

YOUNG WOMEN'S CHRISTIAN
ASSOCIATION OF SINGAPORE
UNIQUE ENTITY NUMBER : S61SS0075J

**REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2024

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司



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YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

CORPORATE INFORMATION

1. INSTRUMENT SETTING UP THE ASSOCIATION

Constitution of Young Women's Christian Association of Singapore

2. UNIQUE ENTITY NUMBER OF THE ASSOCIATION

S61SS0075J

3. INSTITUTION OF A PUBLIC CHARACTER

IPC 000427

4. REGISTERED ADDRESS

254 Outram Road, Singapore 169051

5. BOARD OF DIRECTORS

<u>Name</u>	<u>Designation</u>
Ms Sim Hwee Hoon	President
Ms Carol Liew	2 nd Vice-President
Dr Cheryl Lim	Honorary Secretary
Ms Sharon Peh	Honorary Treasurer
Ms Janet Tan	Member
Mrs Maureen Nguee (Heng Bark Lian)	Member
Ms Evelyn Chia	Member
Ms Janet Tang	Member
Ms Lynette Piong	Member
Ms Mavis Tsoi	Member
Ms Philomena Ang	Member
Ms Tan Kee Leng	Member
Ms Gordana Koops	Co-Opted Member
Dr Junny Ebenhaezer	Member (Resigned on 7 February 2024)
Ms Angelena Cala	Member (Resigned on 25 April 2024)

6. AUDIT AND RISK MANAGEMENT COMMITTEE

<u>Name</u>	<u>Designation</u>
Ms Gordana Koops	Chairperson
Ms Eliza Leong	Vice Chairperson
Ms Dorene Yeo	Member
Ms Evelyn Yeo	Member
Ms Rachie Hui	Member
Dr Cheryl Lim	Member
Mr Chris Ong	Member
Ms Chan Ying Zhi	Member
Ms Sim Hwee Hoon	Ex-Officio

7. PRINCIPAL BANKERS

DBS Bank Limited
United Overseas Bank Limited
BNP Paribas Bank

8. INDEPENDENT AUDITORS

Lo Hock Ling & Co.
Chartered Accountants Singapore

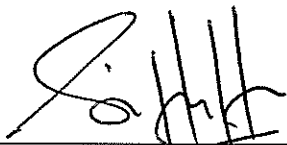
YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)


Statement By Board of Directors

In our opinion, the financial statements set out on pages 6 to 33 are properly drawn up in accordance with the Societies Act 1966, Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore so as to give a true and fair view of the financial position of the Young Women's Christian Association of Singapore (the "Association") and its subsidiary (the "Group") as at 31 December 2024 and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group for the year ended on that date.

On behalf of the Board,



Ms Sim Hwee Hoon
President



Ms Sharon Peh
Honorary Treasurer

Singapore, 2 April 2025

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Young Women's Christian Association of Singapore (the "Association") and its subsidiary (the "Group") set out on pages 6 to 33, which comprise the statements of financial position (balance sheets) of the Group and of the Association as at 31 December 2024, and the consolidated statement of comprehensive income, consolidated statement of changes in funds and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Group and of the Association as at 31 December 2024 and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the *Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the information included in Corporate Information and the Statement by Board of Directors set out on pages 1 and 2 but does not include the financial statements and our auditor's report thereon.

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

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

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Continued

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required to be kept by the Association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations; and
- (b) the fund-raising appeal held during the year has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.
- (c) the accounting and other records required by the Companies Act 1967 (the "Companies Act") to be kept by the subsidiary incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Companies Act and the Charities Act and Regulations.


