Other income	5	4,095	120	-	-	-	-	-	-	-	1,620	-	-	-	5,835
<b>TOTAL INCOME</b>		<b>281,744</b>	<b>27,243</b>	<b>3,315</b>	<b>158,617</b>	<b>400,537</b>	<b>-</b>	<b>88,097</b>	<b>-</b>	<b>425,913</b>	<b>88,596</b>	<b>1,680</b>	<b>28,369</b>	<b>8,993</b>	<b>1,513,104</b>

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

**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES**

For the financial year ended 31 March 2023

2023 (Continued)	Note	Unrestricted funds					Restricted funds							Total funds	
		General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Care and share matching grant	GEMS programme	FRENZ programme	4PM Debate	Buddy programme	Youth Edge programme		CEC programme
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>EXPENDITURE</b>															
Bank Fees		875	-	-	-	498	-	-	-	-	-	-	-	-	1,373
Audit fees		11,137	-	-	-	2,996	-	-	-	-	-	-	-	-	14,133
Depreciation	10	-	-	-	-	-	-	-	45,842	-	-	-	-	-	45,842
Expected credit losses	9	-	-	-	-	5,669	-	-	-	-	-	-	-	-	5,669
Bad debt written off		-	-	-	-	5,730	-	-	-	-	-	-	-	-	5,730
Donation expenses		10,500	-	-	-	-	-	-	-	-	-	-	-	-	10,500
Fund raising event expenses															-
- Satay Charity		3,114	-	-	-	-	-	-	-	-	-	-	-	-	3,114
Interest of lease liabilities	16(c)	1,700	-	-	-	-	-	-	-	-	-	-	-	-	1,700
Salaries and other related costs		69,868	-	-	-	253,892	-	-	405,709	-	-	48,064	-	-	777,533
Employer CPF		17,176	-	-	-	39,070	-	-	67,304	-	-	7,652	-	-	131,202
SDL and MBMF		1,519	-	-	-	-	-	-	-	-	-	-	-	-	1,519
Other benefits		-	-	-	-	1,237	-	-	8,466	-	(300)	600	-	-	10,003
Staff training		-	-	-	-	6,087	-	-	2,234	-	(139)	284	-	-	8,466
Recruitment expenses		-	-	-	-	271	-	-	627	-	-	-	-	-	898
Communication		-	-	-	-	1,659	-	-	7,074	-	-	-	-	-	8,733
<b>Balance carried forward</b>		<b>115,889</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>317,109</b>	<b>-</b>	<b>-</b>	<b>537,256</b>	<b>-</b>	<b>(439)</b>	<b>56,600</b>	<b>-</b>	<b>-</b>	<b>1,026,415</b>

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

**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES**

For the financial year ended 31 March 2023

2023 (Continued)	Note	Unrestricted funds						Restricted funds						Total funds	
		General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Care and share matching grant	GEMS programme	FRENZ programme	4PM Debate	Buddy programme	Youth Edge programme		CEC programme
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>EXPENDITURE (Continued)</b>															
Balance bought forward		115,889	-	-	-	317,109	-	-	-	537,256	-	(439)	56,600	-	1,026,415
Consulting & Accounting		14,400	-	-	-	-	-	-	-	-	-	-	-	-	14,400
Printing & stationery		-	-	-	-	2,389	-	-	-	3,912	-	-	-	-	6,301
Programme & project expenses		1,658	29,160	12,796	155,887	67,905	-	-	500	56,344	116,793	2,437	6,447	13,067	462,994
Food & refreshment		-	-	177	-	92	-	-	-	3,835	-	-	-	500	4,604
Rental of Land & Building		-	-	-	-	12,038	-	-	-	8,322	-	-	-	-	20,360
Rental of Equipment		-	-	-	-	852	-	-	-	-	-	-	-	-	852
Utilities		-	-	-	-	6,834	-	-	-	8,204	-	-	-	-	15,038
Maintenance of Land & Building		428	-	-	-	1,430	-	-	-	2,740	-	-	-	-	4,598
Loss on disposal of fixed assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transportation		86	842	95	1,036	-	-	-	-	8,188	1,915	246	92	471	12,971
Insurance		-	-	202	-	141	-	-	-	1,185	-	-	-	-	1,528
Membership dues		-	-	-	-	-	-	-	-	139	-	-	-	-	139
Miscellaneous expenses		13,966	-	846	-	1,143	-	-	-	2,010	-	-	-	-	17,965
General expenses		21,184	-	-	-	-	-	-	-	-	-	-	-	-	21,184
<b>TOTAL EXPENDITURE</b>		<b>167,611</b>	<b>30,002</b>	<b>14,116</b>	<b>156,923</b>	<b>409,933</b>	<b>-</b>	<b>-</b>	<b>500</b>	<b>632,135</b>	<b>118,708</b>	<b>2,244</b>	<b>63,139</b>	<b>14,038</b>	<b>1,609,349</b>

