

GLADIOLUS PLACE

(A division of Presbyterian Community Services,
UEN. S75SS0022H)

[Registered under the Societies Act 1966 in the
Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

CONTENTS

Statement by the Management Committee	2
Independent Auditor's Report	3
Statement of Financial Activities	7
Statement of Financial Position	9
Statement of Changes in Funds	10
Statement of Cash Flows	11
Notes to the Financial Statements	12

Fiducia LLP

(UEN: T10LL0955L)

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

STATEMENT BY THE MANAGEMENT COMMITTEE


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 **Gladiolus Place** (the "Division"), a division of Presbyterian Community Services (the "Society"), as at 31 March 2023, and the results, changes in funds and cash flows of the Division for the financial year then ended.

At the date of this statement, there are reasonable grounds to believe that the Division 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 31 August 2023.

Lee Sue Yeong Abel	Chairperson
Liom Heng Pow	Vice Chairperson
Lim Ker Sheon	Honorary Secretary
Jimmy Tay Soon Hua	Honorary Treasurer
Lim Chee KwangDavid	Committee Member
Shaun Ho Kin Loon	Committee Member
Oliver Chia	Committee Member
Hazel Lau Bee Choo	Committee Member
Lum Wai Ling Patricia	Ex-Officio
Michelle Tan Swee Ping	Ex-Officio / Head of Home

For and on behalf of the Management Committee,



Lee Sue Yeong Abel
Chairperson



Jimmy Tay Soon Hua
Honorary Treasurer

Singapore, 31 August 2023.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

Independent auditor's report to the members of:

GLADIOLUS PLACE

(A division of Presbyterian Community Services,
UEN. S75SS0022H)
[Registered under the Societies Act 1966 in the
Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Gladiolus Place** (the "Division") which comprise the statement of financial position as at 31 March 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.

Gladiolus Place is a division of Presbyterian Community Services (the "Society") and is not a separately registered entity. The accompanying financial statements have been prepared from the records of the Division and reflect only transactions recorded therein.

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 Charities Accounting Standard in Singapore ("CAS") so as to present fairly, in all material respects, the state of affairs of the Division as at 31 March 2023 and the results, changes in funds and cash flows of the Division 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 Division 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).

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.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

GLADIOLUS PLACE

(A division of Presbyterian Community Services,
UEN. S75SS0022H)
[Registered under the Societies Act 1966 in the
Republic of Singapore]

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 CAS 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 Division'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 Division or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Division'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 Division's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01 Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

GLADIOLUS PLACE

(A division of Presbyterian Community Services,
UEN. S75SS0022H)
[Registered under the Societies Act 1966 in the
Republic of Singapore]

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

- 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 Division'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 Division to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required to be kept by the Division 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 appeals held during the financial year ended 31 March 2023 have 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.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
#08-01Excalibur Centre
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the members of:

GLADIOLUS PLACE

(A division of Presbyterian Community Services,
UEN. S75SS0022H)
[Registered under the Societies Act 1966 in the
Republic of Singapore]

Report on Other Legal and Regulatory Requirements (Cont'd)

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

- (a) the Division 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 Division has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.



Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 31 August 2023.

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted fund	Restricted funds			Total funds S\$
		General fund S\$	MSF- Capital fund S\$	MSF- Cyclical maintenance fund S\$	MSF fund S\$	
2023 INCOME						
Income from generated funds						
- Activities for generating income		42,248	0	0	0	42,248
- Voluntary income		544,286	0	0	0	544,286
Income from charitable activities		40,113	746,115	225,414	1,138,517	2,150,159
Other income		34,060	0	0	0	34,060
Total income	5	660,707	746,115	225,414	1,138,517	2,770,753
LESS: EXPENDITURE						
Cost of generating funds		1,384	0	0	0	1,384
Cost of charitable activities		28,494	0	0	1,402,083	1,430,577
Governance costs		0	0	0	27,350	27,350
Other expenditure		0	0	0	1,130	1,130
Total expenditure	6	29,878	0	0	1,430,563	1,460,441
NET INCOME / (EXPENDITURE) FOR FINANCIAL YEAR		630,829	746,115	225,414	(292,046)	1,310,312
TOTAL FUNDS BROUGHT FORWARD		998,464	0	0	0	998,464
TOTAL FUNDS CARRIED FORWARD		1,629,293	746,115	225,414	(292,046)	2,308,776