Continued

Report on Other Legal and Regulatory Requirements (Continued)

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

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

Singapore, 2 April 2025


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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

Consolidated Statement of Comprehensive Income for the year ended 31 December 2024

		<u>Group</u>	
	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		\$	\$
<u>INCOME</u>			
Membership subscriptions		53,681	45,391
Service centres fees	3	872,489	3,729,400
Hostel income	4	13,304,430	12,143,008
Donations and fund-raising income	5	492,199	396,030
Government grants	6	575,376	2,660,750
Amortisation of deferred capital grants	18	116,684	64,913
Other income	7	1,223,431	805,830
Total income		16,638,290	19,845,322
<u>LESS: EXPENDITURE</u>			
Service centres and charitable units expenses		2,194,125	6,404,080
Fund raising expenses	5	31,164	12,225
Hostel, food and beverages expenses		10,589,317	10,012,190
General and administrative expenses		2,576,943	3,394,940
Total expenditure	8	15,391,549	19,823,435
Surplus for the year		1,246,741	21,887
<u>OTHER COMPREHENSIVE INCOME</u>			
Other comprehensive income, net of tax		-	-
Total comprehensive income for the year		1,246,741	21,887

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

Statements of Financial Position as at 31 December 2024

	Notes	<u>Group</u>		<u>Association</u>	
		<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
		\$	\$	\$	\$
<u>ASSETS</u>					
<u>Non-Current Assets</u>					
Property, plant and equipment	9	14,576,176	16,127,333	14,523,286	15,737,991
Investment property	10	<u>307,753</u>	<u>313,739</u>	<u>307,753</u>	<u>313,739</u>
		<u>14,883,929</u>	<u>16,441,072</u>	<u>14,831,039</u>	<u>16,051,730</u>
<u>Current Assets</u>					
Investment in debt instrument	12	-	3,926,000	-	3,926,000
Hostel inventories	13	27,574	27,817	27,574	27,817
Trade receivables	14	170,973	157,358	170,973	157,358
Other receivables	15	796,476	1,326,067	684,842	2,758,718
Fixed deposits with banks	16	16,918,805	8,657,735	16,918,805	8,657,735
Cash and bank balances	24	<u>2,377,543</u>	<u>3,770,776</u>	<u>2,076,696</u>	<u>3,149,446</u>
		<u>20,291,371</u>	<u>17,865,753</u>	<u>19,878,890</u>	<u>18,677,074</u>
Total Assets		<u>35,175,300</u>	<u>34,306,825</u>	<u>34,709,929</u>	<u>34,728,804</u>
<u>FUNDS AND LIABILITIES</u>					
<u>Accumulated Funds</u>					
General fund		29,292,633	29,320,892	28,927,023	30,685,289
Capital replacement fund	17	<u>2,770,000</u>	<u>1,495,000</u>	<u>2,770,000</u>	<u>1,495,000</u>
Total Accumulated Funds		<u>32,062,633</u>	<u>30,815,892</u>	<u>31,697,023</u>	<u>32,180,289</u>
<u>Non-Current Liabilities</u>					
Deferred capital grants	18	187,705	136,570	152,122	106,711
Deferred income	19	138,240	14,707	138,240	14,707
Other payables and provisions	20	-	190,010	-	-
		<u>325,945</u>	<u>341,287</u>	<u>290,362</u>	<u>121,418</u>
<u>Current Liabilities</u>					
Deferred capital grants	18	111,597	77,192	82,139	43,234
Deferred income	19	154,485	68,172	154,485	59,524
Trade payables	21	339,395	428,286	339,395	351,889
Other payables and provisions	20	<u>2,181,245</u>	<u>2,575,996</u>	<u>2,146,525</u>	<u>1,972,450</u>
		<u>2,786,722</u>	<u>3,149,646</u>	<u>2,722,544</u>	<u>2,427,097</u>
Total Liabilities		<u>3,112,667</u>	<u>3,490,933</u>	<u>3,012,906</u>	<u>2,548,515</u>
Total Funds and Liabilities		<u>35,175,300</u>	<u>34,306,825</u>	<u>34,709,929</u>	<u>34,728,804</u>

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

Consolidated Statement of Changes in Accumulated Funds for the year ended 31 December 2024

<u>Group</u>	<u>Unrestricted Funds</u>			
	<u>Note</u>	<u>General fund</u>	<u>Capital replacement fund</u>	<u>Total funds</u>
		\$	\$	\$
Balance as at 1 January 2023		30,294,005	500,000	30,794,005
Surplus for the year, representing total comprehensive income for the year		21,887	-	21,887
Transfer of fund	17	(995,000)	995,000	-
Balance as at 31 December 2023		29,320,892	1,495,000	30,815,892
Surplus for the year, representing total comprehensive income for the year		1,246,741	-	1,246,741
Transfer of fund	17	(1,275,000)	1,275,000	-
Balance as at 31 December 2024		29,292,633	2,770,000	32,062,633