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

**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES**

For the financial year ended 31 March 2023

	Unrestricted funds						Restricted funds							Total funds
	General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Care and share matching grant	GEMS programme	FRENZ programme	4PM Debate	Buddy programme	Youth Edge programme	CEC programme	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>2023 (Continued)</b>														
Surplus/(deficit) for the financial year	114,133	(2,759)	(10,801)	1,694	(9,396)	-	88,097	(500)	(206,222)	(30,112)	(564)	(34,770)	(5,045)	(96,245)
Transfer to/from funds during the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total funds brought forward	2,089,961	61,794	(612,153)	491,564	57,604	10,641	318,328	(11,914)	(61,782)	(40,770)	(86,582)	24,398	-	2,241,089
Total funds carried forward	2,204,094	59,035	(622,954)	493,258	48,208	10,641	406,425	(12,414)	(268,004)	(70,882)	(87,146)	(10,372)	(5,045)	2,144,844

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

**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES**

For the financial year ended 31 March 2023

	Note	Unrestricted funds						Restricted funds						Total funds
		General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Care and share matching grant	GEMS programme	FRENZ programme	4PM Debate	Buddy programme	Youth Edge programme	
2022		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<b>INCOME</b>														
Donation - Non-tax deductible	5,6	13,141	5,000	-	340	5,000	-	-	-	-	-	-	8,000	31,481
Donation - Tax deductible	5,6	199,790	-	-	167,039	-	-	-	-	-	-	-	-	366,829
Grants and funding	6	182,472	29,688	9,518	67,771	4,043	-	-	5,787	506,584	20,279	34,900	6,190	867,232
Government Grants	5	25,748	-	-	-	-	-	-	-	-	-	-	-	25,748
Fund raising event income														
- 'We Care We Share' Charity Drive Campaign	6	12,219	-	-	-	70	-	-	-	-	-	-	-	12,289
- Flag Day income	6	260	-	-	-	-	-	-	-	-	-	-	-	260
- DELOITTE Gives Back	6	24,634	-	-	-	-	-	-	-	-	-	-	-	24,634
- Others	6	17,760	-	-	-	-	-	-	-	-	-	-	-	17,760
School fees	5	-	-	-	-	408,501	-	-	-	-	-	-	-	408,501
Miscellaneous income	5	-	-	-	-	5	-	-	-	-	-	-	-	5
Membership fees	5	760	-	-	-	-	-	-	-	-	-	-	-	760
Other income	5	2,320	-	-	-	-	-	-	-	-	-	-	-	2,320
<b>TOTAL INCOME</b>		<b>479,104</b>	<b>34,688</b>	<b>9,518</b>	<b>235,150</b>	<b>417,619</b>	<b>-</b>	<b>-</b>	<b>5,787</b>	<b>506,584</b>	<b>20,279</b>	<b>34,900</b>	<b>14,190</b>	<b>1,757,819</b>

