

YOUNG WOMEN'S CHRISTIAN
ASSOCIATION OF SINGAPORE

UNIQUE ENTITY NUMBER : S61SS0075J

**REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2022

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司



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leading edge alliance

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Table Of Contents

Corporate Information	1
Statement by Board of Directors	2
Independent Auditor's Report	3 - 5
Consolidated Statement of Comprehensive Income	6
Statements of Financial Position	7
Consolidated Statement of Changes in Accumulated Funds	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10 - 34

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

CORPORATE INFORMATION 2022

1. INSTRUMENT SETTING UP THE ASSOCIATION

Constitution of Young Women's Christian Association of Singapore

2. UNIQUE ENTITY NUMBER OF THE ASSOCIATION

S61SS0075J

3. INSTITUTION OF A PUBLIC CHARACTER

IPC 000427

4. REGISTERED ADDRESS

254 Outram Road, Singapore 169051

5. BOARD OF DIRECTORS

<u>Name</u>	<u>Designation</u>
Ms Janet Tan	President
Ms Sim Hwee Hoon	1 st Vice-President
Mrs Maureen Nguee	Honorary Secretary
Ms Carol Liew	Honorary Treasurer
Ms Cheryl Lim	Member
Ms Evelyn Chia	Member
Ms Janet Tang	Member
Ms Lynette Piong	Member
Ms Mavis Tsoi Man Chee	Member
Ms Philomena Ang	Member
Ms Tan Kee Leng	Member
Dr Junny Ebenhaezer	Co-opted member
Ms Sharon Peh	Co-opted member

6. AUDIT AND RISK MANAGEMENT COMMITTEE

<u>Name</u>	<u>Designation</u>
Ms Cheryl Lim	Chairperson
Dr Junny Ebenhaezer	Member
Ms Dorene Yeo	Member
Ms Evelyn Yeo	Member
Ms Janet Tan	Ex-Officio
Mr Chris Ong	Resource Consultant

7. PRINCIPAL BANKERS

DBS Bank Limited
United Overseas Bank Limited
BNP Paribas Bank

8. INDEPENDENT AUDITORS

Lo Hock Ling & Co.
Chartered Accountants Singapore


YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)


Statement By Board of Directors

In our opinion, the financial statements set out on pages 6 to 34 are properly drawn up in accordance with Financial Reporting Standards in Singapore, the Societies Act 1966 and the Charities Act 1994 and other relevant regulations so as to present fairly, in all material respects, the financial position of the Young Women's Christian Association of Singapore (the "Association") and its subsidiary (the "Group") as at 31 December 2022 and the financial performance, changes in funds and cash flows of the Group and of the Association for the year ended on that date.

On behalf of the Board,



Ms Janet Tan
President



Ms Carol Liew
Honorary Treasurer

Singapore, 5 April 2023

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Young Women's Christian Association of Singapore (the "Association") and its subsidiary (the "Group") set out on pages 6 to 34, which comprise the statements of financial position (balance sheets) of the Group and of the Association as at 31 December 2022, and the consolidated statement of comprehensive income, consolidated statement of changes in funds and consolidated statement of cash flows of the Group for the 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 give a true and fair view of the financial position of the Group and of the Association as at 31 December 2022 and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group 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 information included in Corporate Information 2022 and the Statement by Board of Directors set out on pages 1 and 2 but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the 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.

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

The Board of Directors is responsible for overseeing the Group's financial reporting process.

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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 Group'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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

Report on Other Legal and Regulatory Requirements

In our opinion,

- (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 fund-raising appeal held during the year 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.
- (c) the accounting and other records required by the Companies Act 1967 (the "Companies Act") to be kept by the subsidiary incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and Regulations.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE
 (Registered under the Societies Act 1966)

LO HOCK LING & CO
 Chartered Accountants Singapore
 盧鶴齡會計公司

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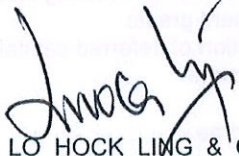
Report on Other Legal and Regulatory Requirements (Continued)

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

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

2022	2021	
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0

Singapore, 5 April 2023


 LO HOCK LING & CO.
 PUBLIC ACCOUNTANTS AND
 CHARTERED ACCOUNTANTS SINGAPORE

2022	2021	
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0

2022	2021	
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0

2022	2021	
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0

2022	2021	
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0
1,000,000	1,000,000	0

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

Consolidated Statement of Comprehensive Income
for the year ended 31 December 2022

		<u>Group</u>	
	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		\$	\$
<u>INCOME</u>			
Membership subscriptions		48,485	33,393
Service centres fees	3	4,060,743	4,148,633
Hostel income	4	9,480,651	5,226,164
Donations and fund-raising income	5	275,145	218,169
Government grants	6	2,417,578	2,711,212
Amortisation of deferred capital grants	20	49,681	111,490
Other income	7	664,706	2,669,016
Total income		16,996,989	15,118,077
<u>LESS: EXPENDITURE</u>			
Service centres expenses		6,516,744	6,349,133
Fund raising expenses	5	15,905	-
Hostel, food and beverages expenses		8,428,191	7,170,153
General and administrative expenses		3,209,212	2,523,557
Finance cost	8	-	60
Total expenditure	9	18,170,052	16,042,903
Deficit for the year		(1,173,063)	(924,826)
<u>OTHER COMPREHENSIVE INCOME</u>			
Items that will not be reclassified subsequently to profit or loss			
Net movement in Designated Funds			
- Training Fund	19	-	(16,877)
Other comprehensive income for the year		-	(16,877)
Total comprehensive income for the year		(1,173,063)	(941,703)