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Note	Unrestricted fund	Restricted fund	Total funds
		General fund S\$	MSF fund S\$	S\$
2022				
INCOME				
Income from generated funds				
- Activities for generating income		0	8,506	8,506
- Voluntary income		734,051	0	734,051
Income from charitable activities		282,342	746,516	1,028,858
Other income		54,014	63,222	117,236
Total income	5	1,070,407	818,244	1,888,651
LESS: EXPENDITURE				
Cost of generating funds		599	1,705	2,304
Cost of charitable activities		9,194	1,277,176	1,286,370
Governance costs		650	27,061	27,711
Other expenditure		0	336	336
Total expenditure	6	10,443	1,306,278	1,316,721
NET INCOME / (EXPENDITURE) FOR FINANCIAL YEAR		1,059,964	(488,034)	571,930
TOTAL FUNDS BROUGHT FORWARD		2,726,913	(2,300,379)	426,534
Transfer	13	(2,788,413)	2,788,413	0
TOTAL FUNDS CARRIED FORWARD		998,464	0	998,464

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2023

	Note	2023 S\$	2022 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	362,743	900,907
Fees and other receivables	9	<u>1,052,709</u>	<u>83,155</u>
		<u>1,415,452</u>	<u>984,062</u>
Non-current assets			
Intangible assets	10	71,297	92,985
Property, plant and equipment	11	<u>1,239,392</u>	<u>25,215</u>
		<u>1,310,689</u>	<u>118,200</u>
Total assets		<u>2,726,141</u>	<u>1,102,262</u>
LIABILITIES			
Current liabilities			
Other payables	12	<u>417,365</u>	<u>103,798</u>
Total liabilities		<u>417,365</u>	<u>103,798</u>
NET ASSETS		<u>2,308,776</u>	<u>998,464</u>
FUNDS			
Unrestricted fund			
General fund		<u>1,629,293</u>	<u>998,464</u>
Restricted funds			
MSF - capital fund		746,115	0
MSF - cyclical maintenance fund		225,414	0
MSF fund		<u>(292,046)</u>	<u>0</u>
		<u>679,483</u>	<u>0</u>
Total funds	13	<u>2,308,776</u>	<u>998,464</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Balance at beginning of financial year S\$	Net income / (expenditure) for the financial year S\$	Transfer S\$	Balance at end of financial year S\$
2023				
Unrestricted fund				
General fund	998,464	630,829	0	1,629,293
Restricted funds				
MSF - capital fund	0	746,115	0	746,115
MSF - cyclical maintenance fund	0	225,414	0	225,414
MSF fund	0	(292,046)	0	(292,046)
	<u>0</u>	<u>679,483</u>	<u>0</u>	<u>679,483</u>
TOTAL FUNDS	<u>998,464</u>	<u>1,310,312</u>	<u>0</u>	<u>2,308,776</u>
	Balance at beginning of financial year S\$	Net income / (expenditure) for the financial year S\$	Transfer (Note 13) S\$	Balance at end of financial year S\$
2022				
Unrestricted fund				
General fund	2,726,913	1,059,964	(2,788,413)	998,464
Restricted fund				
MSF fund	<u>(2,300,379)</u>	<u>(488,034)</u>	<u>2,788,413</u>	<u>0</u>
TOTAL FUNDS	<u>426,534</u>	<u>571,930</u>	<u>0</u>	<u>998,464</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Note	2023 S\$	2022 S\$
Cash flows from operating activities			
Net income		1,310,312	571,930
Adjustment for:			
- Allowance for impairment of fees receivables	9	0	650
- Amortisation of intangible asset	10	18,288	3,665
- Depreciation of property, plant and equipment	11	14,857	10,181
- Gain on written off of property, plant and equipment		3,400	0
- Interest income	5	(142)	(84)
Operating cash flow before changes in working capital		1,346,715	586,342
Changes in working capital			
- Fees and other receivables		(969,554)	66,981
- Other payables		313,567	(146,599)
Net cash generated from operations		690,728	506,724
- Interest received		142	84
Net cash generated from operating activities		690,870	506,808
Cash flows from investing activities			
Purchase of intangible asset	10	0	(94,200)
Purchase of property, plant and equipment	11	(1,229,034)	(650)
Net cash used in investing activities		(1,229,034)	(94,850)
Net (decrease) / increase in cash and cash equivalents			
		(538,164)	411,958
Cash and cash equivalents at beginning of financial year			
		900,907	488,949
Cash and cash equivalents at end of financial year			
	8	362,743	900,907