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

**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES**

For the financial year ended 31 March 2023

2022 (Continued)	Note	Unrestricted funds					Restricted funds					Total funds		
		General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Care and share matching grant	GEMS programme	FRENZ programme	4PM Debate		Buddy programme	Youth Edge programme
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>EXPENDITURE</b>														
		779	-	-	-	116	-	-	-	-	-	-	-	895
		10,065	-	-	-	2,194	-	-	-	-	-	-	-	12,259
	10	-	-	-	-	-	-	-	44,489	-	-	-	-	44,489
	9	-	-	-	-	33,832	-	-	-	-	-	-	-	33,832
		19,050	(2,080)	-	(8,000)	-	-	-	(8,720)	-	-	-	-	250
		Fund raising event expenses												
		- 'We Care We Share' Charity Drive Campaign												
		14,784	-	-	-	-	-	-	-	-	-	-	-	14,784
	16(c)	-	-	-	-	-	-	-	2,561	-	-	-	-	2,561
		Salaries and other related costs												
		-	-	-	-	284,353	-	-	391,436	-	46,658	-	-	722,447
		-	-	-	-	38,567	-	-	54,526	-	6,863	-	-	99,956
		-	-	-	-	1,512	-	-	3,182	-	300	-	-	4,994
		-	-	-	-	338	-	-	1,058	-	-	-	-	1,396
		Recruitment expenses												
		-	-	-	-	230	-	-	460	-	-	-	-	690
		Communication												
		83	-	-	-	1,813	-	-	5,533	-	-	-	-	7,429
		<b>44,761</b>	<b>(2,080)</b>	<b>-</b>	<b>(8,000)</b>	<b>362,955</b>	<b>-</b>	<b>-</b>	<b>494,525</b>	<b>-</b>	<b>53,821</b>	<b>-</b>	<b>-</b>	<b>945,982</b>

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

**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES**

For the financial year ended 31 March 2023

2022 (Continued)	Note	Unrestricted funds						Restricted funds						Total funds
		General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Care and share matching grant	GEMS programme	FRENZ programme	4PM Debate	Buddy programme	Youth Edge programme	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
<b>EXPENDITURE (Continued)</b>														
Balance bought forward		44,761	(2,080)	-	(8,000)	362,955	-	-	-	494,525	-	53,821	-	945,982
Consulting & Accounting		34,006	-	-	-	-	-	-	-	-	-	-	-	34,006
Printing & stationery		1,274	-	-	-	6,925	-	-	-	5,699	-	-	-	13,898
Programme & project expenses		-	21,363	21,800	85,639	29,712	-	-	-	38,660	34,353	(400)	4,314	235,441
Food & refreshment		-	-	1,485	-	247	-	-	-	2,510	-	-	-	4,242
Rental of Land & Building		-	-	-	-	9,292	-	-	-	6,573	-	-	-	15,865
Utilities		-	-	-	-	4,301	-	-	-	7,133	-	-	-	11,434
Maintenance of equipment		5,077	-	-	-	1,885	-	-	-	7,590	-	-	-	14,552
Transportation		-	-	-	406	-	-	-	-	4,424	732	442	-	6,004
Insurance		-	-	-	-	-	-	-	-	390	-	-	-	390
Membership dues		89	-	-	-	-	-	-	-	-	-	-	-	89
Miscellaneous expenses		8,894	-	24,902	1,419	16,925	-	-	-	497	-	-	-	52,637
General expenses		-	-	-	-	-	-	-	-	365	-	-	-	365
<b>TOTAL EXPENDITURE</b>		<b>94,101</b>	<b>19,283</b>	<b>48,187</b>	<b>79,464</b>	<b>432,242</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>568,366</b>	<b>35,085</b>	<b>53,863</b>	<b>4,314</b>	<b>1,334,905</b>

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

**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

*(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)***STATEMENT OF FINANCIAL ACTIVITIES***For the financial year ended 31 March 2023*

	Unrestricted funds						Restricted funds						Total funds
	General fund	4PM Bestari award	VMS programme	ROW programme	Childcare centre	bITE programme	Care and share matching grant	GEMS programme	FRENZ programme	4PM Debate	Buddy programme	Youth Edge programme	
2022 (Continued)	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Surplus/(deficit) for the financial year	385,003	15,405	(38,669)	155,686	(14,623)	-	-	5,787	(61,782)	(14,806)	(18,963)	9,876	422,914
Transfer to/from funds during the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-
Total funds brought 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
Total funds carried forward	2,089,961	61,794	(612,153)	491,564	57,604	10,641	318,328	(11,914)	(61,782)	(40,770)	(86,582)	24,398	2,241,089

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



**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

*(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)***STATEMENT OF CHANGES IN FUNDS***For the financial year ended 31 March 2023*


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	<b>Note</b>	<b><u>Total funds</u></b>
		<b>\$</b>
Balance as at 31 March 2021	13	1,818,175
Net income for the financial year		422,914
Balance as at 31 March 2022	13	<u>2,241,089</u>
Net loss for the financial year		<u>(96,245)</u>
Balance as at 31 March 2023	13	<u>2,144,844</u>