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

Statements of Financial Position as at 31 December 2022

	Notes	<u>Group</u>		<u>Association</u>	
		<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		\$	\$	\$	\$
<u>ASSETS</u>					
<u>Non-Current Assets</u>					
Property, plant and equipment	10	17,129,531	18,260,339	16,643,880	18,260,339
Investment property	11	319,724	325,709	319,724	325,709
Investment in subsidiary	12	-	-	-	-
		<u>17,449,255</u>	<u>18,586,048</u>	<u>16,963,604</u>	<u>18,586,048</u>
<u>Current Assets</u>					
Investment in debt instrument	13	2,079,422	-	2,079,422	-
Hostel inventories	14	27,484	15,511	27,484	15,511
Trade receivables	15	410,821	75,498	410,821	75,498
Other receivables	16	1,589,409	1,039,431	1,873,763	1,058,036
Fixed deposits with banks	17	7,763,688	10,804,503	7,763,688	10,804,503
Cash and bank balances	26	5,338,556	4,908,921	4,770,196	4,892,396
		<u>17,209,380</u>	<u>16,843,864</u>	<u>16,925,374</u>	<u>16,845,944</u>
Total Assets		<u>34,658,635</u>	<u>35,429,912</u>	<u>33,888,978</u>	<u>35,431,992</u>
<u>FUNDS AND LIABILITIES</u>					
<u>Accumulated Funds</u>					
General fund		30,294,005	31,467,068	30,924,742	31,471,648
Capital replacement fund	18	500,000	500,000	500,000	500,000
Training fund	19	-	-	-	-
Total Accumulated Funds		<u>30,794,005</u>	<u>31,967,068</u>	<u>31,424,742</u>	<u>31,971,648</u>
<u>Non-Current Liabilities</u>					
Deferred capital grants	20	64,206	35,362	21,016	35,362
Deferred income	21	73,536	-	73,536	-
Other payables and provisions	22	190,010	190,010	-	190,010
		<u>327,752</u>	<u>225,372</u>	<u>94,552</u>	<u>225,372</u>
<u>Current Liabilities</u>					
Deferred capital grants	20	40,064	37,107	9,813	37,107
Deferred income	21	254,070	778,827	228,007	778,827
Trade payables	23	285,053	215,786	217,814	215,786
Other payables and provisions	22	2,957,691	2,205,752	1,914,050	2,203,252
		<u>3,536,878</u>	<u>3,237,472</u>	<u>2,369,684</u>	<u>3,234,972</u>
Total Liabilities		<u>3,864,630</u>	<u>3,462,844</u>	<u>2,464,236</u>	<u>3,460,344</u>
Total Funds and Liabilities		<u>34,658,635</u>	<u>35,429,912</u>	<u>33,888,978</u>	<u>35,431,992</u>

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

Consolidated Statement of Changes in Accumulated Funds for the year ended 31 December 2022

<u>Group</u>	<u>Unrestricted Funds</u>			
	<u>General fund</u>	<u>Capital replacement fund</u>	<u>Training fund</u>	<u>Total funds</u>
	\$	\$	\$	\$
Balance as at 1 January 2021	32,206,695	685,199	16,877	32,908,771
Deficit for the year, representing total comprehensive income for the year	(924,826)	-	(16,877)	(941,703)
Transfer of funds (net)	185,199	(185,199)	-	-
Balance as at 31 December 2021	31,467,068	500,000	-	31,967,068
Deficit for the year, representing total comprehensive income for the year	(1,173,063)	-	-	(1,173,063)
Balance as at 31 December 2022	30,294,005	500,000	-	30,794,005

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

Consolidated Statement of Cash Flows
for the year ended 31 December 2022

		<u>Group</u>	
	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Total comprehensive income for the year		(1,173,063)	(941,703)
Adjustments for:			
Amortisation of deferred capital grants	20	(49,681)	(111,490)
Depreciation on property, plant and equipment	10	2,009,894	2,451,086
Depreciation on investment property	11	5,985	5,985
Gain on disposal of property, plant and equipment		(1,500)	-
Interest income		(147,692)	(19,664)
Property, plant and equipment written off		112,965	10,370
		1,929,971	2,336,287
Operating income before working capital changes		756,908	1,394,584
		(11,973)	6,545
(Increase)/decrease in inventories		(856,306)	(591,773)
(Increase) in receivables		369,985	178,132
Increase in payables		(498,294)	(407,096)
Changes in working capital			
Net cash generated from operating activities		258,614	987,488
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Decrease/(increase) in fixed deposits pledged with banks and with maturities over 3 months		3,040,815	(36,388)
Interest received		118,697	39,056
Proceed from disposal of property, plant and equipment		1,500	-
Purchase of property, plant and equipment	10	(992,051)	(510,264)
Purchase of debt instrument		(2,079,422)	-
Net cash generated from/(used in) investing activities		89,539	(507,596)
<u>CASH FLOWS FROM FINANCING ACTIVITY:</u>			
Deferred capital grants received		81,482	63,120
Net cash generated from financing activity		81,482	63,120
Net increase in cash and cash equivalents		429,635	543,012
Cash and cash equivalents at beginning of the year		4,908,921	4,365,909
Cash and cash equivalents at end of the year	26	5,338,556	4,908,921

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS - 31 December 2022

The following notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Young Women's Christian Association of Singapore (the "Association") is an Association registered in Singapore under the Societies Act 1966 and the Charities Act 1994. It is also an Institution of a Public Character ("IPC") under the Ministry of Social and Family Development for a period of three years till 31 March 2025. Its registered office is located at 254 Outram Road, Singapore 169051.

