

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

**AUDITED FINANCIAL STATEMENTS
AND OTHER INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

SMA CHARITY FUND
(UEN: 201305017E)

GENERAL INFORMATION

DIRECTORS

Name

CHANDRADAS USHA RANEE	(Appointed on 30 April 2023)
CHIE ZHI YING	
CHONG YEH WOEI	
GOH ENG CHER	(Appointed on 30 April 2023)
GOH PHECK SUAN JUNE	(Appointed on 30 April 2023)
KOH LIN-NET	
KOH WEI PENG (XU WEIPING)	
LIM FUNG WAN, COLIN	(Retired on 30 April 2023)
LIM KHENG CHOON (LIN JINGCUN)	
NG CHEW LIP	
NOORUL FATHA AS'ART	
ROLAND XU WEIXIANG	
THALI KOATTIATH UDAIRAM	(Retired on 30 April 2023)

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 2023.

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 2023, 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:-

CHANDRADAS USHA RANEE	(Appointed on 30 April 2023)
CHIE ZHI YING	
CHONG YEH WOEI	
GOH ENG CHER	(Appointed on 30 April 2023)
GOH PHECK SUAN JUNE	(Appointed on 30 April 2023)
KOH LIN-NET	
KOH WEI PENG (XU WEIPING)	
LIM KHENG CHOON (LIN JINGCUN)	
NG CHEW LIP	
NOORUL FATHA AS'ART	
ROLAND XU WEIXIANG	

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

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

On behalf of the Board,

CHONG YEH WOEI
Director

Singapore,

KOH WEI PENG (XU WEIPING)
Director



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 2023, 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 material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Companies Act), the Charities Act 1994 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 December 2023 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,

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 2023

	Note	2023 S\$	2022 S\$
ASSETS			
Non-current asset			
Plant and equipment	3	8,624	18,640
Current assets			
Grant and other receivables	4	73,919	134,885
Prepayment		2,014	4,385
Cash and bank balances	5	1,478,626	1,256,646
Total current assets		<u>1,554,559</u>	<u>1,395,916</u>
Total assets		<u>1,563,183</u>	<u>1,414,556</u>
FUND AND LIABILITIES			
Funds			
Restricted Fund			
Medical Students' Assistance Fund	6	606,718	407,412
Unrestricted Fund			
Accumulated Fund		<u>866,056</u>	<u>987,047</u>
Total funds		<u>1,472,774</u>	<u>1,394,459</u>
Non-current liabilities			
Deferred capital grant	7	-	14,498
Current liabilities			
Deferred capital grant	7	7,249	-
Accrued operating expenses	8	82,100	3,800
Other payable		1,060	1,799
Total current liabilities		<u>90,409</u>	<u>5,599</u>
Total liabilities		<u>90,409</u>	<u>20,097</u>
Total funds and liabilities		<u>1,563,183</u>	<u>1,414,556</u>

The notes set out on pages 11 to 23 form an integral part of and should be read in conjunction with this set of financial statements.

SMA CHARITY FUND
(UEN: 201305017E)