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

Consolidated Statement of Cash Flows
for the year ended 31 December 2024

		<u>Group</u>	
	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		\$	\$
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>			
Surplus for the year		1,246,741	21,887
Adjustments for:			
Amortisation of deferred capital grants	18	(116,684)	(64,913)
Depreciation on property, plant and equipment	9	1,958,666	2,011,650
Depreciation on investment property	10	5,986	5,985
Interest income		(508,039)	(434,707)
Loss on disposal of property, plant and equipment		76,315	3,567
Property, plant and equipment written off		274,313	7,913
Provision for reinstatement costs written back		(190,010)	-
		1,500,547	1,529,495
Operating income before working capital changes		2,747,288	1,551,382
Decrease/(increase) in inventories		243	(333)
Decrease in receivables		547,815	569,129
Decrease in payables		(273,796)	(483,189)
Changes in working capital		274,262	85,607
Net cash from operating activities		3,021,550	1,636,989
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>			
Increase in fixed deposits pledged with banks and with maturities over 3 months		(8,261,070)	(894,047)
Interest received		476,200	382,383
Purchase of property, plant and equipment	9	(758,137)	(1,020,932)
Maturity/(purchase) of treasury bills		3,926,000	(3,926,000)
Redemption of debt instrument		-	2,079,422
Net cash used in investing activities		(4,617,007)	(3,379,174)
<u>CASH FLOWS FROM FINANCING ACTIVITY:</u>			
Deferred capital grants received		202,224	174,405
Net cash from financing activity		202,224	174,405
Net decrease in cash and cash equivalents		(1,393,233)	(1,567,780)
Cash and cash equivalents at beginning of the year		3,770,776	5,338,556
Cash and cash equivalents at end of the year	24	2,377,543	3,770,776

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

AND ITS SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS - 31 December 2024

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

1. GENERAL INFORMATION

The Young Women's Christian Association of Singapore (the "Association") is an Association registered in Singapore under the Societies Act 1966 and the Charities Act 1994. It is also an Institution of a Public Character ("IPC") under the Ministry of Social and Family Development for a period of three years till 31 March 2028. Its registered office is located at 254 Outram Road, Singapore 169051.

The principal activities of the Association consist of the provision of community services and programme to women and families from marginalised background, childcare services, educational support for children with special needs (mild), meals-on-wheels, senior citizens' fellowship and the operation of a hostel.

The principal activities of the subsidiary are disclosed in note 11 to the financial statements.

During the year, the Group transferred all its childcare centres to another not-for-profit social service agency and operates 1 hostel in Singapore.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

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

These financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below, and comply with Financial Reporting Standards in Singapore ("FRSs"), including related Interpretations promulgated by the Accounting Standards Committee, the Societies Act 1966 and the Charities Act 1994.

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

2.2 Critical Accounting Estimates and Judgements

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Critical Accounting Estimates and Judgements (continued)

(A) *Key Sources Of Estimation Uncertainty*

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

Depreciation on Property, Plant and Equipment and Investment Property

The costs of property, plant and equipment and investment property are depreciated on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of property, plant and equipment and investment property are disclosed in notes 2.9 and 2.10 respectively. Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amounts of property, plant and equipment and investment property and their respective depreciation charge for the year are disclosed in notes 9 and 10 respectively.

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

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

Impairment of Non-Financial Assets

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

2.3 FRSs issued but not yet effective

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

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Revenue Recognition

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

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time.

The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(i) *Membership Subscriptions*

Membership subscriptions are recognised as income upon receipt.

