

**SMA CHARITY FUND
(UEN: 201305017E)**

**AUDITED FINANCIAL STATEMENTS
AND OTHER INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

SMA CHARITY FUND
(UEN: 201305017E)

GENERAL INFORMATION

DIRECTORS

Name

CHONG YEH WOEI
KOH LIN-NET
KOH WEI PENG (XU WEIPING)
LIM FUNG WAN, COLIN
LIM KHENG CHOON (LIN JINGCUN)
NOORUL FATHA AS'ART
ROLAND XU WEIXIANG
TAN SZE WEE
THALI KOATTIATH UDAIRAM
WONG CHIANG YIN

REGISTERED OFFICE

2985 Jalan Bukit Merah #02-2C
SMF Building
Singapore 159457

AUDITOR

Kreston David Yeung PAC
128A Tanjong Pagar Road
Singapore 088535

BANKER

DBS Bank Limited

**SMA CHARITY FUND
(UEN: 201305017E)**

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of SMA Charity Fund (the "company") for the year ended 31 December 2021.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- i) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 December 2021, and the financial performance, changes in funds and cash flows of the company for the year then ended; and
- ii) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors in office at the date of this statement are:-

CHONG YEH WOEI
KOH LIN-NET
KOH WEI PENG (XU WEIPING)
LIM FUNG WAN, COLIN
LIM KHENG CHOON (LIN JINGCUN)
NOORUL FATHA AS'ART
ROLAND XU WEIXIANG
TAN SZE WEE
THALI KOATTIATH UDAIRAM
WONG CHIANG YIN

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

The company is a company limited by guarantee and has no share capital.

4. OTHER MATTERS

As the company is limited by guarantee and does not have a share capital, matters relating to the issue of shares or share option are not applicable.

SMA CHARITY FUND
(UEN: 201305017E)

DIRECTORS' STATEMENT

5. AUDITOR

The auditor, Kreston David Yeung PAC, has expressed its willingness to accept re-appointment.

On behalf of the Board,

CHONG YEH WOEI
Director

KOH WEI PENG (XU WEIPING)
Director

Singapore, 7 March 2022



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMA CHARITY FUND (UEN: 201305017E)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of SMA Charity Fund (the “company”), which comprise the statement of financial position of the company as at 31 December 2021, the statement of financial activities, statement of changes in funds and statement of cash flows of the company 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 Companies Act, Chapter 50 (the Companies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 December 2021 and of the financial performance, changes in funds and cash flows of the company 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 company 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 Directors' Statement and annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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. When we read the other information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMA CHARITY FUND (UEN: 201305017E) (Continued)

Responsibilities of Management and 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 Companies 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 company'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 company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the company'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 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 company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMA CHARITY FUND (UEN: 201305017E) (Continued)

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

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

We communicate with the 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, the accounting and other records required to be kept by the company have been properly kept in accordance with the provisions of the Companies Act, and the Charities Act and Regulations.

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

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

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 7 March 2022

KRESTON DAVID YEUNG PAC (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and an independent member of the **Kreston Global** network
128A Tanjong Pagar Road, Singapore 088535
Tel: 6223 7979 Fax: 6222 7979

SMA CHARITY FUND
(UEN: 201305017E)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Note	2021 S\$	2020 S\$
ASSETS			
Non-current asset			
Plant and equipment	3	<u>20,882</u>	<u>16,406</u>
Current assets			
Grant and other receivables	4	1,275	15,272
Prepayment		774	535
Cash at bank		<u>1,043,370</u>	<u>934,976</u>
Total current assets		<u>1,045,419</u>	<u>950,783</u>
Total assets		<u>1,066,301</u>	<u>967,189</u>
FUND AND LIABILITIES			
Funds			
Restricted Fund			
Medical Students' Assistance Fund	5	443,344	199,075
Unrestricted Fund			
Accumulated Fund		<u>620,114</u>	<u>689,726</u>
Total funds		<u>1,063,458</u>	<u>888,801</u>
Current liabilities			
Accrued operating expenses		2,675	2,675
Other payable and deferred grant	6	<u>168</u>	<u>75,713</u>
Total current liabilities		<u>2,843</u>	<u>78,388</u>
Total funds and liabilities		<u>1,066,301</u>	<u>967,189</u>

The notes set out on pages 11 to 22 form an integral part of and should be read in conjunction with this set of financial statements.