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023

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

1. General information

Gladiolus Place (the "Division") is a division of Presbyterian Community Services (the "Society"), which is registered under the Societies Act 1966 on 23 July 1975 and registered as a charity under the Charities Act 1994 since 28 February 1985.

The Society's registered address is situated at 105 Jalan Bukit Merah, #01-1912, Singapore 160105. The Division's principal place of activities is located at 6A Mattar Road, Singapore 387715.

The Society has been accorded an Institution of a Public Character ('IPC') status for the period from 01 January 2021 to 30 June 2022 and subsequently renewed from 01 July 2022 to 31 December 2024.

The principal activities of the Division are to provide temporary refuge and education for teenage girls aged between 11 to 19 years who are struggling with issues such as teenage pregnancy, psychological, physical, sexual abuse, juvenile delinquency and lack of adequate family support.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Charities Accounting Standard ("CAS") issued by the Singapore Accounting Standard Council and the disclosure requirements of Societies Act 1966 and Charities Act and Regulations. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar, which is the Division's functional and presentation currency.

The preparation of the financial statements in conformity with CAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2.2 Income recognition

Income is included in the statement of financial activities when the following three factors are met:

- The Division becomes entitled to the income;
- Management is virtually certain that they will receive the income; and
- The monetary value can be measured with sufficient reliability.

2. Significant accounting policies (Cont'd)

2.2 Income recognition (Cont'd)

2.2.1 Donations

The recognition of a promised donation is evidence of entitlement which normally exists when the donation is formally expressed in writing. Where the entitlement is demonstrable, and no conditions are attached, such promises are recognised as income once the criteria of certainty and measurability are met.

2.2.2 Home fees

Home fees are recognised upon receipt of payment.

2.2.3 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.

2.2.4 Other income

Other income is recognised when received.

2.3 Grants

Grants including those for the acquisition of property, plant and equipment are recognised as income when there is evidence of entitlement, which will normally exist when the grant is formally expressed in writing. Where entitlement is demonstrable and no conditions are attached, such promises are recognised as income once the criteria of certainty and measurement are met.

Grants from Ministry of Social and Family Development ("MSF") relating to home fees and other fees are calculated based on formula set by the government body. Based on the funding principles, any over or under funding will be adjusted against the current year's income.

2.4 Expenditure recognition

All expenditure is recognised when and to the extent that a liability is incurred or increased without a commensurate increase in recognised assets or a reduction liabilities, or an asset is reduced without a commensurate decrease in recognised liabilities or increase in another asset.

2.4.1 Cost of generating funds

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

2.4.2 Cost of charitable activities

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Division. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure.

The total costs of each category of charitable expenditure therefore include an apportionment of support cost, where possible.

2. Significant accounting policies (Cont'd)

2.4 Expenditure recognition (Cont'd)

2.4.3 Governance costs

Governance costs include the costs of governance arrangements, which relate to the general running of the Division as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. Expenditure on the governance of the Division will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities, legal advice for governing board members and cost associated with constitutional and statutory requirements.

2.4.4 Other expenditure

Other expenditure includes the payment of any expenditure that the Division has not been able to analyse within the main expenditure categories.

2.5 Property, plant and equipment

2.5.1 Measurement

All item of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Fully depreciated assets still in use are retained in the financial statements.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- It is probable that future economic benefits associated with the item will flow to the Division; and
- The cost of the item can be measured reliably.

The cost of an item of property, plant and equipment comprises all of the following:

- (a) Its purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- (b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality; and
- (c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Division incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period.

Property, plant and equipment shall not be revalued and are not required to be assessed for impairment under CAS.

2. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

2.5.2 Depreciation

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

	Useful lives
Furniture and fittings	5 years
Musical instruments	5 years
Office equipment	5 years
Renovations	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 and, where necessary, revised to reflect changes in expectation.

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

2.5.3 Disposal

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 on derecognition of the asset is recognised in the statement of financial activities in the year the asset is derecognised.

2.6 Intangible asset

Acquired computer software licences are initially capitalised at cost which includes the purchase prices (net of any discounts and rebates) and other directly attributable costs of preparing the asset for its intended use. Direct expenditures including employee costs, which enhance or extend the performance of computer software beyond its specifications and which can be reliably measured, are added to the original cost of the software. Costs associated with maintaining the computer software are expensed off when incurred.

Computer software licences are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over their estimated useful lives of 5 years.

The amortisation period and amortisation method of intangible asset other than goodwill are reviewed at least at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Intangible asset is not required to be assessed for impairment under the CAS.

2. Significant accounting policies (Cont'd)

2.7 Financial assets

2.7.1 Recognition and measurement

Receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

Receivables in financial assets are subsequently measured at cost less accumulated impairment losses.

2.7.2 Derecognition

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

2.7.3 Impairment

The Division assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of other receivables is recognised when there is objective evidence that the Division will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities within "Governance and administrative costs".

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed. The reversal will not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits with financial institutions and are stated at cost.

2. Significant accounting policies (Cont'd)

2.9 Financial Liabilities

Financial liabilities are recognised when the Division becomes a party to the contractual agreements of the 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 includes "Other payables".

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

Financial liabilities is derecognised when the obligations under the liability is discharged or cancelled or expires. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability 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.

2.10 Other payables

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

2.11 Employee compensation

Defined contribution plans

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

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 Operating leases

The lease payments under an operating lease shall be recognised on a straight-line basis over the lease term even if the payments are not on such a basis, unless another systematic and rational basis is more representative of the time pattern of the lessee's benefit.

Incentives to sign an operating lease, in whatever form they may take, shall be spread by the lessee on a straight-line basis over the lease term.

2. Significant accounting policies (Cont'd)

2.13 Fund accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Division that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors with their authority or created through legal process but are still within the wider objects of the Division. Unrestricted funds are expendable at the discretion of the Management Committee and management in furtherance of the Division's objects. Designated fund is part of the unrestricted funds earmarked for a particular project. The designation is for administrative purpose only and does not restrict Management Committee and Management's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on the method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the balance sheet.

Funds received for specific purposes such as purchase of depreciable assets are taken to the relevant restricted fund account. This relevant fund will be reduced over the useful life of the asset in line with its depreciation. Depreciation is charged to the relevant designated funds where the asset is held.

2.14 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. Where the possibility of an outflow of resources is not remote, the Division shall disclose for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and, where practicable:

- a) an estimate of its financial effect;
- b) an indication of the uncertainties relating to the amount or timing of any outflow; and
- c) the possibility of any reimbursement.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.15 Events occurring after the reporting period

Post year-end events that provide additional information about the Division's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Critical accounting estimates, assumptions and judgments

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3. Critical accounting estimates, assumptions and judgments (Cont'd)

3.1 Critical accounting estimates and assumptions

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

3.1.1 Useful lives of property, plant and equipment and intangible assets

Management determines the estimated useful lives and the related depreciation and amortisation for its property, plant and equipment and intangible assets based on the period over which the property, plant and equipment and intangible assets are expected to provide economic benefits. Management's estimation of the useful lives of property, plant and equipment and intangible assets is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimation of the useful lives of the property, plant and equipment and intangible assets could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of property, plant and equipment and intangible assets. The depreciation charge is increased where useful lives are less than previously estimated lives.

The carrying value of property, plant and equipment and intangible assets as of 31 March 2023 and 2022 are disclosed in Note 11 and Note 10 of the financial statements.

Based on Management's assessment, no change in the estimated useful lives of property, plant and equipment and intangible assets is required as of 31 March 2023 and 2022.

3.2 Critical judgements in applying the entity's accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting 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.

3.2.1 Government grants

Government grants to meet operating expenses are recognised as income in the statement of financial activities on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Division will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Division if the conditions are not met.

