

LUPUS ASSOCIATION (SINGAPORE)

[UEN. S91SS0026L]

[Incorporated in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2023**

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Fiducia LLP

[UEN. T10LL0955L]

Public Accountants and
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Statement by the Management Committee

Lupus Association (Singapore) [UEN. S91SS0026L]

For the year ended 31 December 2023

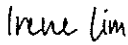
In the opinion of the Management Committee, the financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of Lupus Association (Singapore) (the "Society") as at 31 December 2023 and the results, changes in funds and cash flows of the Society for the financial year then ended.

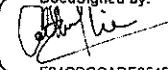
At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on 9 April 2024

| | |
|------------------------------|----------------------|
| President | Irene Lim Suan Kim |
| Vice-President | Stanley Angkodjojo |
| Honorary Secretary | Hiew Hwee Huang |
| Honorary Treasurer | Agnes Xue Lishan |
| Assistant Honorary Treasurer | Lee Soo Hoon Jo |
| Welfare Officer | Rachel Chow Mew Peng |
| Council Member | Poh Yih Jia |
| Council Member | Tay Sen Hee |
| Council Member | Chan Suan Ling |
| Council Member | Anindita Rosa |
| Council Member | Jing Ting Jean |

For and on behalf of the Management Committee,

DocuSigned by:

443B472CD693409...
Irene Lim Suan Kim
President

DocuSigned by:

F94C0CCADE054B7...
Hiew Hwee Huang
Honorary Treasurer

Singapore, 9 April 2024

Independent Auditor's Report

Lupus Association (Singapore) [UEN. S91SS0026L] For the year ended 31 December 2023

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Lupus Association (Singapore) (the "Society"), which comprise the statement of financial position as at 31 December 2023, and 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 "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2023 and the results, changes in funds and cash flows of the Society 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 Society in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee (set out on page 2), but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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 the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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


Independent Auditor's Report

Report on Other Legal and Regulatory Requirements

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

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

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

DocuSigned by:

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Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 9 April 2024

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

Statement of Financial Activities

Lupus Association (Singapore) [UEN. S91SS0026L]

For the year ended 31 December 2023

| | NOTE | GENERAL FUND | HEALTH ENDOWMENT FUND - GENERAL | TOTAL FUNDS |
|--|------|---------------|---------------------------------------|---------------|
| 2023 | | | | |
| INCOME | | | | |
| Voluntary income | | | | |
| Donations – Tax exempt | 10 | - | 50,876 | 50,876 |
| Donations – Non-tax exempt | | 11,165 | - | 11,165 |
| Total | | 11,165 | 50,876 | 62,041 |
| Income from charitable activities | | | | |
| Membership fees | 4 | 285 | - | 285 |
| Programme fees | 4 | 500 | - | 500 |
| Total | | 785 | - | 785 |
| Other income | | | | |
| Interest income | | 489 | - | 489 |
| Sales of merchandise | 4 | 160 | - | 160 |
| Total | | 649 | - | 649 |
| Total income | | 12,599 | 50,876 | 63,475 |
| LESS: EXPENDITURE | | | | |
| Cost of charitable activities | | | | |
| Courier and postage | | 750 | - | 750 |
| Depreciation | 7 | 942 | - | 942 |
| Gifts and condolences to members | | 120 | - | 120 |
| Maintenance - office equipment | | 648 | - | 648 |
| Members educational talks | | - | 14,863 | 14,863 |
| Printing and stationery | | 3,368 | - | 3,368 |
| Research grant | | - | 30,000 | 30,000 |
| Special extensive treatment | | - | 14,325 | 14,325 |
| Telephone and internet | | 834 | - | 834 |
| Total | | 6,662 | 59,188 | 65,850 |
| Staff costs | | | | |
| CPF and SDL contributions | | 2,707 | - | 2,707 |
| Medical expenses | | 26 | - | 26 |
| Salaries and bonuses | | 18,200 | - | 18,200 |
| Staff welfare | | 200 | - | 200 |
| Total | | 21,133 | - | 21,133 |