(ii) *Service Fees Income*

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

(iii) *Hostel, Food and Beverages Income*

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

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

(iv) *Donations and Fund Raising Income*

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

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Revenue Recognition (continued)

(v) *Interest Income*

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

(vi) *Rental Income*

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

2.5 Grants

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

(i) *Grants Related to Assets*

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

(ii) *Grants Related to Income*

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

2.6 Employee Benefits

(i) *Defined Contribution Plans*

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

(ii) *Short-term Compensated Absences*

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

YOUNG WOMEN'S CHRISTIAN ASSOCIATION OF SINGAPORE

(Registered under the Societies Act 1966)

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

Short-term leases and leases of low-value assets

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

As lessor

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

2.8 Income Taxes

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

2.9 Property, Plant and Equipment

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

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

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.9 Property, Plant and Equipment (continued)

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

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

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

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

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

2.10 Investment Property

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

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

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

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.11 Subsidiary and Basis of Consolidation

(i) Subsidiary

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

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

(ii) Basis of Consolidation

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

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

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

(iii) Disposals

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

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

2.12 Hostel Inventories

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

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.13 Financial Assets

Financial assets are classified into the following measurement categories:

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

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

At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Trade receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

At subsequent measurement

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

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

Impairment of Financial Assets

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

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

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.14 Cash and Cash Equivalents

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

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

2.15 Funds

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

Designated funds are unrestricted funds which are designated for specific projects or programmes. Currently, the Group has one designated fund, namely, Capital Replacement Fund as detailed in note 17.

2.16 Financial Liabilities

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

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

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method. Financial liabilities with a short duration are not discounted.

A financial liability is derecognised when the contractual obligation is discharged or cancelled or expires. For financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2.17 Provisions

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

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.18 Impairment of Non-Financial Assets

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

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

3. SERVICE CENTRES FEES

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

4. HOSTEL INCOME

	<u>2024</u>	<u>Group</u>	<u>2023</u>
	\$		\$
Room income	7,047,063		6,608,689
Food and beverage income	3,067,544		2,590,348
Banquet income	634,637		562,465
Service charges	1,073,766		966,637
Operating lease income	1,452,153		1,384,696
Others	29,267		30,173
	<u>13,304,430</u>		<u>12,143,008</u>

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5. DONATIONS, FUND RAISING INCOME AND EXPENSES

	<u>2024</u>	<u>Group</u> <u>2023</u>
	\$	\$
<u>Donations and fund raising income:</u>		
Outright donations and direct appeals	84,648	141,135
Income from fund raising events	<u>407,551</u>	<u>254,895</u>
	<u>492,199</u>	<u>396,030</u>
<u>Fund raising expenses:</u>		
Direct costs incurred for fund raising events	<u>31,164</u>	<u>12,225</u>

Total gross donations received (including donations received from fund raising events) which qualify for tax deduction amounted to \$315,522 (2023: \$201,069).

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

6. GOVERNMENT GRANTS

	<u>2024</u>	<u>Group</u> <u>2023</u>
	\$	\$
VWOs Charity Capability Fund Consultancy Grant	428,985	134,222
Integrated Child Care Programme (ICCP) Specialist Support Grant (a)	-	114,095
Partner Operator (POP) Scheme Grant (b)	<u>146,391</u>	<u>2,412,433</u>
	<u>575,376</u>	<u>2,660,750</u>

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

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

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7. OTHER INCOME

	<u>2024</u>	<u>Group</u>	<u>2023</u>
	\$		\$
Interest income	508,039		434,707
Reimbursement income	93,418		15,415
Rental waiver income	2,112		2,317
Government grants:			
- Job growth incentive	1,495		15,854
- Special employment credit	12,032		40,974
- Transformation support scheme	32,353		49,380
- Wage credit scheme	147,249		90,652
- Other grants	7,409		7,005
Operating lease income	165,215		57,673
Sundry income from service centres:			
- Outings	11,114		44,503
- Programmes	45,948		19,181
- Registration fees	2,240		11,850
- Uniform for children	1,550		12,559
- Others	817		-
Provision for reinstatement costs written back	190,010		-
Others	2,430		3,760
	<u>1,223,431</u>		<u>805,830</u>

8. TOTAL EXPENDITURE

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

	<u>2024</u>	<u>Group</u>	<u>2023</u>
	\$		\$
Depreciation on property, plant and equipment (note 9)	1,958,666		2,011,650
Depreciation on investment property (note 10)	5,986		5,985
Direct operating expenses arising from income generating investment property	18,872		18,872
Employee benefits expense (note 22)	7,534,912		11,234,182
Lease expenses relating to short-term leases and low value assets	16,362		186,282
Loss on disposal of property, plant and equipment	76,315		3,567
Property, plant and equipment written off	274,313		7,913