STATEMENT OF FINANCIAL ACTIVITIES
For the year ended 31 December 2023

	Note	Unrestricted Fund S\$	Restricted Fund S\$	2023 S\$	2022 S\$
Incoming resources					
Income from generating funds:					
Voluntary income					
Donation - public	9	103,347	273,908	377,255	448,565
President Challenge fund	6	-	82,250	82,250	35,250
CPF Transition Offset		140	-	140	124
Fixed deposit interest income		13,805	-	13,805	-
Grants:-					
- Enhanced Fund-Raising Programme	6/10	59,524	87,348	146,872	391,529
- Job growth incentive		210	-	210	2,271
- NCSS Trust Fund		1,177	-	1,177	7,477
- Progressive Wage Credit Scheme		23,100	-	23,100	-
- Senior employment credit		-	-	-	25
- Wage credit income		-	-	-	9,136
Other income		-	-	-	835
Amortisation of deferred capital grant	7	7,249	-	7,249	9,494
Total income		208,552	443,506	652,058	904,706
Resources expended					
Cost of generating funds					
Bank charges		589	-	589	1,052
Cost of fund-raising initiatives		20,166	-	20,166	15,356
Management fee		11,700	-	11,700	8,860
Postage		132	-	132	158
Printing and stationery		356	-	356	107
Staff cost		74,956	-	74,956	65,765
Transaction charge		5,552	-	5,552	2,234
		113,451	-	113,451	93,532
Cost of charitable activities					
Management fee		11,700	-	11,700	8,860
Medical Students' Assistance Fund	6	-	244,200	244,200	245,500
Programme to promote mentorship		662	-	662	5,318
Programme to promote volunteerism		-	-	-	997
Staff cost		84,325	-	84,325	73,986
		96,687	244,200	340,887	334,661
Governance and administrative costs					
Audit fee		4,100	-	4,100	4,763
Bank charges		110	-	110	106
Depreciation of plant and equipment	3	10,016	-	10,016	17,683
General expenses		1,965	-	1,965	2,409
Insurance		5,949	-	5,949	4,932
Management fee		54,600	-	54,600	41,344
Medical fee		2,537	-	2,537	407
Printing and stationery		4,344	-	4,344	574
Professional fee		3,060	-	3,060	3,600
Refreshment		415	-	415	183
Maintenance fee		2,354	-	2,354	-
Secretarial fee		1,566	-	1,566	1,766
Staff cost		28,108	-	28,108	24,664
Staff welfare		248	-	248	350
Transportation		33	-	33	1,231
		119,405	-	119,405	104,012
Total expenditures		329,543	244,200	573,743	532,205
Net (deficit)/ surplus	10	(120,991)	199,306	78,315	372,501
Refund of Community Chest Charity Support Fund	12	-	-	-	(41,500)
Total funds brought forward		987,047	407,412	1,394,459	1,063,458
Total funds carried forward		866,056	606,718	1,472,774	1,394,459

The notes set out on pages 11 to 23 form an integral part of and should be read in conjunction with this set of financial statements.

SMA CHARITY FUND
(UEN: 201305017E)

STATEMENT OF CHANGES IN FUNDS
For the year ended 31 December 2023

	Accumulated Fund S\$	Medical Students' Assistance Fund S\$	Total Funds S\$
Balance as at 01.01.2022	620,114	443,344	1,063,458
Net surplus/(deficit) for the year			
- Unrestricted fund	408,433	-	408,433
- Restricted fund	-	(35,932)	(35,932)
	408,433	(35,932)	372,501
- Refund of Community Chest Charity Support Fund (Note 12)	(41,500)	-	(41,500)
Balance as at 31.12.2022/01.01.2023	987,047	407,412	1,394,459
Net surplus/(deficit) for the year			
- Unrestricted fund	(120,991)	-	(120,991)
- Restricted fund		199,306	199,306
	(120,991)	199,306	78,315
Balance as at 31.12.2023	866,056	606,718	1,472,774

The notes set out on pages 11 to 23 form an integral part of and should be read in conjunction with this set of financial statements.

SMA CHARITY FUND
(UEN: 201305017E)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2023

	Note	2023 S\$	2022 S\$
Cash flows from operating activities			
Net surplus for the year		78,315	372,501
Adjustments for:-			
Depreciation of plant and equipment		10,016	17,683
Fixed deposit interest income		(13,805)	-
Amortisation of deferred capital grant		(7,249)	(9,494)
Operating surplus before working capital changes		<u>67,277</u>	<u>380,690</u>
Changes in working capital:-			
Decrease/(Increase) in other receivable and prepayment		71,093	(137,221)
Increase in accruals and other payables		77,561	2,756
Refund of Community Chest Charity Support Fund		-	(41,500)
Net cash generated from operating activities		<u>215,931</u>	<u>204,725</u>
Cash flows from investing activities			
Interest received		6,049	-
Increase in fixed deposits		(750,000)	-
Purchase of plant and equipment		-	(15,441)
Proceed from capital grant		-	23,992
Net cash (used in)/generated from investing activities		<u>(743,951)</u>	<u>8,551</u>
Net (decrease)/increase in cash and cash equivalents		<u>(528,020)</u>	<u>213,276</u>
Cash and cash equivalents at beginning of year		<u>1,256,646</u>	<u>1,043,370</u>
Cash and cash equivalents at end of year	5	<u>728,626</u>	<u>1,256,646</u>

The notes set out on pages 11 to 23 form an integral part of and should be read in conjunction with this set of financial statements.