Statement of Financial Activities

| | NOTE | GENERAL FUND | HEALTH ENDOWMENT FUND - GENERAL | TOTAL FUNDS |
|--|------|---------------|---------------------------------------|---------------|
| Governance and administrative costs | | | | |
| Accounting fees | | 5,832 | - | 5,832 |
| Audit fees | | 4,354 | - | 4,354 |
| Bank charges | | 431 | - | 431 |
| Total | | 10,617 | - | 10,617 |
| Total expenditure | | 38,412 | 59,188 | 97,600 |
| NET DEFICIT FOR THE FINANCIAL YEAR | | (25,813) | (8,312) | (34,125) |
| TOTAL FUNDS BROUGHT FORWARD | | (167,975) | 419,723 | 251,748 |
| TOTAL FUNDS CARRIED FORWARD | | (193,788) | 411,411 | 217,623 |

Statement of Financial Activities

Lupus Association (Singapore) [UEN. S91SS0026L]

For the year ended 31 December 2023

| | NOTE | GENERAL FUND | HEALTH ENDOWMENT FUND - GENERAL | TOTAL FUNDS |
|--|------|---------------|---------------------------------------|---------------|
| 2022 | | | | |
| INCOME | | | | |
| Voluntary income | | | | |
| Donations – Tax exempt | 10 | - | 7,707 | 7,707 |
| Donations – Non-tax exempt | | 16,843 | - | 16,843 |
| Total | | 16,843 | 7,707 | 24,550 |
| Income from charitable activities | | | | |
| Programme fees | | 280 | - | 280 |
| Other income | | | | |
| Interest income | | 384 | - | 384 |
| Sale of items | | 18 | - | 18 |
| Total | | 402 | - | 402 |
| Total income | | 17,525 | 7,707 | 25,232 |
| LESS: EXPENDITURE | | | | |
| Cost of charitable activities | | | | |
| Courier and postage | | 499 | - | 499 |
| Depreciation | 7 | 942 | - | 942 |
| Gifts and condolences to members | | 846 | - | 846 |
| Maintenance - office equipment | | 420 | - | 420 |
| Members educational talks | | - | 9,539 | 9,539 |
| Printing and stationery | | 2,768 | - | 2,768 |
| Special extensive treatment | | - | 17,071 | 17,071 |
| Telephone and internet | | 975 | - | 975 |
| Total | | 6,450 | 26,610 | 33,060 |
| Staff costs | | | | |
| CPF and SDL contributions | | 2,587 | - | 2,587 |
| Salaries and bonuses | | 18,200 | - | 18,200 |
| Staff welfare | | 200 | - | 200 |
| Total | | 20,987 | - | 20,987 |

Fiducia LLP, Public Accountants and Chartered Accountants of Singapore

Statement of Financial Activities

| | NOTE | GENERAL FUND | HEALTH ENDOWMENT FUND - GENERAL | TOTAL FUNDS |
|--|------|---------------|---------------------------------------|---------------|
| Governance and administrative costs | | | | |
| Accounting fees | | 5,747 | - | 5,747 |
| Audit fees | | 3,452 | - | 3,452 |
| Bank charges | | 361 | - | 361 |
| Total | | 9,560 | - | 9,560 |
| Total expenditure | | 36,997 | 26,610 | 63,607 |
| NET DEFICIT FOR THE FINANCIAL YEAR | | (19,472) | (18,903) | (38,375) |
| TOTAL FUNDS BROUGHT FORWARD | | (148,503) | 438,626 | 290,123 |
| TOTAL FUNDS CARRIED FORWARD | | (167,975) | 419,723 | 251,748 |

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

Statement of Financial Position

Lupus Association (Singapore) [UEN. S91SS0026L]