The principal activities of the Association consist of the provision of childcare services, educational support for children with special needs (mild), meals-on-wheels, senior citizens' fellowship and the operation of hostels.

On 1 July 2022, the Association effected the transfer of its business operations on the provision of child care services for pre-school children to its subsidiary, including all assets and liabilities related to its child care services operations. Business operations transferred during the year cover the period from 1 July 2022 to 31 December 2022.

The principal activities of the subsidiary are disclosed in note 12 to the financial statements.

The Group operates 9 (2021: 9) childcare centres and 1 (2021: 2) hostel in Singapore.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Group presents its financial statements in Singapore dollars ("S\$"), which is also the functional currency of the Association.

These financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below, and comply with Financial Reporting Standards in Singapore (FRSs), including related Interpretations promulgated by the Accounting Standards Council.

During the financial year, the Group adopted all the new and amended FRSs which are relevant to the Group and are effective for the current financial year. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

2.2 Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant Accounting Estimates and Judgements (continued)

(A) *Key Sources Of Estimation Uncertainty*

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

(i) *Depreciation on Property, Plant and Equipment and Investment Property*

The costs of property, plant and equipment and investment property are depreciated on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of property, plant and equipment and investment property are disclosed in notes 2.10 and 2.11 respectively. Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amounts of property, plant and equipment and investment property and their respective depreciation charge for the year are disclosed in notes 10 and 11 respectively.

(ii) *Expected Credit Losses on Trade Receivables*

Expected credit losses (ECL) are probability-weighted estimates of credit losses over the life of a financial instrument. In estimating ECL to determine the probability of default of its debtors, the Group has used historical information, such as past credit loss experience. Where applicable, historical data are adjusted to reflect the effects of current conditions as well as management's assessment of future economic conditions based on observable market information, which involved significant estimates and judgement.

Based on the management's assessment, there are no significant ECL on the Group's trade receivables as at balance sheet date.

(B) *Critical Judgements Made In Applying Accounting Policies*

In the process of applying the Group's accounting policies, the management has made certain judgements, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated based on the higher of the value in use and the asset's fair value less cost of disposal. Estimating the value in use requires critical judgment on the part of the management to make an estimate of the expected future cash flows from the continuing use of the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.3 FRSs issued but not yet effective

The Group has not applied any new FRS that has been issued but is not yet effective. The management plans to adopt these FRSs in the financial year commencing on or after their respective effective dates.

The management does not expect the adoption of the new FRSs to have material impact on the financial statements in the year of initial application.

2.4 Revenue Recognition

Revenue is measured based on the consideration to which the Group 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 Group 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.

(i) *Membership Subscriptions*

Membership subscriptions are recognised as income upon receipt.

(ii) *Service Fees Income*

Service fees are collected upfront and recognised as income over time in the period during which service is provided and performance obligations have been fulfilled. Unearned income relating to service to be rendered in future periods is included in deferred income.

(iii) *Hostel, Food and Beverages Income*

Income from room sales and hostel related services are recognised when the services are rendered and performance obligations have been fulfilled.

Income from sale of food and beverages are recognised upon delivery and acceptance by the customer and performance obligations have been fulfilled.

(iv) *Donations and Fund Raising Income*

Provided there is evidence of entitlement, as expressed in writing, donations and income from fund raising events are recognised in profit or loss in the period of receipt or when they become receivable.

Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Revenue Recognition (continued)

(v) *Interest Income*

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

(vi) *Rental Income*

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

2.5 Grants

A grant is recognised when there is reasonable assurance that the conditions attached to the grant are met and the right to receive payment is established.

(i) *Grants Related to Assets*

Grants related to the purchase of depreciable assets are taken to deferred capital grants account. The deferred grants are allocated to profit or loss over the period necessary to match the depreciation of the assets purchased with the related grants.

(ii) *Grants Related to Income*

Grants related to income are taken to profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. The grants and the related expenditure are presented separately in profit or loss.

2.6 Employee Benefits

(i) *Defined Contribution Plans*

The Group makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as compensation expenses in the same period as the employment that gave rise to the contributions.

(ii) *Short-term Compensated Absences*

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

2.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, being assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

All other borrowing costs are recognised as an expense in the period in which they are incurred.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Leases

The Group 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 Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group 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 amortisation 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 amortised on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, amortisation 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 2.20 to the financial statements.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term.

In calculating the present value of lease payments, the Group 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 or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of office space (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.8 Leases (continued)

As lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. The Group has investment properties and hostel facilities leased out under operating lease included in investment properties. Rental income arising from such operating leases is accounted for on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.9 Income Taxes

As a registered charity under the Charities Act 1994, the Group is exempted from income tax under Section 13(1)(zm) of the Income Tax Act 1947.

2.10 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

Depreciation is calculated on the straight-line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives. The estimated useful lives are as follows:

Building at Outram Centre	99 years
Building at YWCA Fort Canning (YFC)	30 to 35 years
Renovations and building improvements	3 to 10 years
Furniture and fittings	10 years
Office equipment and computer system	5 years
Electrical installations	10 years
Motor vehicles	5 years
Landscaping	10 years

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

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate at each financial year end.

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.11 Investment Property

Investment property is held for long term rental yields and/or for capital appreciation. Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment loss, if any. Depreciation is calculated on the straight-line basis over the remaining period of the lease, which will expire on 1 June 2076, so as to write off the cost, less residual value, of the asset over its estimated useful lives.

The residual value, useful life and depreciation method of investment property are reviewed and adjusted as appropriate, at each balance sheet date.