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

**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

**STATEMENT OF CASH FLOWS**

For the financial year ended 31 March 2023

	<b>Note</b>	<b>2023</b> \$	<b>2022</b> \$
<b>Cash flows from operating activities</b>			
Net (loss)/Income for the financial year		(96,245)	422,914
<b>Adjustments for</b>			
Depreciation of plant and equipment	10	45,842	44,488
Bad debts written off		5,730	-
Expected credit losses	9	5,669	33,832
Interest expense on lease liabilities	16(c)	1,700	2,561
Gain on termination of lease	16(c)	(2,350)	-
Total adjustments		<u>56,591</u>	<u>80,881</u>
Total operating cash flows before changes in working capital		(39,654)	503,795
<b>Changes in working capital</b>			
Increase in other receivables		(83,596)	(37,779)
Decrease in other payables		<u>(31,712)</u>	<u>(19,960)</u>
Total changes in working capital		<u>(115,308)</u>	<u>(57,739)</u>
Net cash flows (used in)/generated from operating activities		<u>(154,962)</u>	<u>446,056</u>
<b>Cash flows from investing activities</b>			
Purchase of plant and equipment	10	(55,548)	(48,691)
Increase in fixed deposit		<u>(300,000)</u>	-
Net cash flows used in investing activities		<u>(355,548)</u>	<u>(48,691)</u>
<b>Cash flows from financing activity</b>			
Payment of lease liability	16(b)	<u>(18,737)</u>	<u>(20,544)</u>
Net cash flows used in financing activities		<u>(18,737)</u>	<u>(20,544)</u>
Net (decrease) increase in cash and cash equivalents before effect of exchange rate changes		(529,247)	376,821
Cash and cash equivalents at beginning of financial year		2,002,549	1,625,728
Cash and cash equivalents at end of financial year	7	<u>1,473,302</u>	<u>2,002,549</u>
<b>Net cash flows</b>			
Net cash flows (used in)/generated from operating activities		<u>(154,962)</u>	<u>446,056</u>
Net cash flows used in investing activities		<u>(355,548)</u>	<u>(48,691)</u>
Net cash flows used in financing activities		<u>(18,737)</u>	<u>(20,544)</u>

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

## **MALAY YOUTH LITERARY ASSOCIATION**

*UEN: S48SS0014A*

*(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)*

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

*For the financial year ended 31 March 2023*

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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 1966 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 1966 and was registered as charity registered under the Charities Act 1994 on 2 December 1983. The Association has been accorded an Institutions of a Public Character ("IPC") status until 25 June 2024.

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 2023 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 1966 and Charities Act 1994.

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 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Association.

**MALAY YOUTH LITERARY ASSOCIATION**

UEN: S48SS0014A

(Registered under the Societies Act 1966 and Charities Act 1994, Singapore)

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2023

**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>
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
FRS 117 <i>Insurance Contracts</i>	1 January 2023
Amendments to FRS 116 <i>Leases: Lease Liability in a Sale and Leaseback</i>	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : <i>Non-current Liabilities with Covenants</i>	1 January 2024

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.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2023

**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.5 Plant and equipment (Continued)**

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.

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 2023

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**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.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2023

**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****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.

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.

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**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 March 2023

**2 SIGNIFICANT ACCOUNTING POLICIES (Continued)****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.

**(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:

Office equipment	<u>Useful life</u> 6 years
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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 2023

**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.

## **MALAY YOUTH LITERARY ASSOCIATION**

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

For the financial year ended 31 March 2023

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#### **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 2023 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 (2022: 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 2023

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

	<u>2023</u>	<u>2022</u>
	\$	\$
<u>Management Committee</u>		
Honorarium allowance	-	23,500
Transport allowance	645	1,200
Donation received	(4,015)	-
Membership fee	(110)	-
	<u>          </u>	<u>          </u>

*(b) Compensation of key management personnel*

	<u>2023</u>	<u>2022</u>
	\$	\$
Salaries and other short term employee benefits	102,978	97,624
Employer's contribution to Central Provident Fund	15,208	14,557
	<u>118,186</u>	<u>112,181</u>

One of the Association's employees were remunerated more than or equal to \$100,000 for the financial year ended 31 March 2023 (2022: 1).