As at 31 December 2023

| | NOTE | 2023 | 2022 |
|---|------|----------------|----------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | 5 | 217,499 | 250,107 |
| Other receivables | 6 | 900 | 900 |
| Total current assets | | 218,399 | 251,007 |
| Non-current assets | | | |
| Property, plant and equipment | 7 | 2,824 | 3,766 |
| Total assets | | 221,223 | 254,773 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Other payables | 8 | 3,600 | 3,025 |
| Total liabilities | | 3,600 | 3,025 |
| NET ASSETS | | 217,623 | 251,748 |
| UNRESTRICTED FUNDS | | | |
| General fund | 9 | (193,788) | (167,975) |
| Health endowment fund - General | 9 | 303,233 | 311,545 |
| Health endowment fund - Medical Subsidy | | 108,178 | 108,178 |
| TOTAL FUNDS | | 217,623 | 251,748 |

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

Statement of Changes in Funds

Lupus Association (Singapore) [UEN. S91SS0026L]

For the year ended 31 December 2023

| | 2023 | 2022 |
|--|-----------|-----------|
| Unrestricted funds | | |
| General fund | | |
| Balance at beginning of financial year | (167,975) | (148,503) |
| Net deficit for the financial year | (25,813) | (19,472) |
| Balance at end of financial year | (193,788) | (167,975) |
| Health endowment fund - General | | |
| Balance at beginning of financial year | 311,545 | 330,448 |
| Net deficit for the financial year | (8,312) | (18,903) |
| Balance at end of financial year | 303,233 | 311,545 |
| Health endowment fund – General Medical Subsidy | | |
| Balance at beginning and end of financial year | 108,178 | 108,178 |
| Total funds | | |
| Balance at beginning of financial year | 251,748 | 290,123 |
| Net deficit for the financial year | (34,125) | (38,375) |
| Balance at end of financial year | 217,623 | 251,748 |

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

Statement of Cash Flows

Lupus Association (Singapore) [UEN. S91SS0026L]

For the year ended 31 December 2023

| | NOTE | 2023 | 2022 |
|---|------|-----------------|-----------------|
| Cash flows from operating activities | | | |
| Net deficit for the financial year | | (34,125) | (38,375) |
| Adjustments for: | | | |
| Depreciation | 7 | 942 | 942 |
| Interest income | | (489) | (384) |
| Operating cash flow before working capital changes | | (33,672) | (37,817) |
| Changes in working capital | | | |
| Other payables | | 575 | 243 |
| Net cash used in operating activities | | (33,097) | (37,574) |
| Cash flows from investing activities | | | |
| Interest received | | 489 | 384 |
| Purchases of property, plant and equipment | 7 | - | (4,708) |
| Net cash provided by/(used in) investing activities | | 489 | (4,324) |
| Net decrease in cash and cash equivalents | | (32,608) | (41,898) |
| Cash and cash equivalents | | | |
| Cash and cash equivalents at beginning of financial year | | 250,107 | 292,005 |
| Cash and cash equivalents at end of financial year (Note 5) | | 217,499 | 250,107 |
| Net change in cash and cash equivalents | | (32,608) | (41,898) |

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

Notes to the Financial Statements

Lupus Association (Singapore) [UEN. S91SS0026L] For the year ended 31 December 2023

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

1. General information

Lupus Association (Singapore) (the "Society") is registered and domiciled in Singapore. The Society's registered office is c/o Department of Rheumatology and Immunology, Tan Tock Seng Hospital, 11 Jalan Tan Tock Seng, Singapore 308433.

The Society was registered on 9 May 1991 under the Societies Act 1966 (the "Societies Act") and is registered as a charity under the Charities Act 1994 (the "Charities Act") since 31 July 1992. The Society has been accorded an Institutions of a Public Character ("IPC") status from 6 May 2019 to 5 May 2021. The Society has renewed its IPC status from 6 May 2021 to 5 May 2024.

The principal activities of the Society are those of promotion and support of medical research on Lupus illnesses and development of community awareness of Lupus and related illnesses.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") and the disclosure requirements of the Societies Act 1966 (the "Societies Act") and Charities Act 1994 (the "Charities Act"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S\$"), which is the Society's functional currency. Functional currency is the currency of the primary economic environment in which the Society operates. All financial information presented are denominated in S\$ unless otherwise stated.