4. Tax deductible receipts

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

	Note	2023 S\$	2022 S\$
Statement of financial activities:			
General fund			
- Voluntary income – tax exempt donations	5	<u>329,526</u>	<u>498,492</u>

5. Income

		Unrestricted fund		Restricted fund		
		General fund S\$	MSF-Capital fund S\$	MSF-Cyclical maintenance fund S\$	MSF fund S\$	
2023						
Income from generating fund						
<i>Voluntary income:</i>						
Donations – tax exempt	4	329,526	0	0	0	329,526
Donations – non-tax exempt		214,760	0	0	0	214,760
		<u>544,286</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>544,286</u>
Activities for generating income:						
Fund-raising income	7	42,248	0	0	0	42,248
Income from charitable activities						
Home fees		2,829	0	0	0	2,829
Government grant		37,284	0	0	0	37,284
MSF rental grant		0	0	0	252,888	252,888
MSF grant		0	746,115	225,414	885,629	1,857,158
		<u>40,113</u>	<u>746,115</u>	<u>225,414</u>	<u>1,138,517</u>	<u>2,150,159</u>
Other income						
Bank interest received		142	0	0	0	142
Jobs support scheme		(2,043)	0	0	0	(2,043)
Jobs growth incentive		16,910	0	0	0	16,910
Miscellaneous income		41	0	0	0	41
Special employment credit		164	0	0	0	164
Wages credit scheme		18,846	0	0	0	18,846
		<u>34,060</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>34,060</u>
Total income		<u>660,707</u>	<u>746,115</u>	<u>225,414</u>	<u>1,138,517</u>	<u>2,770,753</u>

5. Income (Cont'd)

		Unrestricted fund	Restricted fund	Total funds
		General fund	MSF fund	S\$
	Note	S\$	S\$	S\$
2022				
Income from generating fund				
<i>Voluntary income:</i>				
Donations – tax exempt	4	498,492	0	498,492
Donations – non-tax exempt		<u>235,559</u>	<u>0</u>	<u>235,559</u>
		<u>734,051</u>	<u>0</u>	<u>734,051</u>
Activities for generating income:				
Fund-raising income	7	<u>0</u>	<u>8,506</u>	<u>8,506</u>
Income from charitable activities				
Home fees		7,772	0	7,772
Government grant		274,570	0	274,570
MSF rental grant		0	136,981	136,981
MSF grant		<u>0</u>	<u>609,535</u>	<u>609,535</u>
		<u>282,342</u>	<u>746,516</u>	<u>1,028,858</u>
Other income				
Bank interest received		84	0	84
COVID-19 related rent concessions		0	63,222	63,222
Jobs support scheme*		23,231	0	23,231
Jobs Growth Incentive		17,374	0	17,374
Miscellaneous income		52	0	52
Special employment credit		228	0	228
Wages credit scheme		<u>13,045</u>	<u>0</u>	<u>13,045</u>
		<u>54,014</u>	<u>63,222</u>	<u>117,236</u>
Total income		<u>1,070,407</u>	<u>818,244</u>	<u>1,888,651</u>

*Relates to the COVID-19 related rent concessions received from the lessor of S\$63,222 to which the Division applied the practical expedient.