	No. of staff	
Breakdown by band	<u>2023</u>	<u>2022</u>
- \$100,001 to \$120,000	1	1

**5 REVENUE***(a) Disaggregation of revenue*

	<u>2023</u>	<u>2022</u>
	\$	\$
<u>Type of income</u>		
Grants and funding	710,127	867,232
School fees	423,347	408,501
Donations	349,083	445,426
Interest income	14,063	-
Fundraising event income	5,965	7,827
Miscellaneous income	5,945	3,085
Government grants	4,574	25,748
	<u>1,513,104</u>	<u>1,757,819</u>
<u>Timing of transfer of services</u>		
At point in time	1,089,757	1,349,318
Over time	423,347	408,501
	<u>1,513,104</u>	<u>1,757,819</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>2023</u>		<u>2022</u>	
	Tax deductible \$	Non-tax deductible \$	Tax deductible \$	Non-tax deductible \$
Grants and funding	-	710,127	-	867,232
Donations	309,703	28,320	366,829	31,481
Fund raising event income				
• DELOITTE Gives Back	11,060	60	24,634	-
• Satay Charity 2022	-	5,905	-	-
• Others	-	-	17,760	-
• We Care We Share	-	-	4,592	7,697
• Flag Day income	-	-	130	130
	<u>320,763</u>	<u>744,412</u>	<u>413,945</u>	<u>906,540</u>

During the financial year, the Association issued tax deductible receipts for donations amounting to \$320,763 (2022: \$413,945) pursuant to its Institutions of a Public Character ("IPC") status.

Included within non-tax deductible donations is \$34,285 (2022: \$39,308) 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>2023</u> \$	<u>2022</u> \$
Cash at banks	1,473,193	2,002,415
Cash on hand	109	134
	<u>1,473,302</u>	<u>2,002,549</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>2023</u> \$	<u>2022</u> \$
Term deposits	<u>401,931</u>	<u>101,931</u>

Fixed deposits earn interest ranging from 0.25% to 3.20% (2022: 0.25%) per annum and have a maturity period of 12 to 24 months (2022: 12 months).

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**9 OTHER RECEIVABLES**

	<u>2023</u>	<u>2022</u>
	\$	\$
Fees receivable	7,480	52,224
Less: Expected credit losses	<u>(5,669)</u>	<u>(33,832)</u>
	<u>1,811</u>	<u>18,392</u>
Deposits	10,982	10,301
Prepayments	4,298	4,298
Grant receivable	<u>88,097</u>	<u>-</u>
	<u>103,377</u>	<u>14,599</u>
Total other receivables	<u>105,188</u>	<u>32,991</u>
Other receivables (excluding prepayments)	100,890	28,693
Add: Cash and cash equivalents (Note 7)	1,473,302	2,002,549
Add: Fixed deposits (Note 8)	<u>401,931</u>	<u>101,931</u>
Total financial assets carried at amortised cost	<u>1,976,123</u>	<u>2,133,173</u>

Expected credit losses ("ECL")

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

	<u>2023</u>	<u>2022</u>
	\$	\$
<u>Movement in allowance accounts</u>		
Balance at beginning of financial year	33,832	18,585
Write off during the financial year	(33,832)	(18,585)
Charge for the financial year	<u>5,669</u>	<u>33,832</u>
Balance at the end of the financial year	<u>5,669</u>	<u>33,832</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
	\$	\$	\$	\$	\$	\$	\$
<b>Cost</b>							
At 31.03.2021	23,140	6,642	1,930	25,715	106,956	292,555	456,938
Additions	5,072	-	12,519	-	-	31,100	48,691
At 31.03.2022	28,212	6,642	14,449	25,715	106,956	323,655	505,629
Disposal	-	-	-	-	(103,150)	-	(103,150)
Additions	6,579	-	-	8,099	41,790	40,870	97,338
At 31.03.2023	34,791	6,642	14,449	33,814	45,596	364,525	499,817
<b>Accumulated depreciation</b>							
At 31.03.2021	10,206	4,253	664	9,454	58,616	103,692	186,885
Charge for the financial year	1,801	1,491	127	1,626	17,447	21,996	44,488
At 31.03.2022	12,007	5,744	791	11,080	76,063	125,688	231,373
Disposal	-	-	-	-	(88,846)	-	(88,846)
Charge for the financial year	2,278	1,342	114	2,273	15,951	23,884	45,842
At 31.03.2023	14,285	7,086	905	13,353	3,168	149,572	188,369
<b>Carrying value</b>							
At 31.03.2022	16,205	898	13,658	14,635	30,893	197,967	274,256
At 31.03.2023	20,506	(444)	13,544	20,461	42,428	214,953	311,448

Included within cost of renovation is a provision for premises reinstatement costs of \$50,000 (2022: \$50,000). Details of the provision are disclosed in Note 12.