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

2.1.1 Interpretations and amendments to published standards effective in 2023

In the current financial year, the Society has adopted all the new and amended FRSs and Interpretations of FRSs ("INT FRSs") that are mandatory for application for the financial year. Changes to the Society's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the accounting policies of the Society and had no material effect on the amounts reported for the current or prior financial years.

2.1.2 Standards issued but not yet effective

The Society has not adopted the following relevant new/amended FRSs, INT FRSs and amendments to FRSs that were issued but not yet effective:

| Description | Effective for annual periods beginning on or after |
|---|--|
| Amendments to FRS 1: Classification of Liabilities as Current or Non-current | 1 January 2024 |
| Amendments to FRS 1: Non-current Liabilities with Covenants | 1 January 2024 |
| Amendments to FRS 116: Lease Liability in a Sale and Leaseback | 1 January 2024 |
| Amendments to FRS 110 and FRS 28: Sale of Contribution of Assets between an Investor and its Associate or Joint Venture | Date to be determined |

Management believes that the adoption of the revised standards above will have no material impact on the financial statements in the period of initial application.

2.2 Income recognition

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

Income is recognised when the Society satisfies a performance obligation by transferring a promised good and 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 income recognised is the amount allocated to the satisfied performance obligation.

Income is recognised as follows:

2.2.1 Donations

Donations are taken up and accrued as and when they are committed. Uncommitted donations, income from charity events and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Programme fees

Programme fee is recognised in the statement of financial activities when the services are performed.

2.2.3 Membership fees

Membership fees are recognised on receipt basis.

2.2.4 Interest income

Interest income on bank current accounts and fixed deposits placed with banks are recognised on a time proportion basis using the effective interest method.

2.2.5 Other income

Other income is recognised upon receipt.

2.3 Expenditure recognition

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

2.3.1 Cost of charitable activities

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

2.3.2 Other expenditure

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

2.4 Property, plant and equipment

2.4.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that are 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 property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

2.4.2 Depreciation

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

Computer - 5 years
Furniture and fittings - 5 years
Office equipment - 5 years

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

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

2.4.3 Subsequent expenditure

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

2.4.4 Disposal

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

2.5 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing of the assets, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of financial activities.

Management assesses at the end of the reporting period whether there is any indication that an impairment recognised in prior periods may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated and may result in a reversal of impairment loss. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment for an asset is recognised in the statement of financial activities.

2.6 Financial assets

2.6.1 Classification and measurement

The Society classified its financial assets at amortised cost.

The classification of debt instruments depends on the Society's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

The Society reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Society measures a financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets.

At subsequent measurement

Debt instrument

Debt instruments of the Society mainly comprise of cash and cash equivalents and other receivables.

Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost.

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of financial activities when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

2.6.2 Impairment

The Society assesses on forward looking basis the expected credit losses associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For cash and cash equivalents and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.6.3 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Society commits to purchase or sell the asset.

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

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in the statement of financial activities.

2.7 Cash and cash equivalents

Cash and cash equivalents include deposits with a financial institution which are subject to an insignificant risk of change in value.

2.8 Financial liabilities

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include “Other payables” in the statement of financial position.

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

2.9 Other payables

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

2.10 Provisions for other liabilities and charges

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

2.11 Employee compensation

2.11.1 Defined contribution plans

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

2.11.2 Employee leave entitlement

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

2.12 Funds

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

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

2.13 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.14 Events after the reporting date

Events after the reporting date that provide additional information about the Society’s position at the reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Significant accounting judgements and estimates

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

The 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.

2023 2022

4. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers

Revenue from:

| | | |
|----------------------|------------|------------|
| Membership fees | 285 | - |
| Program fees | 500 | 280 |
| Sales of merchandise | 160 | 18 |
| Total | 945 | 298 |

All income are recognised at a point in time.