SMA CHARITY FUND
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STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2021

	Note	Unrestricted Fund S\$	Restricted Fund S\$	2021 S\$	2020 S\$
Incoming resources					
Income from generating funds:					
Voluntary income					
Donation - public	7	105,348	164,769	270,117	234,684
President Challenge fund	5	-	100,000	100,000	-
Bicentennial Community Fund (BCF)	8	-	-	-	400,000
Grant - Enhanced Fund-Raising Programme	5	-	250,000	250,000	-
Job support scheme grant	4	6,795	-	6,795	22,100
NCSS Support Fund		-	-	-	4,800
Special employment income		120	-	120	216
Wage credit income		7,569	-	7,569	7,283
Other income		108	-	108	200
Total income		119,940	514,769	634,709	669,283
Resources expended					
Cost of generating funds					
Bank charges		465	-	465	823
Cost of fund-raising initiatives		3,180	-	3,180	28,814
Management fee		6,966	-	6,966	7,184
Postage		141	-	141	130
Printing and stationery		1,059	-	1,059	1,508
Staff cost		45,346	-	45,346	40,862
		57,157	-	57,157	79,321
Cost of charitable activities					
General expenses		1,089	-	1,089	-
Management fee		6,966	-	6,966	7,184
Medical Students' Assistance Fund	5	-	270,500	270,500	200,000
Programme to promote mentorship		978	-	978	696
Programme to promote volunteerism		-	-	-	11,000
Staff cost		51,014	-	51,014	45,970
		60,047	270,500	330,547	264,850
Governance and administrative costs					
Audit and secretarial fee		2,675	-	2,675	2,675
Bank charges		105	-	105	210
Depreciation of plant and equipment		10,129	-	10,129	8,738
General expenses		664	-	664	5,579
Insurance		4,436	-	4,436	3,695
Management fee		32,510	-	32,510	33,525
Medical fee		64	-	64	278
Printing and stationery		1,719	-	1,719	1,384
Repair and maintenance		-	-	-	1,942
Secretarial fee		3,071	-	3,071	1,495
Staff cost		17,005	-	17,005	15,323
Staff training		(30)	-	(30)	305
Transportation		-	-	-	10
		72,348	-	72,348	75,159
Total expenditures		189,552	270,500	460,052	419,330
Net (deficit)/surplus	9	(69,612)	244,269	174,657	249,953
Total funds brought forward		689,726	199,075	888,801	638,848
Total funds carried forward		620,114	443,344	1,063,458	888,801

The notes set out on pages 11 to 22 form an integral part of and should be read in conjunction with this set of financial statements.

SMA CHARITY FUND
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STATEMENT OF CHANGES IN FUNDS
For the year ended 31 December 2021

	Accumulated Fund S\$	Medical Students' Assistance Fund S\$	Total Funds S\$
Balance as at 01.01.2020	485,268	153,580	638,848
Net surplus for the year			
- Unrestricted fund	204,458	-	204,458
- Restricted fund	-	45,495	45,495
	204,458	45,495	249,953
Balance as at 31.12.2020/01.01.2021	689,726	199,075	888,801
Net (deficit)/surplus for the year			
- Unrestricted fund	(69,612)	-	(69,612)
- Restricted fund	-	244,269	244,269
	(69,612)	244,269	174,657
Balance as at 31.12.2021	620,114	443,344	1,063,458

The notes set out on pages 11 to 22 form an integral part of and should be read in conjunction with this set of financial statements.