6. Expenditure

	Note	Unrestricted fund	Restricted fund			Total funds S\$
		General fund S\$	MSF-Capital fund S\$	MSF-Cyclical maintenance fund S\$	MSF fund S\$	
2023						
Cost of generating funds						
Fund-raising expenses	7	1,384	0	0	0	1,384
Cost of charitable activities						
Advertising & Publicity		0	0	0	249	249
Amortisation of intangible asset	10	18,288	0	0	0	18,288
Client welfare		0	0	0	9,876	9,876
CPF and SDF		0	0	0	104,814	104,814
Depreciation of property, plant and equipment	11	10,206	0	0	4,651	14,857
Extra-curricular activities expense on ECDA and enrichment courses		0	0	0	1,271	1,271
Food and provisions		0	0	0	69,849	69,849
Foreign worker levy		0	0	0	39,009	39,009
Fine and penalty		0	0	0	185	185
Entertainment		0	0	0	120	120
General expenses		0	0	0	5,606	5,606
General insurance		0	0	0	4,112	4,112
Gift and offerings		0	0	0	5,000	5,000
Licence & subscriptions		0	0	0	5,174	5,174
Medical expenses		0	0	0	922	922
Miscellaneous expenses		0	0	0	2,025	2,025
Postages		0	0	0	107	107
Printing and stationery		0	0	0	4,884	4,884
Provision for unutilised leave		0	0	0	(7,213)	(7,213)
Recreational activity		0	0	0	2,962	2,962
Rental of copier		0	0	0	5,158	5,158
Rental of premises		0	0	0	252,888	252,888
Repairs and maintenance		0	0	0	32,609	32,609
Salaries and bonuses		0	0	0	731,495	731,495
Staff insurance		0	0	0	6,464	6,464
Staff recruitment		0	0	0	4,066	4,066
Staff training		0	0	0	7,912	7,912
Staff welfare		0	0	0	12,420	12,420
Small value assets		0	0	0	30,539	30,539
Telecommunication		0	0	0	8,237	8,237
Travelling and transport		0	0	0	6,045	6,045
Volunteer development and appreciation		0	0	0	424	424
Water and electricity		0	0	0	50,223	50,223
		28,494	0	0	1,402,083	1,430,577
Governance costs						
Admin cost		0	0	0	20,000	20,000
Audit fee		0	0	0	6,707	6,707
Professional fees		0	0	0	643	643
		0	0	0	27,350	27,350
Other expenditure						
Bank charges		0	0	0	1,130	1,130
Total expenditure		29,878	0	0	1,430,563	1,460,441

6. Expenditure (Cont'd)

	Note	Unrestricted fund	Restricted fund	Total funds
		General fund S\$	MSF fund S\$	
2022				
Cost of generating funds				
Donation expenses		599	0	599
Fund-raising expenses	7	0	1,705	1,705
		<u>599</u>	<u>1,705</u>	<u>2,304</u>
Cost of charitable activities				
Advertising & Publicity		0	67	67
Amortisation of intangible asset	10	3,665	0	3,665
Client welfare		0	7,964	7,964
CPF and SDF		0	102,739	102,739
Depreciation of property, plant and equipment	11	5,529	4,652	10,181
Extra-curricular activities expense on ECDA and enrichment courses		0	215	215
Food and provisions		0	65,199	65,199
Foreign worker levy		0	12,114	12,114
Fine and penalty		0	400	400
General expenses		0	3,354	3,354
General insurance		0	2,342	2,342
Gift and offerings		0	368	368
Home event expenses		0	666	666
Licence & subscriptions		0	3,268	3,268
Medical expenses		0	1,298	1,298
Miscellaneous expenses		0	216	216
OJT attachment		0	2,211	2,211
Postages		0	183	183
Printing and stationery		0	4,342	4,342
Provision for unutilised leave		0	13,055	13,055
Recreational activity		0	3,634	3,634
Rental of copier		0	3,178	3,178
Rental of premises		0	252,888	252,888
Repairs and maintenance		0	39,730	39,730
Salaries and bonuses		0	679,767	679,767
Staff insurance		0	4,777	4,777
Staff recruitment		0	953	953
Staff training		0	11,106	11,106
Staff welfare		0	4,300	4,300
Small value assets		0	1,503	1,503
Telecommunication		0	8,331	8,331
Travelling and transport		0	1,287	1,287
Volunteer development and appreciation		0	535	535
Water and electricity		0	40,534	40,534
		<u>9,194</u>	<u>1,277,176</u>	<u>1,286,370</u>
Governance costs				
Admin cost		0	20,000	20,000
Allowance for impairment of fees receivables	9	650	0	650
Audit fee		0	6,098	6,098
Professional fees		0	963	963
		<u>650</u>	<u>27,061</u>	<u>27,711</u>
Other expenditure				
Bank charges		0	336	336
Total expenditure		<u>10,443</u>	<u>1,306,278</u>	<u>1,316,721</u>