Investment property is subject to renovation or improvements at regular intervals. The costs of major renovations and improvements are capitalised as additions and the carrying amounts of the replaced components are written off to the statement of comprehensive income. The costs of maintenance, repairs and minor improvements are charged to the statement of comprehensive income.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss.

2.12 Subsidiary and Basis of Consolidation

(i) Subsidiary

Investment in subsidiary is held on a long-term basis and stated in the Association's balance sheet at cost less impairment loss, if any.

A subsidiary is an entity (the investee) that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

(ii) Basis of Consolidation

Subsidiary is consolidated from the date on which control is transferred to the Group, and continue to be consolidated until the date that such control ceases.

The consolidated financial statements comprise the financial statements of the Association and the subsidiary made up to the balance sheet date. The financial statements of the subsidiary are prepared for the same reporting date as the parent entity. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

(iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to revenue reserve if required by a specific Standard.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.12 Subsidiary and Basis of Consolidation (continued)

(iii) Disposals (continued)

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

2.13 Hostel Inventories

Hostel inventories, comprising unconsumed food and beverages, are stated at lower of cost and net realisable value. Cost is determined by applying the first-in first-out formula and comprises all costs of purchase and other costs incurred in bringing the inventories to their present location and condition.

Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

2.14 Financial Assets

Financial assets are classified into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The basis of classification depends on the Group's business model and the contractual cash flow characteristics of the financial assets.

At initial recognition

At initial recognition, the Group measures a financial asset 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. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Trade receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

At subsequent measurement

There are three prescribed subsequent measurement categories - at amortised cost, FVOCI and FVPL, depending on the Group's business model in managing the financial assets and the cash flow characteristics of the assets.

The Group's financial assets, comprising mainly investment in debt instrument, trade and other receivables and cash and cash equivalents, are measured at amortised cost subsequent to initial recognition, as these represent contractual cash flows which represent solely payments of principal and interest. A gain or loss on a financial asset that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is recognised using the effective interest rate method.

2.15 Receivables

Receivables that do not have a significant financing component are measured at their transaction price at initial recognition, and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses, as explained in note 2.21 to the financial statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.16 Cash and Cash Equivalents

Cash and cash equivalents comprise cash and bank deposits which are subject to insignificant risks of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

For the purpose of the statement of cash flows, fixed deposits with maturities more than 3 months are excluded from cash and cash equivalents.

2.17 Funds

General funds are unrestricted funds available for use at the discretion of the Board of Directors for the furtherance of the Group's objectives.

Designated funds are unrestricted funds which are designated for specific projects or programmes. Currently, the Group has two designated funds, namely, Capital Replacement Fund and Training Fund as detailed in notes 18 and 19 respectively.

2.18 Financial Liabilities

Financial liabilities are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value, plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for financial liabilities at fair value through profit or loss, including derivatives, which are measured at fair value. Financial liabilities with a short duration are not discounted.

A financial liability is derecognised when the contractual obligation is discharged or cancelled or expires. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

2.19 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.20 Impairment of Non-Financial Assets

The carrying amounts of the Group's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposal and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.20 Impairment of Non-Financial Assets (continued)

An impairment loss on a non-revalued asset is recognised in profit or loss. An impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

2.21 Impairment of Financial Assets

The Group assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost, and recognises a loss allowance accordingly.

At each reporting date, the debt instruments are assessed to determine whether there is significant increase in credit risk on the debt instruments since initial recognition. If there is a significant increase in credit risk since initial recognition, lifetime expected credit losses will be calculated and recognised in the loss allowance. If credit risk on the debt instrument has not increased significantly since initial recognition, the loss allowance is measured based on 12-month expected credit losses. Adjustments to the loss allowance are recognised in profit or loss as an impairment gain or loss.

For trade receivables, the Group applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.22 Related party

A related party is defined as follows:

- (A) A person or a close member of that person's family is related to the Group and the Association if that person:
 - (i) Has control or joint control over the Group and the Association;
 - (ii) Has significant influence over the Group and the Association; or
 - (iii) Is a member of the key management personnel of the Association.
- (B) An entity is related to the Group and the Association if any of the following conditions applies:
 - (i) The entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to each other).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association. If the Association is itself such a plan, the sponsoring employers are also related to the Association.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.22 Related party (continued)

(B) An entity is related to the Group and the Association if any of the following conditions applies: (continued)

(vi) The entity is controlled or jointly controlled by a person identified in (A).

(vii) A person identified in (A)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Association.

3. SERVICE CENTRES FEES

Income from childcare services are recognised over the period in which the services are rendered.

4. HOSTEL INCOME

	<u>2022</u>	<u>Group</u>	<u>2021</u>
	\$		\$
Room revenue	5,393,853		2,785,597
Food and beverage revenue	1,663,627		699,942
Banquet revenue	397,237		364,431
Service charges	730,881		373,084
Operating lease income	1,255,585		990,830
Others	39,468		12,280
	<u>9,480,651</u>		<u>5,226,164</u>

5. DONATIONS, FUND RAISING INCOME AND EXPENSES

	<u>2022</u>	<u>Group</u>	<u>2021</u>
	\$		\$
<u>Donations and fund raising income:</u>			
Outright donations and direct appeals	181,019		218,169
Income from fund raising events	94,126		-
	<u>275,145</u>		<u>218,169</u>
<u>Fund raising expenses:</u>			
Direct costs incurred for fund raising events	15,905		-

Total gross donations received (including donations received from fund raising events) which qualify for tax deduction amounted to \$160,822 (2021: \$204,515).