(b) There are no contract liabilities balances.

2023 2022

5. Cash and cash equivalents

| | | |
|---------------|----------------|----------------|
| Cash at bank | 201,006 | 233,935 |
| Fixed deposit | 16,493 | 16,172 |
| Total | 217,499 | 250,107 |

The fixed deposit mature within 1 month (2022: 1 month) from the financial year end and earn interest at rate of 2.40% (2022: 0.95%) per annum.

At the reporting date, the carrying amounts of cash and cash equivalents approximate their fair values.

2023 2022

6. Other receivables

| | | |
|----------|-----|-----|
| Deposits | 900 | 900 |
|----------|-----|-----|

At the reporting date, the carrying amounts of other receivables approximates its fair values.

| | 2023 | 2022 |
|---|--------|--------|
| 7. Property, plant and equipment | | |
| Computer | | |
| Cost | | |
| Beginning and end of financial year | 5,730 | 5,730 |
| Accumulated depreciation | | |
| Beginning and end of financial year | 5,730 | 5,730 |
| Carrying amount | - | - |
| Furniture and fittings | | |
| Cost | | |
| Beginning and end of financial year | 2,201 | 2,201 |
| Accumulated depreciation | | |
| Beginning and end of financial year | 2,201 | 2,201 |
| Carrying amount | - | - |
| Office equipment | | |
| Cost | | |
| Beginning of financial year | 13,653 | 8,945 |
| Additions | - | 4,708 |
| End of financial year | 13,653 | 13,653 |
| Accumulated depreciation | | |
| Beginning of financial year | 9,887 | 8,945 |
| Depreciation | 942 | 942 |
| End of financial year | 10,829 | 9,887 |
| Carrying amount | 2,824 | 3,766 |
| Total | | |
| Cost | | |
| Beginning of financial year | 21,584 | 16,876 |
| Additions | - | 4,708 |
| End of financial year | 21,584 | 21,584 |
| Accumulated depreciation | | |
| Beginning of financial year | 17,818 | 16,876 |
| Depreciation | 942 | 942 |
| End of financial year | 18,760 | 17,818 |
| Carrying amount | 2,824 | 3,766 |

| | 2023 | 2022 |
|--------------------------|-------|-------|
| 8. Other payables | | |
| Accrued expenses | 3,600 | 3,025 |

At the reporting date, the carrying amounts of other payables approximates its fair values.

9. Unrestricted funds

The unrestricted funds mainly consist of the following:

9.1 General fund

This fund was established for the purpose of meeting operating expenses incurred by the Society. General fund are expendable at the discretion of the Management Committee for the achieving of their overall objectives.

9.2 Health endowment fund - General

This fund is used for subsidising costs for special treatments and educational costs to promote activities for health.

9.3 Health endowment fund - Medical Subsidy

This fund is used for subsidising costs for member's special treatments or medical purposes in particular.

10. Tax deductible receipts

Tax deductible receipts issued by the Society for donations received during the financial year, pursuant to its Institutions of a Public Character ("IPC") status, are recorded as follows:

| | 2023 | 2022 |
|---|--------|-------|
| Statement of financial activities: | | |
| Voluntary income | | |
| Donations – Tax exempt | 50,876 | 7,707 |

11. Income tax

The Society is a charity registered under the provisions of the Charities Act 1994 (the "Charities Act") since 31 July 1992. Consequently, the income of the Society is exempted from tax under Section 13 (1) (zm) of the Income Tax Act 1947.

12. Related party transactions

There were no transactions between the Society and related parties for the financial years ended 31 December 2023 and 31 December 2022.

During the current and previous financial years, none of the Management Committee members and key management personnel received any remuneration from the Society.

13. Commitments

The Society has capital commitments in respect to web development design.