SMA CHARITY FUND
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STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	2021	2020
	S\$	S\$
Cash flows from operating activities		
Net surplus for the year	174,657	249,953
Adjustment for:-		
Depreciation of plant and equipment	<u>10,129</u>	<u>8,738</u>
Operating surplus before working capital changes	184,786	258,691
Changes in working capital:-		
Decrease/(Increase) in other receivable and prepayment	3,326	(13,812)
Decrease in accruals and other payables	<u>(75,545)</u>	<u>(4,713)</u>
Net cash generated from operating activities	<u>112,567</u>	<u>240,166</u>
Cash flows from investing activity		
Purchase of plant and equipment	<u>(4,173)</u>	<u>-</u>
Net cash used in investing activity	<u>(4,173)</u>	<u>-</u>
Net increase in cash and cash equivalents	108,394	240,166
Cash and cash equivalents at beginning of year	<u>934,976</u>	<u>694,810</u>
Cash and cash equivalents at end of year	<u>1,043,370</u>	<u>934,976</u>
- Cash at bank		

The notes set out on pages 11 to 22 form an integral part of and should be read in conjunction with this set of financial statements.

SMA CHARITY FUND
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

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

1. GENERAL

The company is registered as a public company limited by guarantee and domiciled in the Republic of Singapore. Each member of the company has undertaken to contribute such amount not exceeding S\$1 to the assets of the company in the event the company is wound up and the money are required for payment of liabilities of the company.

The company is registered as a Charity under the Charities Act, Cap. 37 and it is an approved Institution of a Public Character (“IPC”) with effect from 17 April 2013. The IPC status has been renewed until 26 December 2022.

The principal activities of the company are to provide financial assistance bursaries, health and public health-related education, and promotion of volunteerism.

The registered office and principal place of business of the company is located at 2985 Jalan Bukit Merah #02-2C, SMF Building, Singapore 159457.

The financial statements of the company for the year ended 31 December 2021 are authorised for issue in accordance with a resolution of the directors on 7 March 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the company have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and in accordance with the provisions of the Charities Act Chapter 37 and other relevant regulations, the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (“FRS”).

In the current financial year, the company has adopted all the new and amended standards which are relevant to the company and are effective for annual periods beginning on or after 1 January 2021. The adoption of these standards has no material effect on the financial statements.

b) Significant Accounting Estimates and Judgements

Estimates, assumption concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the company’s accounting policies, reported amounts of assets, liabilities, income and expense and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. The management is of the opinion that there are no critical estimates and judgements involved that have a significant effect on the amount recognised in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

The residual values, useful live and depreciation method are reviewed at end of each reporting period, and adjusted prospectively as appropriate. The effects of any revision are recognised in profit or loss when the changes arise.

Depreciation is calculated on the straight-line method to write off the costs of the plant and equipment over their estimated useful lives as follows:-

Office equipment	1 year
Computer	3 years

No depreciation is provided for asset-in-progress.

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

d) Impairment of Non-Financial Assets

The company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Financial Instruments

i) Financial Assets

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the contractual cash flow characteristics of the asset. The company only has debt instruments at amortised cost.

Amortised cost

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

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

ii) Financial Liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value and directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) **Financial Instruments (Continued)**

ii) **Financial Liabilities (Continued)**

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

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

f) **Cash and Cash Equivalents**

Cash and cash equivalents comprise cash at bank which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

g) **Impairment of Financial Assets**

The company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held of other credit enhancement that are integral to the contractual terms.

Financial assets carried at amortised cost

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Provisions

Provisions are recognised when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

i) Income

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

Donation

Income from donations (including President Challenge fund and BCF) are recognised at a point in time when received, except for committed donations is recognised when there is certainty over the amount committed by the donors, and the company had fulfilled all conditions related to the donations. Such income is only deferred and recognised over time when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the company has unconditional entitlement.

Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the assets and in the proportions in which depreciation expense on those assets is recognised.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Employee Benefits

Defined Contribution Plans

As required by law, the company makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. Accruals are made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

k) Currency Translation

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (the “functional currency”). The financial statements of the company are presented in Singapore dollar which is the functional currency of the company.

Transactions and balances

Transactions in a currency other than Singapore dollar (“foreign currency”) are translated into Singapore dollar using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, recorded foreign currency monetary items are adjusted to reflect the rate at end of reporting period. All realised and unrealised differences are taken to statement of financial activities.

Monetary financial assets and liabilities are denominated in Singapore dollar unless stated otherwise.

l) Contingent Liabilities and Assets

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future events not wholly within the control of the company.