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**

	<u>2023</u> \$	<u>2022</u> \$
Accruals	<u>56,434</u>	<u>88,146</u>
Total other payables	56,434	88,146
Add: Lease liabilities (Note 16(b))	<u>40,591</u>	<u>32,492</u>
Total financial liabilities carried at amortised cost	<u>97,025</u>	<u>120,638</u>

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

Other payables are denominated in Singapore Dollar.

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*For the financial year ended 31 March 2023*

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**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 (2022: \$50,000) 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	Care and share matching grant	GEMS programme	FRENZ programme	4PM Debate	Buddy programme	Youth Edge programme	CEC programme	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
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
Transfer to/from funds during the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income / (loss) for the financial year	385,003	15,405	(38,669)	155,686	(14,623)	-	-	5,787	(61,782)	(14,806)	(18,963)	9,876	-	422,914
Balance as at 31 March 2022	2,089,961	61,794	(612,153)	491,564	57,604	10,641	318,328	(11,914)	(61,782)	(40,770)	(86,582)	24,398	-	2,241,089
Transfer to/from funds during the financial year	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net income / (loss) for the financial year	114,133	(2,759)	(10,801)	1,694	(9,396)	-	88,097	(500)	(206,222)	(30,112)	(564)	(34,770)	(5,045)	(96,245)
Balance as at 31 March 2023	2,204,094	59,035	(622,954)	493,258	48,208	10,641	406,425	(12,414)	(268,004)	(70,882)	(87,146)	(10,372)	(5,045)	2,144,844

**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 is 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) *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

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**13 FUNDS** (Continued)

**RESTRICTED FUNDS** (Continued)

(b) *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.

(c) *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)**(c) *FRENZ Programme (Continued)*

	<b>NCSS Community Chest Funding</b>		<b>Yayasan Mendaki CLF Programme</b>		<b>Total</b>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	\$	\$	\$	\$	\$	\$
At beginning of the financial year	(51,778)	-	(10,004)	-	(61,782)	-
Transfer to/from funds during the financial year	-	-	-	-	-	-
At beginning of financial year	(51,778)	-	(10,004)	-	(61,782)	-
<b>Income</b>						
Grant and funding	410,559	409,848	8,720	19,936	419,279	429,784
Other funding	6,634	76,800	-	-	6,634	76,800
	<u>417,193</u>	<u>486,648</u>	<u>8,720</u>	<u>19,936</u>	<u>425,913</u>	<u>506,584</u>
<b>Expenditure</b>						
Salaries and other related costs	405,709	391,436	-	-	405,709	391,436
Employer CPF	67,304	54,526	-	-	67,304	54,526
Depreciation	30,118	27,293	-	-	30,118	27,293
Depreciation - ROU	15,724	17,196	-	-	15,724	17,196
Utilities	8,204	7,133	-	-	8,204	7,133
Rental - premises	8,322	6,573	-	-	8,322	6,573
Maintenance of equipment	-	7,590	-	-	-	7,590
Printing and stationery	3,912	5,699	-	-	3,912	5,699
Interest on lease liabilities	-	2,561	-	-	-	2,561
Maintenance of premises	2,740	-	-	-	2,740	-
Other benefits	8,466	3,182	-	-	8,466	3,182
Transportation	8,188	4,424	-	-	8,188	4,424
Staff training	2,234	1,058	-	-	2,234	1,058
Food & refreshment	3,835	2,510	-	-	3,835	2,510
Balance carried forward	<u>564,756</u>	<u>531,181</u>	<u>-</u>	<u>-</u>	<u>564,756</u>	<u>531,181</u>