Total expenses incurred on public fund-raising appeals in the financial year did not exceed 30% of total donations collected through the public appeals in the same year. The Association had complied with the 30/70 fund-raising rule set out in Regulation 15 of the Charities (Institutions of A Public Character) Regulations.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

6. GOVERNMENT GRANTS

	<u>2022</u>	<u>Group</u> <u>2021</u>
	\$	\$
VWOs Charity Capability Fund Consultancy Grant	138,772	140,274
Care and Share Grant	-	512,019
Bicentennial Community Fund (BCF) Grant	-	400,000
Integrated Child Care Programme (ICCP) Specialist Support Grant (a)	104,641	73,760
Partner Operator (POP) Scheme Grant (b)	<u>2,174,165</u>	<u>1,585,159</u>
	<u>2,417,578</u>	<u>2,711,212</u>

(a) The ICCP supports the provision of educational psychological services for children with special needs (mild).

(b) The POP Scheme supports child care operators to keep fees affordable, build capabilities to raise quality, and improve career prospects for Early Childhood professionals.

7. OTHER INCOME

	<u>2022</u>	<u>Group</u> <u>2021</u>
	\$	\$
Interest income	147,692	19,664
Rental waiver income	9,291	22,672
Government grants:		
- Job support scheme	-	2,180,463
- Job growth incentive	218,563	-
- Cash grant	-	77,061
- Special employment credit	43,371	56,285
- Wage credit scheme	67,612	118,842
- Rental relief	-	26,592
- Transformation support scheme	24,000	-
- Other grants	12,372	14,072
Operating lease income from investment property	57,098	57,532
Sundry income from service centres:		
- Celebrations	664	4,126
- Outings	39,495	2,322
- Projects	17,480	14,263
- Registration fees	7,900	10,642
- Uniform for children	11,332	15,242
Others	<u>7,836</u>	<u>49,238</u>
	<u>664,706</u>	<u>2,669,016</u>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

8. FINANCE COST

	<u>2022</u>	<u>Group</u>	<u>2021</u>
	\$		\$
Interest expense on bank overdraft	-		60
	-		60

9. TOTAL EXPENDITURE

Included in total expenditure are the following expenses which have not been otherwise disclosed in the statement of comprehensive income:

	<u>2022</u>	<u>Group</u>	<u>2021</u>
	\$		\$
Bad debts written off - trade	-		376
Depreciation on property, plant and equipment (note 10)	2,009,894		2,451,086
Depreciation on investment property (note 11)	5,985		5,985
Direct operating expenses arising from income generating investment property	18,755		18,755
Employee benefits expense (note 24)	10,565,387		9,289,829
Lease expenses relating to short-term leases and low value assets	111,349		66,755
Property, plant and equipment written off	112,965		10,370

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

10. PROPERTY, PLANT AND EQUIPMENT

<u>Group</u>	<u>Cost</u>	Building at Outram Centre	Building at YFC	Renovations and building improvements	Furniture and fittings	Office equipment and computer system	Electrical installations	Motor vehicles	Landscaping	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2021	2,486,322	30,923,914	12,793,961	1,474,814	1,067,903	245,720	378,806	33,000	49,404,440	
Additions	-	-	378,900	42,158	77,930	11,276	-	-	510,264	
Disposal/written off	-	-	(249,837)	(117,539)	(75,993)	-	-	-	(443,369)	
At 31 December 2021	2,486,322	30,923,914	12,923,024	1,399,433	1,069,840	256,996	378,806	33,000	49,471,335	
and 1 January 2022	81,000	-	457,724	71,738	294,590	27,199	59,800	-	992,051	
Additions	-	-	(42,312)	18,732	23,580	-	-	-	-	
Reclassification	-	-	(21,795)	(2,830)	(9,628)	(1,254)	(46,800)	-	(463,447)	
Disposal/written off	-	(381,140)	-	-	-	-	-	-	-	
At 31 December 2022	2,567,322	30,542,774	13,316,641	1,487,073	1,378,382	282,941	391,806	33,000	49,999,939	
<u>Accumulated depreciation</u>										
At 1 January 2021	959,975	18,069,333	7,767,200	1,049,549	832,448	176,078	305,326	33,000	29,192,909	
Charge for the year	44,242	889,406	1,285,207	108,490	86,295	10,676	26,770	-	2,451,086	
Disposal/written off	-	-	(249,200)	(108,023)	(75,776)	-	-	-	(432,999)	
At 31 December 2021	1,004,217	18,958,739	8,803,207	1,050,016	842,967	186,754	332,096	33,000	31,210,996	
and 1 January 2022	45,200	888,283	842,625	93,594	102,608	12,213	25,371	-	2,009,894	
Charge for the year	-	(279,482)	(11,607)	(1,774)	(9,565)	(1,254)	(46,800)	-	(350,482)	
Disposal/written off	-	-	-	-	-	-	-	-	-	
At 31 December 2022	1,049,417	19,567,540	9,634,225	1,141,836	936,010	197,713	310,667	33,000	32,870,408	
<u>Carrying amount</u>										
At 31 December 2022	1,517,905	10,975,234	3,682,416	345,237	442,372	85,228	81,139	-	17,129,531	
At 31 December 2021	1,482,105	11,965,175	4,119,817	349,417	226,873	70,242	46,710	-	18,260,339	

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act, Chapter 1966)