7. Fund raising

	Note	2023 S\$	2022 S\$
<i>Income from fund-raising event:</i>			
Christmas bake sale		0	8,506
Christmas fundraiser		14,748	0
Mid-year fundraising		27,500	0
	5	42,248	8,506
<i>Cost of fund raising expenses:</i>			
Cost of Christmas bake sale event		0	(1,705)
Cost of Christmas fundraiser		(1,384)	0
	6	(1,384)	(1,705)
Net Proceed		40,864	6,801
Percentage of fund raising expenses over income from fund raising event		3%	20%

8. Cash and cash equivalents

	2023 S\$	2022 S\$
Cash on hand	1,283	1,713
Cash at bank	361,460	899,194
	362,743	900,907

9. Fees and other receivables

	2023 S\$	2022 S\$
Fees receivables	1,400	1,400
Less: Allowance for impairment	(1,400)	(1,400)
	0	0
Deposits	70,252	65,577
Grant receivables - MSF	971,529	0
Prepayments	10,928	17,578
	1,052,709	83,155
	1,052,709	83,155

9. Fees and other receivables (Cont'd)

The movement in allowance for doubtful debts is as follows:

	Note	2023 S\$	2022 S\$
At beginning of the financial year		1,400	750
Allowance made	6	0	650
At end of the financial year		1,400	1,400

10. Intangible asset

	2023 S\$	2022 S\$
Computer software		
Cost		
Beginning of financial year	101,435	7,235
Additions	0	94,200
Written off	(3,400)	0
End of financial year	98,035	101,435
Accumulated amortisation		
Beginning of financial year	8,450	4,785
Amortisation charge	18,288	3,665
End of financial year	26,738	8,450
Carrying amount	71,297	92,985

11. Property, plant and equipment

2023	Beginning of financial year S\$	Additions S\$	End of financial year S\$
Cost			
Furniture and fittings	25,121	0	25,121
Musical instruments	4,114	0	4,114
Office equipment	166,296	95,537	261,833
Renovations	635,094	0	635,094
Renovations in progress	0	1,133,497	1,133,497
	<u>830,625</u>	<u>1,229,034</u>	<u>2,059,659</u>
Accumulated depreciation			
Furniture and fittings	23,835	850	24,685
Musical instruments	4,114	0	4,114
Office equipment	145,404	12,624	158,028
Renovations	632,057	1,383	633,440
Renovations in progress	0	0	0
	<u>805,410</u>	<u>14,857</u>	<u>820,267</u>
Carrying amount			
Furniture and fittings	1,286		436
Musical instruments	0		0
Office equipment	20,892		103,805
Renovations	3,037		1,654
Renovations in progress	0		1,133,497
	<u>25,215</u>		<u>1,239,392</u>

11. Property, plant and equipment (Cont'd)

	Beginning of financial year S\$	Additions S\$	End of financial year S\$
2022			
Cost			
Furniture and fittings	25,121	0	25,121
Musical instruments	4,114	0	4,114
Office equipment	165,646	650	166,296
Renovations	635,094	0	635,094
	<u>829,975</u>	<u>650</u>	<u>830,625</u>
	Beginning of financial year S\$	Additions S\$	End of financial year S\$
Accumulated depreciation			
Furniture and fittings	22,705	1,130	23,835
Musical instruments	4,114	0	4,114
Office equipment	137,735	7,669	145,404
Renovations	630,675	1,382	632,057
	<u>795,229</u>	<u>10,181</u>	<u>805,410</u>
	Beginning of financial year S\$		End of financial year S\$
Carrying amount			
Furniture and fittings	2,416		1,286
Musical instruments	0		0
Office equipment	27,911		20,892
Renovations	4,419		3,037
	<u>34,746</u>		<u>25,215</u>

The Division is situated on state land held by Singapore Land Authority and the current tenancy agreement is for 3 years from 01 December 2021 to 30 November 2024.

12. Other payables

	2023 S\$	2022 S\$
Accounts payable	9,915	3,192
Accruals	5,508	17,849
Amount due to Presbyterian Community Services	363,408	47,425
Client deposit received	400	300
GST payables	703	899
Client allowance received	10,511	0
Provision for unutilised leave	26,920	34,133
	<u>417,365</u>	<u>103,798</u>

Amount due to Presbyterian Community Services (the "Society") are related to expenses paid on behalf by Society. It is unsecured, interest-free and repayable on demand.