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

	NCSS Community Chest Funding		Yayasan Mendaki CLF Programme		Total	
	2023	2022	2023	2022	2023	2022
	\$	\$	\$	\$	\$	\$
Balance carried forward	564,756	531,181	-	-	564,756	531,181
Insurance	1,185	390	-	-	1,185	390
Miscellaneous expenses	2,010	497	-	-	2,010	497
Recruitment expenses	627	460	-	-	627	460
Programme and project expenses	-	-	56,344	38,660	56,344	38,660
Donation expense	-	-	-	(8,720)	-	(8,720)
Communication	7,074	5,533	-	-	7,074	5,533
General expenses	-	365	-	-	-	365
Membership due	139	-	-	-	139	-
	<u>575,791</u>	<u>538,426</u>	<u>56,344</u>	<u>29,940</u>	<u>632,135</u>	<u>568,366</u>
At the end of financial year	<u>(210,376)</u>	<u>(51,778)</u>	<u>(57,628)</u>	<u>(10,004)</u>	<u>(268,004)</u>	<u>(61,782)</u>

**(d) 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.

**(e) 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.

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**13 FUNDS** (Continued)**RESTRICTED FUNDS** (Continued)*(f) 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

*(g) Community Engagement Committee (CEC) Programme*

The Community Engagement Committee (CEC) serves as a vital link connecting 4PM mentors with youths, representing 4PM to external stakeholders, recognising emerging community leaders and overseeing youth engagement initiatives.

This encompasses organising the "Santai Series", a bi-annual focus group discussion led by professionals and industry experts, aimed at encouraging substantial conversations on significant youth-related concerns.

**14 FUND-RAISING APPEALS***(a) Fund-raising appeals*

During the financial year, the Association has received a total amount of \$17,025 (2022: \$54,943) in donations from online crowdsourcing and public fundraising activities.

*(b) Fund-raising efficiency ratio*

	<u>2023</u>	<u>2022</u>
	\$	\$
Gross donations, representing total receipts from fund-raising	17,025	54,943
Direct fund-raising expenses	3,114	14,784
Percentage of direct fund-raising expenses to total receipts	<u>18%</u>	<u>27%</u>

**15 INCOME TAX**

The Association is registered as a charity organisation under the Charities Act 1994. As an approved charity, it is exempted from income tax under Section 13(1) of the Income Tax Act.

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**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>
	\$
<b>Cost</b>	
At 31.03.2021 and 31.03.2022	103,150
Disposal	(103,150)
Addition	41,790
At 31.03.2023	<u>41,790</u>
<b>Accumulated depreciation</b>	
At 31.03.2021	57,320
Charge for the financial year	17,196
At 31.03.2022	<u>74,516</u>
Charge for the financial year	15,724
Disposal	(88,846)
At 31.03.2023	<u>1,394</u>
<b>Net carrying amount</b>	
At 31.03.2022	<u>28,634</u>
At 31.03.2023	<u>40,396</u>

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**16 LEASES (Continued)**

## (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.

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

	<u>2023</u>	<u>2022</u>
	\$	\$
Within one financial year	9,707	20,544
Within two to five financial years	<u>37,210</u>	<u>13,696</u>
Total minimum lease payments	46,917	34,240
Financial charges allocated to future periods	<u>(6,326)</u>	<u>(1,748)</u>
Present value of minimum lease payments	40,591	32,492
Present value within one financial year	<u>(7,455)</u>	<u>(19,102)</u>
Present value after one financial year	<u>33,136</u>	<u>13,390</u>

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

	1 April 2022	Cash flows	Addition	Disposal	Non-cash changes		31 March 2023
					Accretion of interest	Others	
Lease liabilities	\$ 32,492	\$ (18,737)	\$ 41,790	(14,304)	\$ 1,700	\$ (2,350)	\$ 40,591

	1 April 2021	Cash flows	Addition	Addition	Non-cash changes		31 March 2022
					Accretion of interest	Others	
Lease liabilities	\$ 50,475	\$ (20,544)	-	-	\$ 2,561	-	\$ 32,492

## (c) Amounts recognised in profit or loss

	<u>2023</u>	<u>2022</u>
	\$	\$
Depreciation of right-of-use assets	15,724	17,196
Interest expense on lease liabilities	1,700	2,561
Gain on termination of lease	(2,350)	-
Lease expense not capitalised in lease liabilities:		
- Expense relating to short-term leases	<u>24,864</u>	<u>20,359</u>
Total amount recognised in profit or loss	<u>39,938</u>	<u>40,116</u>

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**16 LEASES (Continued)**

## (d) Total cash outflow

The Association had total cash outflows for its leases of \$39,938 as at 31 March 2023 (2022: \$40,116).