Contingent liabilities and assets are not recognised on the statement of financial position of the company.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) **Key Management Personnel**

Key management personnel of the company are those having authority and responsibility for planning, directing and controlling the activities of the company. The Directors and the Chief Administrator are considered as key management personnel.

n) **Funds**

All income and expenditures are reflected in the Statement of Financial Activities. Income and expenditures specifically relating to any of the funds set up by the company are charged subsequently to those funds. The Medical Students' Assistance Fund is set up as a restricted fund of the company.

3. PLANT AND EQUIPMENT

	Office Equipment S\$	Computer Computer S\$	Computer- asset in progress S\$	Total S\$
Cost				
As at 01.01.2020	1,905	3,208	-	5,113
Additions	-	23,005	-	23,005
As at 31.12.2020/01.01.2021	1,905	26,213	-	28,118
Additions	-	4,173	10,432	14,605
As at 31.12.2021	1,905	30,386	10,432	42,723
Accumulated Depreciation				
As at 01.01.2020	1,905	1,069	-	2,974
Charge for the year	-	8,738	-	8,738
As at 31.12.2020/01.01.2021	1,905	9,807	-	11,712
Charge for the year	-	10,129	-	10,129
As at 31.12.2021	1,905	19,936	-	21,841
Net Book Value				
As at 31.12.2021	-	10,450	10,432	20,882
As at 31.12.2020	-	16,406	-	16,406

In year 2020, the company utilised S\$23,005 of general fund to acquire computer software – infocaresuite.

The acquisition of HR-IT system of S\$4,173 for the year will be funded 80% by “The Invictus Fund” of NCSS.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

3. PLANT AND EQUIPMENT (Continued)

The computer - asset in progress represents the cost incurred on acquisition of IT “Creative E-shop package” which is under construction as at end of the financial year. The outstanding capital committed but not recognised in the financial statements at the end of reporting date is amounted to S\$10,432. The 80% costs of the asset will be funded by “The Invictus Fund”, which is approximate S\$14,389. The grants for the purchase of plant and equipment are subject to the terms and conditions as prescribed in the agreements.

4. GRANT AND OTHER RECEIVABLES

	2021	2020
	S\$	S\$
Other receivables	1,275	12,372
Grant receivables - Jobs support scheme ("JSS")	-	2,900
	<u>1,275</u>	<u>15,272</u>

Other receivables represent amount due from entity with common key management personnel with significant influence.

5. MEDICAL STUDENTS’ ASSISTANCE FUND

The fund is set up for the purpose of providing financial assistance to needy medical students.

	2021	2020
	S\$	S\$
Balance at beginning of year	199,075	153,580
Add: Donation received	164,769	200,436
Add: President Challenge fund #	100,000	-
Add: Enhanced fund - raising programme*	250,000	-
Less: Disbursement during the year	<u>(270,500)</u>	<u>(154,941)</u>
	<u>443,344</u>	<u>199,075</u>

The company was one of the beneficiaries supported by the President Challenge 2020. The fund of S\$100,000 is for financial assistance bursaries and it was received and utilised during the financial year.

* Tote Board’s Fund-Raising Programme serves as a catalyst to encourage the community to better meet the needs of the underserved in the community. In year 2020, to help charities during the difficult Covid-19 period, Tote Board and the Government provided joint support through Enhanced Fund-Raising Programme at a dollar-for-dollar matching up to S\$250,000. The company received the enhanced fund-raising support of S\$250,000 during the year for its fund-raising efforts in year 2020/2021. The joint support from Tote Board and the Government has been extended for an additional year until 31 March 2025.

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

6. OTHER PAYABLE AND DEFERRED GRANT

	2021	2020
	S\$	S\$
Related party	-	47,893
Third party	168	23,005
Deferred income grant - JSS	-	4,815
	<u>168</u>	<u>75,713</u>

The deferred JSS grant of S\$4,815 has been recognised as income during the financial year.

7. DONATION

	2021	2020
	S\$	S\$
Voluntary income - donation comprises:-		
- Tax-deductible donations	268,465	232,846
- Non-tax deductible donations	1,652	1,838
	<u>270,117</u>	<u>234,684</u>

The donation income was derived from the fundraising events of the financial year.