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9. PROPERTY, PLANT AND EQUIPMENT

Group	Building at Outram Centre	Building at YFC	Renovations and building improvements	Furniture and fittings	Office equipment and computer system	Electrical installations	Motor vehicles	Landscaping	Total
Cost	\$	\$	\$	\$	\$	\$	\$	\$	\$
At 1 January 2023	2,567,322	30,542,774	13,316,641	1,487,073	1,378,382	282,941	391,806	33,000	49,999,939
Additions	-	-	487,538	134,215	307,223	91,956	-	-	1,020,932
Disposal/written off	-	-	(4,086)	(132,022)	(232,443)	(41,356)	-	-	(409,907)
At 31 December 2023 and 1 January 2024	2,567,322	30,542,774	13,800,093	1,489,266	1,453,162	333,541	391,806	33,000	50,610,964
Additions	9,830	-	371,879	259,542	33,922	82,964	-	-	758,137
Transfer	186,780	-	(186,780)	-	-	-	-	-	-
Disposal/written off	-	(106,485)	(5,908,367)	(563,416)	(165,832)	(38,265)	(47,692)	(33,000)	(6,863,057)
At 31 December 2024	2,763,932	30,436,289	8,076,825	1,185,392	1,321,252	378,240	344,114	-	44,506,044
<u>Accumulated depreciation</u>									
At 1 January 2023	1,049,417	19,567,540	9,634,225	1,141,836	936,010	197,713	310,667	33,000	32,870,408
Charge for the year	46,703	877,239	829,823	90,695	121,365	17,365	28,460	-	2,011,650
Disposal/written off	-	-	(1,502)	(128,054)	(227,515)	(41,356)	-	-	(398,427)
At 31 December 2023 and 1 January 2024	1,096,120	20,444,779	10,462,546	1,104,477	829,860	173,722	339,127	33,000	34,483,631
Charge for the year	52,947	877,039	773,981	64,343	140,370	24,322	25,664	-	1,958,666
Disposal/written off	-	(81,948)	(5,750,116)	(439,191)	(132,856)	(27,626)	(47,692)	(33,000)	(6,512,429)
At 31 December 2024	1,149,067	21,239,870	5,486,411	729,629	837,374	170,418	317,099	-	29,929,868
<u>Carrying amount</u>									
At 31 December 2024	1,614,865	9,196,419	2,590,414	455,763	483,878	207,822	27,015	-	14,576,176
At 31 December 2023	1,471,202	10,097,995	3,337,547	384,789	623,302	159,819	52,679	-	16,127,333

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9. PROPERTY, PLANT AND EQUIPMENT (continued)

<u>Association</u>	<u>Building at Outram Centre</u>	<u>Building at YFC</u>	<u>Renovations and building improvements</u>	<u>Furniture and fittings</u>	<u>Office equipment and computer system</u>	<u>Electrical installations</u>	<u>Motor vehicles</u>	<u>Landscaping</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>Cost</u>									
At 1 January 2023	2,567,322	30,542,774	12,491,298	1,041,089	1,140,731	271,631	391,806	33,000	48,479,651
Additions	-	-	389,979	134,215	307,223	91,956	-	-	923,373
Disposal/written off	-	-	(4,086)	(100,923)	(217,829)	(41,356)	-	-	(364,194)
At 31 December 2023 and 1 January 2024	2,567,322	30,542,774	12,877,191	1,074,381	1,230,125	322,231	391,806	33,000	49,038,830
Additions	9,830	-	371,879	259,542	33,922	82,964	-	-	758,137
Transfer	186,780	-	(186,780)	-	-	-	-	-	-
Disposal/written off	-	(106,485)	(4,985,465)	(152,071)	(42,007)	(26,955)	(47,692)	(33,000)	(5,393,675)
At 31 December 2024	2,763,932	30,436,289	8,076,825	1,181,852	1,222,040	378,240	344,114	-	44,403,292
<u>Accumulated depreciation</u>									
At 1 January 2023	1,049,417	19,567,540	8,994,244	839,801	847,369	193,733	310,667	33,000	31,835,771
Charge for the year	46,703	877,239	719,045	51,674	81,994	16,234	28,460	-	1,821,349
Disposal/written off	-	-	(1,502)	(100,093)	(213,330)	(41,356)	-	-	(356,281)
At 31 December 2023 and 1 January 2024	1,096,120	20,444,779	9,711,787	791,382	716,033	168,611	339,127	33,000	33,300,839
Charge for the year	52,947	877,039	745,493	56,353	116,994	24,039	25,664	-	1,898,529
Disposal/written off	-	(81,948)	(4,970,869)	(121,614)	(42,007)	(22,232)	(47,692)	(33,000)	(5,319,362)
At 31 December 2024	1,149,067	21,239,870	5,486,411	726,121	791,020	170,418	317,099	-	29,880,006
<u>Carrying amount</u>									
At 31 December 2024	1,614,865	9,196,419	2,590,414	455,731	431,020	207,822	27,015	-	14,523,286
At 31 December 2023	1,471,202	10,097,995	3,165,404	282,999	514,092	153,620	52,679	-	15,737,991