AND ITS SUBSIDIARY

10. PROPERTY, PLANT AND EQUIPMENT (continued)

<u>Association</u>	<u>Cost</u>	Building at Outram Centre	Building at YFC	Renovations and building improvements	Furniture and fittings	Office equipment and computer system	Electrical installations	Motor vehicles	Landscaping	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2021	2,486,322	30,923,914	12,793,961	1,474,814	1,067,903	245,720	378,806	33,000	49,404,440	
Additions	-	-	378,900	42,158	77,930	11,276	-	-	510,264	
Disposal/written off	-	-	(249,837)	(117,539)	(75,993)	-	-	-	(443,369)	
At 31 December 2021	2,486,322	30,923,914	12,923,024	1,399,433	1,069,840	256,996	378,806	33,000	49,471,335	
and 1 January 2022	81,000	-	447,448	57,168	162,408	27,199	59,800	-	835,023	
Additions	-	-	(957,379)	(412,682)	(81,889)	(11,310)	-	-	(1,363,260)	
Reclassification/Transfer	-	-	-	-	-	-	-	-	-	
Disposal/written off	-	(381,140)	(21,795)	(2,830)	(9,628)	(1,254)	(46,800)	-	(463,447)	
At 31 December 2022	2,567,322	30,542,774	12,491,298	1,041,089	1,140,731	271,631	391,806	33,000	48,479,651	
<u>Accumulated depreciation</u>										
At 1 January 2021	959,975	18,069,333	7,767,200	1,049,549	832,448	176,078	305,326	33,000	29,192,909	
Charge for the year	44,242	889,406	1,285,207	108,490	86,295	10,676	26,770	-	2,451,086	
Disposal/written off	-	-	(249,200)	(108,023)	(75,776)	-	-	-	(432,999)	
At 31 December 2021	1,004,217	18,958,739	8,803,207	1,050,016	842,967	186,754	332,096	33,000	31,210,996	
and 1 January 2022	-	-	(568,643)	(280,588)	(69,443)	(3,414)	-	-	(922,088)	
Transfer	-	-	771,287	72,147	83,410	11,647	25,371	-	1,897,345	
Charge for the year	45,200	888,283	(11,607)	(1,774)	(9,565)	(1,254)	(46,800)	-	(350,482)	
Disposal/written off	-	(279,482)	-	-	-	-	-	-	-	
At 31 December 2022	1,049,417	19,567,540	8,994,244	839,801	847,369	193,733	310,667	33,000	31,835,771	
<u>Carrying amount</u>										
At 31 December 2022	1,517,905	10,975,234	3,497,054	201,288	293,362	77,898	81,139	-	16,643,880	
At 31 December 2021	1,482,105	11,965,175	4,119,817	349,417	226,873	70,242	46,710	-	18,260,339	

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

10. PROPERTY, PLANT AND EQUIPMENT (continued)

The building at Outram Centre has a 99-year lease commencing from 1 July 1956.

The building at YFC refers to the YWCA Fort Canning (YFC). Approximately 75% of the land on which YFC is situated is leasehold land with a 999-year lease commencing from 1 July 1914 whilst the remaining 25% of the land is leasehold land with a 99-year lease that expired on 31 December 2014. The Group and Association has obtained a renewal of this expired lease for a further term of 30 years from 1 January 2015 to 31 December 2044.

The building at YFC with a carrying amount of \$10,975,234 (2021: \$11,965,175) has been mortgaged to secure banking facilities granted to the Group and Association.

Included in the carrying amount of renovation is an amount of \$Nil (2021: \$38,002) representing provision for reinstatement costs.

11. INVESTMENT PROPERTY

	<u>Group and Association</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Cost</u>		
At 1 January and 31 December	<u>652,725</u>	<u>652,725</u>
<u>Accumulated depreciation</u>		
At 1 January	327,016	321,031
Charge for the year	<u>5,985</u>	<u>5,985</u>
At 31 December	<u>333,001</u>	<u>327,016</u>
<u>Carrying amount</u>		
At 31 December	<u>319,724</u>	<u>325,709</u>

The above investment property, comprising two commercial units at Orchard Plaza, has a 99-year lease expiring on 1 June 2076.

The fair value of the investment property, amounting to approximately \$1.70 million (2021: \$1.81 million) as at balance sheet date, is determined by the management with reference to the valuation in 2023 from the professional valuers who hold a recognised and relevant professional qualification and have recent experience in the location and category of the investment property. This represents fair value measurement under hierarchy level 3, as explained in note 31 to the financial statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

12. INVESTMENT IN SUBSIDIARY

Details of the subsidiary are as follows:

<u>Name of subsidiary</u>	<u>Principal activities</u>	<u>Country of incorporation/ Place of business operations</u>	<u>Percentage of Shareholding held</u>		<u>Cost of investment</u>	
			<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
			%	%	\$	\$
Y.W.C.A Preschool Ltd.	Provide child care services for pre-school children	Singapore	100	100	-	-

The financial statements of the subsidiary were audited by Lo Hock Ling & Co.

The subsidiary is a company limited by guarantee not having a share capital in the Republic of Singapore. Each member of the subsidiary undertakes to contribute a sum not exceeding \$10 each to the assets of the subsidiary in the event of it being wound up. The subsidiary is a registered charity under the Charities Act 1994.

13. INVESTMENT IN DEBT INSTRUMENT

	<u>Group and Association</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
Credit-linked note referencing treasury bills, at amortised cost	<u>2,079,422</u>	<u>-</u>

The investment yield 4.3% (2021: \$Nil) per annum and mature within 3 months.

14. HOSTEL INVENTORIES

	<u>Group and Association</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
Hostel inventories, at cost	<u>27,484</u>	<u>15,511</u>

15. TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on 30 days' (2021: 30 days') terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

16. OTHER RECEIVABLES

	<u>Group</u>		<u>Association</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Partner Operator (POP) Scheme				
Grant receivables	540,119	318,999	13,120	318,999
Non-trade receivables	87,307	24,778	63,880	24,778
Amount due from subsidiary				
– non-trade	-	-	1,346,783	18,605
Deposits	842,553	588,730	337,960	588,730
Interest receivables	35,256	6,261	35,256	6,261
Prepayments	84,174	100,663	76,764	100,663
	<u>1,589,409</u>	<u>1,039,431</u>	<u>1,873,763</u>	<u>1,058,036</u>

Other receivables are unsecured, non-interest bearing and expected to be repayable on demand.