## (e) Extension options

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

**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.



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**17 FINANCIAL INSTRUMENTS (Continued)**

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

**Credit risk (Continued)**

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.

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 \$
<b>2023</b>						
Fees receivable	9	Performing (Note A)	Lifetime ECL (Simplified)	7,480	(5,669)	1,811
Other receivables (excluding prepayments)	9	Performing (Note B)	12-month ECL	99,079	-	99,079
				<u>106,559</u>	<u>(5,669)</u>	<u>100,890</u>
<b>2022</b>						
Fees receivable	9	Performing (Note A)	Lifetime ECL (Simplified)	52,224	(33,832)	18,392
Other receivables (excluding prepayments)	9	Performing (Note B)	12-month ECL	10,301	-	10,301
				<u>62,525</u>	<u>(33,832)</u>	<u>28,693</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.

	<b>Other receivables</b>					Total \$
	Current \$	Within 30 days \$	31 - 60 days \$	61 - 90 days \$	More than 90 days \$	
<b><u>2023</u></b>						
ECL Rate	25%	50%	60%	70%	90%	
Estimated total gross carrying amount at default	540	820	820	690	4,610	7,480
ECL	(135)	(410)	(492)	(483)	(4,149)	(5,669)
	405	410	328	207	461	1,811
<b><u>2022</u></b>						
ECL Rate	25%	50%	60%	70%	90%	
Estimated total gross carrying amount at default	9,084	6,840	10,637	6,690	18,973	52,224
ECL	(2,271)	(3,420)	(6,382)	(4,683)	(17,076)	(33,832)
	6,813	3,420	4,255	2,007	1,897	18,392

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 \$
<b><u>2023</u></b>					
<b><u>Financial assets</u></b>					
Cash and cash equivalents	7	1,473,302	1,473,302	1,473,302	-
Fixed deposits	8	401,931	401,931	401,931	-
Other receivables (excluding prepayments)	9	100,890	100,890	100,890	-
Total undiscounted financial assets		<u>1,976,123</u>	<u>1,976,123</u>	<u>1,976,123</u>	<u>-</u>
<b><u>Financial liabilities</u></b>					
Other payables	11	56,434	56,434	56,434	-
Lease liabilities	16(b)	40,591	46,917	9,707	37,210
Total undiscounted financial liabilities		<u>97,025</u>	<u>103,351</u>	<u>66,141</u>	<u>37,210</u>
Total net undiscounted financial assets / (liabilities)		<u>1,879,098</u>	<u>1,872,772</u>	<u>1,909,982</u>	<u>(37,210)</u>
<b><u>2022</u></b>					
<b><u>Financial assets</u></b>					
Cash and cash equivalents	7	2,002,549	2,002,549	2,002,549	-
Fixed deposits	8	101,931	101,931	101,931	-
Other receivables (excluding prepayments)	9	28,693	28,693	28,693	-
Total undiscounted financial assets		<u>2,133,173</u>	<u>2,133,173</u>	<u>2,133,173</u>	<u>-</u>
<b><u>Financial liabilities</u></b>					
Other payables	11	88,146	88,146	88,146	-
Lease liabilities	16(b)	32,492	34,240	20,544	13,696
Total undiscounted financial liabilities		<u>120,638</u>	<u>122,386</u>	<u>108,690</u>	<u>13,696</u>
Total net undiscounted financial assets / (liabilities)		<u>2,012,535</u>	<u>2,010,787</u>	<u>2,024,483</u>	<u>(13,696)</u>

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**18 RESERVE POSITION AND POLICY**

The Association's reserve position for the financial year ended 31 March 2023 is as follows:

	<u>2023</u>	<u>2022</u>	<u>Increase /</u>
	\$'000	\$'000	<u>(decrease)</u>
			%
A <u>Unrestricted Funds</u>			
General Fund	2,204	2,750	-19.85%
Other unrestricted funds	(12)	(93)	-87.28%
B Restricted Funds	<u>(47)</u>	<u>(1,457)</u>	-96.74%
C Total Fund	2,145	1,200	78.80%
D Total Annual Operating Expenditure	1,609	1,453	10.77%
E Ratio of Funds to Annual Operating Expenditure (A/D)	<u>1.36</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 2023 and 31 March 2022.

**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.