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

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

1. GENERAL

The company is 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 a registered Charity under the Charities Act 1994 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 2025.

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 2023 are authorised for issue by the Board of directors on

2. MATERIAL ACCOUNTING POLICY INFORMATION

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 1994 and other relevant regulations, the Companies Act 1967 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 2023. The adoption of these standards has no material effect on the financial statements.

The financial statements of the company have been prepared on the basis that it will continue to operate as a going concern.

b) Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the 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 historical 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 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (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 life 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 under construction.

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. Impairment losses are recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

e) Financial Instruments

i) Financial Assets

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset.

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 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, plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

e) Financial Instruments (Continued)

ii) Financial Liabilities (Continued)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is 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 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 enhancements 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.

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (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) 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.

j) Income

Donation

Income from donations (including President Challenge fund) are recognised at a point in time which is when it is 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 donations must only be used in future accounting periods; or the donor has imposed conditions which must be met before the company has unconditional entitlement.

Gifts in kind

A donations-in-kind (if any) is included in statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer services.

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.

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

k) 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.

l) 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.

m) 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.

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

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. PLANT AND EQUIPMENT

	Office Equipment S\$	Computer S\$	Computer - asset in progress S\$	Total S\$
Cost				
As at 01.01.2022	1,905	30,386	10,432	42,723
Additions	-	7,362	8,079	15,441
Reclassification	-	18,511	(18,511)	-
Disposal	-	(3,208)	-	(3,208)
	<hr/>			
As at 31.12.2022/01.01.2023/ 31.12.2023	1,905	53,051	-	54,956
	<hr/>			
Accumulated Depreciation				
As at 01.01.2022	1,905	19,936	-	21,841
Charge for the year	-	17,683	-	17,683
Disposal	-	(3,208)	-	(3,208)
	<hr/>			
As at 31.12.2022/01.01.2023	1,905	34,411	-	36,316
Charge for the year	-	10,016	-	10,016
	<hr/>			
As at 31.12.2023	1,905	44,427	-	46,332
	<hr/>			
Net Book Value				
As at 31.12.2023	-	8,624	-	8,624
As at 31.12.2022	-	18,640	-	18,640
	<hr/>			

The acquisition of 2 sets of Lenovo Thinkpad of S\$5,138 during year 2022 was partially funded by “Charities Capability Fund – Info – Communications Technology Grant” of NCSS amounted to S\$3,000.

The computer - asset in progress represents the cost incurred on acquisition of IT “Creative E-shop package” which was under construction as at end of year 2021. The 80% costs of the asset is funded by “The Invictus Fund”, which is approximately S\$14,000. The grants for the purchase of plant and equipment are subject to the terms and conditions as prescribed in the agreements.

The company has no outstanding capital commitment as at end of the financial year.

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

4. GRANT AND OTHER RECEIVABLES

	2023	2022
	S\$	S\$
Other receivables	2,353	6,784
Grant receivable from IRAS	12,600	-
Grant receivable from Singapore Totalisator Board		
- Enhanced Fund-Raising Programme (EFRP) (Note 6(*))	20,484	40,184
Grant receivable from Government		
- EFRP (Note 6(*))	30,726	84,917
Grant receivable from NCSS Trust Funds	-	3,000
Fixed deposit interest receivables	7,756	-
	<u>73,919</u>	<u>134,885</u>

Other receivables represent the amount due from an entity with a common key management personnel who has significant influence.

5. CASH AND BANK BALANCES

	2023	2022
	S\$	S\$
Fixed deposits	1,001,512	-
Bank balances	477,114	1,256,646
Cash and bank balances	1,478,626	1,256,646
Less: Fixed deposits with tenure of more than 3 months	(750,000)	-
	<u>728,626</u>	<u>1,256,646</u>
Cash and cash equivalents as presented in the statement of cash flows	<u>728,626</u>	<u>1,256,646</u>

The fixed deposits are re-priced for a period between 3 to 12 months (2022: NIL) which earn interest range between 2.2% to 2.4% (2022: NIL) per annum.