The future payable under the agreement contracted for at the reporting date but not recognised as liabilities was as follows:

| | 2023 | 2022 |
|-----------------------------|--------------|--------------|
| Capital commitments | | |
| Commitments for the capital | 4,500 | 4,500 |
| Recorded as prepayment | (900) | (900) |
| Total | 3,600 | 3,600 |

14. Financial instruments by category

The aggregate carrying amounts of financial assets and liabilities at the reporting date are as follows:

| | 2023 | 2022 |
|--|---------|---------|
| Financial instruments | | |
| Financial assets, at amortised cost | 217,499 | 250,107 |
| Financial liabilities, at amortised cost | 3,600 | 3,025 |

15. Financial risk management

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee on an informal basis. The Society has limited exposure to the following risk through its charitable activities.

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

15.1 Liquidity risk

Liquidity risk reflects the risk that the Society will have insufficient resources to meet its financial liabilities as and when they fall due.

The Society is primarily funded by donations from public and programme fees. The Society monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the Management Committee to finance the Society's activities and to mitigate the effects of fluctuation in cash flows. The Management Committee ensures that the Society has sufficient cash on demand to meet expected expenses.

The table below summarises the profile of the Society's financial liabilities at the reporting date based on contractual undiscounted payments.

| | 2023 | 2022 |
|--------------------------------|-------|-------|
| Payable within one year | | |
| Financial liabilities | 3,600 | 3,025 |

15.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rates. The Society's exposure to interest rate risk arises primarily from their cash and cash equivalents.

The Society does not expect any significant effect on the Society's income or expenditure arising from the effects of reasonably possible changes to interest rates on interest-bearing financial instruments at the end of the financial year.

Sensitivity analysis for interest rate risk

At the reporting date, the interest rate profile of the Society's interest-bearing financial instruments was as follows:

| | 2023 | 2022 |
|--------------------------------------|--------|--------|
| Within one year – fixed rated | | |
| Financial assets - fixed deposit | 16,493 | 16,172 |

The sensitivity analysis is based on changes in the interest rates of variable rate financial instruments.

Sensitivity analysis for interest rate risk is not presented as the Society do not have significant exposure to market risk for changes in interest rate.

At the reporting date, the Society does not have variable rate interest-bearing financial instruments.

The responsibility for managing the above risks is vested in the Management Committee.

15.3 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Society's exposure to credit risk arises primarily from cash and cash equivalents.

Credit risk on liquid funds is limited because the counterparty is a bank with high credit rating assigned by international credit agencies. For other receivables, the Society adopts the policy of dealing only with high credit quality counterparties.

16. Fair values

As at 31 December 2023, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values due to short-term nature.

17. Management of conflict of interest

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

The Society's Management Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Society's Management Committee 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.

18. Reserve position and policy

The Society's reserve position for financial year ended 31 December 2023 and 2022 are as follows:

| | 2023 | 2022 | Increase/(decrease) |
|---|-----------|-----------|---------------------|
| | S\$ | S\$ | % |
| (A) Unrestricted funds - General fund | (193,788) | (167,975) | 15.37 |
| (B) Restricted or designated funds | N/A | N/A | - |
| (C) Endowment Funds - General and General medical subsidy | 411,411 | 419,723 | (1.98) |
| (D) Total funds | 217,623 | 251,748 | (13.56) |
| (E) Total annual operating expenditure | 97,600 | 63,607 | (53.44) |
| (F) Ratio of funds to annual operating expenditure | (1.99) | (2.64) | |

Reference:

C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a foundation to spend as grants.

D. Total Funds include unrestricted, restricted/designated and endowment funds.

E. Total Annual Operating Expenditure includes expenses related to Cost of Charitable Activities and Governance and Other Expenditure.

The Society's Reserve Policy is as follows:

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

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

As the COVID-19 situation has improved and moved from pandemic to endemic, restrictions have been gradually lifted. Unless there is any new COVID-19 variant causing the government to restart the safe management measures, the Company can reasonably ascertain that the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 December 2024 would be marginal.

The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Board of Directors is continuously monitoring the COVID-19 situation and will take further action as necessary in response to the business and service disruption.

20. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Management Committee of the Society on 9 April 2024.