8. BICENTENNIAL COMMUNITY FUND (BCF)

Bicentennial Community Fund (BCF) is an initiative that provides dollar-for-dollar matching for cash donations of IPC for the qualifying period from 1 April 2019 to 31 March 2020 (extended to 31 December 2020). The BCF is provided up to a cap of S\$400,000 per IPC. The BCF supports the SG Cares movement to build a caring & inclusive home for all and it is non-restricted fund in nature. The company recognised the fund received as income of S\$400,000 during the year 2000.

9. NET SURPLUS

	2021	2020
	S\$	S\$
The net surplus is arrived at after charging:-		
- Staff costs	<u>113,335</u>	<u>102,460</u>
Staff costs consist of:-		
- CPF Contribution and skill development levy	25,670	24,317
- Staff salaries and other costs	<u>87,665</u>	<u>78,143</u>

The company has no paid staff with annual remuneration above S\$100,000.

**SMA CHARITY FUND
(UEN: 201305017E)**

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

10. TAXATION

The company is a registered charity under the Charities Act and is exempted from income tax under the Income Tax Act Cap. 134.

11. RELATED PARTY TRANSACTIONS

In addition to the related parties information disclosed elsewhere to the financial statements, the following related party transactions took place at terms mutually agreed between the parties:-

	2021	2020
	S\$	S\$
Entity with common key management personnel who has significant influence:-		
Management fee expenses	<u>46,442</u>	<u>47,893</u>

The nature of management fees relates to services provided by Singapore Medical Association, including services provided by the Chief Administrator to the company. The Chief Administrator does not receive any remuneration from the company. His support cost is charged by the related party included under management fee.

During the year, donation income of S\$10,050 (2020: S\$20,100) was derived from the directors.

The directors are volunteers and receive no remuneration for their contribution.

All directors and staff members of the company are required to read and understand the conflict of interest policy in place and make full disclosure of interests, relationships and holding that could potentially result in conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

12. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The company does not have written financial risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy but management may use natural hedges or closely monitor the company's business risk exposures in connection with its financial assets and financial liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures or losses.

Credit Risk

The company has no significant concentrations of credit risk except for cash and cash equivalents. Cash is placed with an established local bank and the credit risk exposure is not significant. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

12. FINANCIAL RISK MANAGEMENT (Continued)

Credit Risk (Continued)

Grant and other receivables

The company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Liquidity Risk

The company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the company's financial liabilities is within 12 months from the end of the reporting period.

Interest Rate Risk

The company is not exposed to interest rate risk as all financial assets and liabilities bear no interest rate as at the year end.

Foreign Currency Risk

The company is not exposed to foreign currency risk as all its transactions are denominated in Singapore dollar.

13. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:-

	2021	2020
	S\$	S\$
<u>Financial assets</u>		
Amortised cost:-		
Grant and other receivables	1,275	15,272
Cash at bank	1,043,370	934,976
Total financial assets	<u>1,044,645</u>	<u>950,248</u>
<u>Financial liabilities</u>		
Amortised cost:-		
Accrued operating expenses	2,675	2,675
Other payable and deferred grant	168	70,898
Total financial liabilities	<u>2,843</u>	<u>73,573</u>

**SMA CHARITY FUND
(UEN: 201305017E)**

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2021

14. FAIR VALUE

The carrying amounts of financial assets and financial liabilities are recorded in the financial statements at their approximate fair values due to short term maturities of the instruments.

15. FUNDS MANAGEMENT

The management reviews and manages the fund on an ongoing basis to ensure that the company will be able to continue as a going concern and fulfill its objectives and services to the community. There have been no changes to the company's fund management objectives during the both financial years.

16. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2022. The directors expect that the adoption of these standards will have no material impact on the financial statements in the period of initial application.

17. SIGNIFICANT EVENT OCCURRED DURING THE REPORTING PERIOD

The COVID-19 outbreak has continued disrupting the charity activities of the company during the financial year. However, the outbreak of the pandemic is under control and the company has resumed its activities substantially. The financial impact has been significantly cushioned by the support from government and/or government related agencies over these two years.