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

6. MEDICAL STUDENTS’ ASSISTANCE FUND

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

	2023	2022
	S\$	S\$
Balance at beginning of year	407,412	443,344
Add: Donation received	273,908	133,249
Add: President Challenge fund #	82,250	35,250
Add: EFRP *	87,348	41,069
Less: Disbursement during the year	<u>(244,200)</u>	<u>(245,500)</u>
	<u>606,718</u>	<u>407,412</u>

The company was one of the beneficiaries supported by the President Challenge 2022 (2022: President Challenge 2022). The fund received of S\$82,250 is the 70% (2022: S\$35,250 is the 30%) payout and it has been utilised during the financial year.

* Tote Board’s Fund-Raising Programme is to catalyst community support which is to support charity in doing more to serve the vulnerable groups, to build cohesive and caring 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\$36,138 during the financial year for its fund-raising efforts in year 2023. The joint support from the Tote Board and the Government has been extended for an additional 3 years until 31 March 2025.

7. DEFERRED CAPITAL GRANTS

	2023	2022
	S\$	S\$
Balance at beginning of year	14,498	-
Receipts during the year	<u>-</u>	<u>23,992</u>
	14,498	23,992
Less: Amortisation	<u>(7,249)</u>	<u>(9,494)</u>
Balance at end of year	<u>7,249</u>	<u>14,498</u>

The grants were given to fund the purchase of plant and equipment – computer subject to the terms and conditions as prescribed in the agreements.

Deferred capital grants are recognised as income in the manner as per Note 2(j).

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

8. ACCRUALS

The accrued operating expenses include S\$78,000 (2022: S\$NIL) which was due to an entity with common key management personnel with significant influence.

9. DONATION

	2023	2022
	S\$	S\$
Voluntary income - donation comprises:-		
- Tax-deductible donations	371,310	444,775
- Non-tax deductible donations	<u>5,945</u>	<u>3,790</u>
	<u>377,255</u>	<u>448,565</u>

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

10. NET SURPLUS

	2023	2022
	S\$	S\$
The net surplus is arrived at after (crediting)/ charging:-		
Enhanced Fund Raising Programme Grant (EFRP):-		
- restricted	(87,348)	(41,069)
- unrestricted	<u>(59,524)</u>	<u>(350,460)</u>
	<u>(146,872)</u>	<u>(391,529)</u>

The unrestricted EFRP grant of S\$59,524 received during the year was recognised for donation during 2023.

	2023	2022
	S\$	S\$
- Staff costs	<u>187,389</u>	<u>164,415</u>
Staff costs consist of:-		
- CPF Contribution and skill development levy	23,842	20,154
- Staff salaries and other costs	<u>163,547</u>	<u>144,261</u>

The company has no paid staff with annual remuneration above S\$100,000 for both the financial years.

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

11. TAXATION

The company is a registered charity under the Charities Act and is exempted from income tax under the Income Tax Act 1947.

12. REFUND OF COMMUNITY CHEST CHARITY SUPPORT FUND

The company refunded S\$41,500 to NCSS during the year 2022 upon the expiry of the utilisation period. This amount was not utilised as a number of projects were put on hold during the Covid-19 outbreak.

13. 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:-

	2023	2022
	S\$	S\$
An association with common key management personnel who has significant influence:-		
Management fee expenses	78,000	59,064
Donation income	<u>(50,000)</u>	<u>(20,000)</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. Her support cost is charged by the related party included under management fee.

During the year, donation income of S\$10,928 (2022: S\$9,450) was derived from the directors.

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

Conflict of interest policy:

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

14. 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.

Grant and other receivables

The company measured the impairment loss allowance using 12-month ECL and determined that the ECL is not significant.

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, except for fixed deposits which carried fixed interests ranging from 2.2% to 2.4% per annum. No sensitivity analysis is performed as the amount is not significant.

Foreign Currency Risk

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

SMA CHARITY FUND
(UEN: 201305017E)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

15. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2023	2022
	S\$	S\$
<u>Financial assets</u>		
Amortised cost:-		
Grant and other receivables	73,919	134,885
Cash at bank	1,478,626	1,256,646
Total financial assets	<u>1,552,545</u>	<u>1,391,531</u>
<u>Financial liabilities</u>		
Amortised cost:-		
Accrued operating expenses	82,100	3,800
Other payables	1,060	1,799
Total financial liabilities	<u>83,160</u>	<u>5,599</u>

16. 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.

17. 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.

18. 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 2024. The directors expect that the adoption of these standards will have no material impact on the financial statements in the period of initial application.