17. FIXED DEPOSITS WITH BANKS

	<u>Group and Association</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
Fixed deposits with banks	<u>7,763,688</u>	<u>10,804,503</u>

Fixed deposits mature within one year (2021: one year) and earn interest at rates ranging from 0.57% to 4.22% (2021: 0.20% to 0.59%) per annum.

The funds represented by the above fixed deposits are as follows:

	<u>Group and Association</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
General fund	7,263,688	10,304,503
Capital replacement fund (note 18)	<u>500,000</u>	<u>500,000</u>
	<u>7,763,688</u>	<u>10,804,503</u>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

18. CAPITAL REPLACEMENT FUND

	<u>Group and Association</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
Balance at beginning of the year	500,000	685,199
Amount utilised during the year	-	(185,199)
	500,000	500,000

The Capital Replacement Fund is an unrestricted designated fund set up by the Board of Directors for the purpose of funding the refurbishment and renovation of YWCA Fort Canning (YFC). YFC contributes part of its operating surplus on a regular basis to build up this fund. From time to time, the Board determines and authorises the amount of operating surplus derived from YFC's operations to be transferred from the General Fund to this fund.

19. TRAINING FUND

	<u>Group and Association</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
Balance at beginning of the year	-	16,877
Amount utilised during the year	-	(16,877)
	-	-

The Training Fund is an unrestricted designated fund used to fund teachers training programmes for the service centres.

20. DEFERRED CAPITAL GRANTS

	<u>Group</u>		<u>Association</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Balance at beginning of the year	72,469	120,839	72,469	120,839
Transfer to subsidiary	-	-	(35,817)	-
Additions	81,482	63,120	30,240	63,120
Amount utilised during the year	(49,681)	(111,490)	(36,063)	(111,490)
	104,270	72,469	30,829	72,469
Represented by:				
Non-current liabilities	64,206	35,362	21,016	35,362
Current liabilities	40,064	37,107	9,813	37,107
	104,270	72,469	30,829	72,469

The above represents government grants received for the purpose of funding capital expenditure and major repair works carried out in the Association and the various child development centres operated by the Group.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

21. DEFERRED INCOME

	<u>Group</u>		<u>Association</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Income received in advance due within 1 year after 1 year but not later than 5 years	254,070	778,827	228,007	778,827
	<u>73,536</u>	<u>-</u>	<u>73,536</u>	<u>-</u>
	<u>327,606</u>	<u>778,827</u>	<u>301,543</u>	<u>778,827</u>
Income received in advance comprise:				
Operating lease income	301,543	757,077	301,543	757,077
Service fees income	<u>26,063</u>	<u>21,750</u>	<u>-</u>	<u>21,750</u>
	<u>327,606</u>	<u>778,827</u>	<u>301,543</u>	<u>778,827</u>

22. OTHER PAYABLES AND PROVISIONS

	<u>Group</u>		<u>Association</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
<u>Current liabilities</u>				
Non-trade payables	912,282	619,350	825,620	619,350
Refundable deposits	802,571	548,389	420,546	548,389
Accruals	1,099,774	614,696	587,261	612,196
Provision for unutilised annual leave	143,064	95,886	80,623	95,886
Provision for government grant refund	-	327,431	-	327,431
	<u>2,957,691</u>	<u>2,205,752</u>	<u>1,914,050</u>	<u>2,203,252</u>
<u>Non-Current liability</u>				
Provision for reinstatement costs	<u>190,010</u>	<u>190,010</u>	<u>-</u>	<u>190,010</u>
	<u>3,147,701</u>	<u>2,395,762</u>	<u>1,914,050</u>	<u>2,393,262</u>

Payables and accruals are unsecured, non-interest bearing and are normally settled within 30 days (2021: 30 days) or on demand.

Provision for reinstatement costs represents the estimated costs of restoring the leased premises from third parties to their original condition. The reinstatement costs are capitalised as part of the cost of renovation under property, plant and equipment.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

23. TRADE PAYABLES

	<u>Group</u>		<u>Association</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Hostel trade payables	87,682	96,189	87,682	96,189
Goods and service tax payables	<u>197,371</u>	<u>119,597</u>	<u>130,132</u>	<u>119,597</u>
	<u>285,053</u>	<u>215,786</u>	<u>217,814</u>	<u>215,786</u>

Trade payables are non-interest bearing and are normally settled within 30 days (2021: 30 days).

24. EMPLOYEE BENEFITS EXPENSE

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
Salaries and related costs	9,515,628	8,341,908
Employer's contributions to Central Provident Fund	<u>1,049,759</u>	<u>947,921</u>
	<u>10,565,387</u>	<u>9,289,829</u>

25. RELATED PARTIES

For the purpose of these financial statements, parties are considered to be related to the Group if the Group has the ability to, directly or indirectly, control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The Group is governed by the Board of Directors which is the final authority and has overall responsibility for policy making and determination of all activities. Members of the Board of Directors are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses.

The Group has in place a conflict-of-interest policy in its code of conduct. All members of the Board of Directors and key management personnel are required to declare their interests yearly.