13. Funds

13.1 Unrestricted fund

General fund

The accumulated general fund represents the accumulated income of the Division. It is unrestricted and is for the purpose of meeting the expenditure in accordance with the objectives of the Division. Transfers are allowed with authorisation and approval of the Management Committee and/or approval in General Meeting in accordance with the Division's Constitution.

13.2 Restricted fund

MSF fund

The MSF fund represents the funding for the residents on a per capita basis and reimbursement of the rental expenses.

MSF – Capital funding

The MSF – Capital funding represents the funding up to S\$822,000 for the renovation works. The grant is used to carry out construction works for, and also furnish and equip the premises. The quantum of the Grant has been based on a 90:10 co-funding model, under which MSF provides a grant up to 90% of the cost approved by MSF.

The fund will be utilised by the depreciation of the renovation over the useful lives. During the financial year, there is no depreciation charges under this fund as the renovation still in progress.

MSF – Cyclical maintenance fund

The MSF – Cyclical maintenance fund represents the funding up to S\$1,790,000 for the renovation works. The grant is used to carry out cyclical maintenance for the premises. The quantum of the Grant has been based on a 90:10 co-funding model, under which MSF provides a grant up to 90% of the cost approved by MSF.

The fund will be utilised by the depreciation of the renovation over the useful lives. During the financial year, there is no depreciation charges under this fund as the renovation still in progress.

14. Income tax

Gladiolus Place is a division of Presbyterian Community Services (the "Society"). The Society is registered as a charity under the Charities Act since 28 February 1985. Consequently, the income of the Society is exempted from tax under the provisions of Section 13 of the Income Tax Act 1947.

15. Key management personnel remuneration and benefits

The key management personnel are those person having authority and responsibility for planning, directing and controlling the activities of the Division. The key management personnel for the reporting period is the Head of the Division.

The annual remuneration of key management personnel is as follows:

	2023 S\$	2022 S\$
Salaries and other short-term employee benefits	117,500	115,920
Post-employment benefits – contributions to CPF	16,479	15,461
	133,979	131,381

16. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statement, the following transactions with the Presbyterian Community Services (the "Society") took place at terms agreed between the parties during the financial year:

	2023 S\$	2022 S\$
Admin fee	20,074	20,000

During the current and previous year, none of the Management Committee members received any remuneration from the Division.

17. Commitments

Operating lease commitments

As at the reporting date, the Division has commitments for future minimum lease payments under non-cancellable operating leases in respect of leasing of premises and equipment as follows:

	2023 S\$	2022 S\$
<u>Premises and copier</u>		
Not later than one year	261,848	261,848
Later than one year but not later than five years	181,517	443,365
	443,365	705,213
<u>Services</u>		
Not later than one year	16,000	16,000

The above operating lease commitments are based on known rental rates as at the date of this report and do not include any revision in rates which may be determined by the lessor.

17. Commitments (Cont'd)

Capital commitments

Capital expenditure contracted for at the reporting date not recognised in the financial statements is as follows:

	2023 S\$	2022 S\$
Renovation	<u>1,464,503</u>	<u>0</u>

18. Reserve policy and position

The Division's reserve position for financial years ended 31 March 2023 and 31 March 2022 are as follows:

	2023 S\$'000	2022 S\$'000
(a) Unrestricted funds	1,629	998
(b) Restricted funds	<u>680</u>	<u>0</u>
Total funds	<u>2,309</u>	<u>998</u>
(a2) Annual expenditure under unrestricted funds	28	10
(b2) Annual expenditure under restricted funds	1,402	1,306
Ratio of unrestricted funds to annual expenditure (a/a2)	<u>5,818.00</u>	<u>9,980</u>
Ratio of restricted funds to annual expenditure (b/b2)	<u>0.48</u>	<u>0</u>

The Division's reserve policy is as follows:

The Division aims to maintain its reserves equivalent to 6 months of operating expenses based on preceding year's actual operating expenditures.

19. Management of conflict of interest

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

20. Impact of Covid-19(CoronavirusDisease2019)

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 Division can reasonably ascertain that the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 March 2024 would be marginal.

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

21. Authorisation of financial statements

The financial statements were authorised for issue in accordance with a resolution of the Management Committee on 31 August 2023.