- (i) The total key management personnel compensation included in employee benefits expense are as follows:

	<u>Group</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
Short-term employee benefits	418,637	388,250
Employer's contributions to Central Provident Fund	<u>26,872</u>	<u>27,943</u>
	<u>445,509</u>	<u>416,193</u>
Number of key management personnel	<u>3</u>	<u>3</u>

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

25. RELATED PARTIES (continued)

- (ii) The annual remuneration of the three highest paid staff classified by remuneration bands are as follows:

Annual remuneration	<u>No. of Staff</u>	
	<u>2022</u>	<u>2021</u>
- more than \$100,000 but less than \$200,000	3	3

26. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the Consolidated Statement of Cash Flows comprise cash and bank balances as shown in Statements of Financial Position.

27. COMMITMENTS

- (i) The Group and the Association lease out demised premises, retail space, swimming pool and carpark at YFC building and its investment property to non-related parties under non-cancellable operating leases.

The future minimum lease receivables under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are as follows:

	<u>Group</u>		<u>Association</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Lease income receivable				
within 1 year	541,916	818,084	541,916	818,084
after 1 year but not later than 5 years	144,144	43,368	144,144	43,368
	686,060	861,452	686,060	861,452

The above operating leases do not provide for contingent rents.

- (ii) At the balance sheet date, the Group and the Association has the following lease commitments which has not been provided for in the financial statements.

	<u>Group</u>		<u>Association</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Lease of low-value assets	57,484	39,371	23,684	39,371
Short-term leases (a)	99,408	99,408	-	99,408

- (a) These represent lease of premises with the Housing and Development Board ("HDB") for the operation of child development centres. These leases do not have a fixed tenure and allow for termination with advance notification of one month. The yearly lease expenses for the financial year are included in the disclosure of lease expenses in note 9 to the financial statements.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

27. COMMITMENTS (continued)

- (iii) At the balance sheet date, the Group and the Association have capital commitments amounting to \$267,228 (2021: \$397,055) and \$238,478 (2021: \$397,055) respectively, for the purchase of property, plant and equipment.

28. FINANCIAL RISK MANAGEMENT

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, liquidity risk and interest rate risk. The Board of Directors reviews and agrees on policies for managing each of these risks and they are summarised below:

28.1 Credit Risk

Credit risk is the potential risk of financial loss resulting from the failure of customers or other counterparties to settle their financial and contractual obligations to the Group as and when they fall due.

(i) *Risk Management*

Credit evaluations are performed on all customers requiring credit over a certain amount.

Deposits are collected by the service centres in respect of childcare services provided.

Credit evaluations are performed on all tenants. Tenants are required to place security deposits with the Group and the Association at the commencement of each tenancy term.

As at the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

(ii) *Recognition of Expected Credit Losses (ECL)*

The Group's financial assets that are subject to credit losses where the expected credit loss model has been applied are trade receivables. The Group assesses on forward looking basis the expected credit losses on its trade receivables, and recognises a loss allowance in accordance with FRS 109.

Based on the Group's and the Association's historical collection trend, most trade receivables are settled within credit term. Any trade receivables that are settled after their due date are not significant, and there is a low risk of default. Trade receivables are assessed on a collective basis to determine whether there are changes in credit risk. Lifetime expected credit losses are recognised for specific receivables for which credit risk is deemed to have increased significantly.

As at the balance sheet date, there were no significant trade receivables that are subject to ECL.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

28. FINANCIAL RISK MANAGEMENT (continued)

28.2 Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate to finance the Group's operations and to mitigate the effects of fluctuation in cash flows.

All financial liabilities of the Group and the Association are repayable on demand or mature within one year.

28.3 Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group does not have material interest-bearing financial liabilities and has incurred minimal finance costs during the year. Its exposure to changes in interest rates relates primarily to interest-bearing debt instrument and bank deposits. The Group monitors movements in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

The interest rates and terms of maturity of financial assets of the Group and the Association are disclosed in notes 13 and 17 to the financial statements.

29. RESERVES MANAGEMENT

The primary objective of the Group's reserves management policy is to ensure that it maintains strong and healthy capital ratios in order to support its operations and future growth.

The Group targets to maintain an optimum level of general fund which is equivalent to three years of its budgeted expenditures relating to the operations of its service centres. The Group regularly reviews and manages its reserves to ensure optimal capital structure, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows and projected capital expenditures.

As disclosed in notes 18 and 19 to the financial statements, the Group also maintains designated funds to ensure adequate resources are set aside for capital replacement and staff training purposes.

The Group is not subject to externally imposed capital requirements.

There were no changes to the Group's approach to reserves management since the previous financial year.

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

30. FAIR VALUE OF ASSETS AND LIABILITIES

(a) The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used, as follows:

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

(b) Fair Value of Non-Financial Assets

The Group and the Association do not apply fair value accounting in the measurement of the non-financial assets. However, the fair value of its investment property is disclosed in note 11 for compliance with *FRS 40 Investment Property*.

(c) Fair Value of Financial Instruments

The financial debt instrument, cash and cash equivalents, receivables and payables are measured at the amortised cost. Financial instruments with a short duration are not discounted.

31. FINANCIAL INSTRUMENTS BY CATEGORY

The aggregate carrying amounts of financial instruments by category are as follows:

	<u>Group</u>		<u>Association</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Financial assets at amortised cost	16,557,603	16,410,771	16,808,006	16,410,771
Financial liabilities at amortised cost	3,045,373	1,878,624	2,001,732	1,876,124

32. AUTHORISATION OF FINANCIAL STATEMENTS

The balance sheet of the Association and the consolidated financial statements of the Association and its subsidiary for the year ended 31 December 2022 were authorised for issue in accordance with directors' resolution dated 5 April 2023.