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9. PROPERTY, PLANT AND EQUIPMENT (continued)

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

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

The building at YFC with a carrying amount of \$9,196,419 (2023: \$10,097,995) has been mortgaged to secure banking facilities granted to the Group and Association. There was no drawdown of the facilities during the year and as at year-end.

10. INVESTMENT PROPERTY

	<u>Group and Association</u>	
	<u>2024</u>	<u>2023</u>
	\$	\$
<u>Cost</u>		
At 1 January and 31 December	<u>652,725</u>	<u>652,725</u>
<u>Accumulated depreciation</u>		
At 1 January	338,986	333,001
Charge for the year	<u>5,986</u>	<u>5,985</u>
At 31 December	<u>344,972</u>	<u>338,986</u>
<u>Carrying amount</u>		
At 31 December	<u>307,753</u>	<u>313,739</u>

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

The fair value of the investment property, amounting to approximately \$1.70 million (2023: \$1.70 million) as at balance sheet date, is determined by the management with reference to the valuation in 2023 from the professional valuers who hold a recognised and relevant professional qualification and have recent experience in the location and category of the investment property. This represents fair value measurement under hierarchy level 3, as explained in note 28 to the financial statements.

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11. INVESTMENT IN SUBSIDIARY

Details of the subsidiary are as follows:

<u>Name of subsidiary</u>	<u>Principal activities</u>	<u>Country of incorporation/ Place of business operations</u>	<u>Percentage of Shareholding held</u>		<u>Cost of investment</u>	
			<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
			%	%	\$	\$
Y.W.C.A Preschool Ltd.	Provide child care services for pre-school children	Singapore	100	100	-	-

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

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

12. INVESTMENT IN DEBT INSTRUMENT

	<u>Group and Association</u>	
	<u>2024</u>	<u>2023</u>
	\$	\$
Investments, at amortised cost:		
- Treasury bills	-	3,926,000

In prior year, the investments yield 3.7% to 3.8% per annum and mature within 6 months.

13. HOSTEL INVENTORIES

	<u>Group and Association</u>	
	<u>2024</u>	<u>2023</u>
	\$	\$
Hostel inventories, at cost	27,574	27,817

14. TRADE RECEIVABLES

Trade receivables are non-interest bearing and are generally on 30 days (2023: 30 days) terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

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15. OTHER RECEIVABLES

	<u>Group</u>		<u>Association</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Partner Operator (POP) Scheme				
Grant receivables	-	409,059	-	-
Non-trade receivables	402,980	90,620	186,794	73,163
* Amount due from subsidiary				
- non-trade (net)	-	-	223,971	2,337,151
Deposits	208,990	673,914	-	197,770
Interest receivables	119,419	87,580	208,990	87,580
Prepayments	65,087	64,894	65,087	63,054
	<u>796,476</u>	<u>1,326,067</u>	<u>684,842</u>	<u>2,758,718</u>

* Movements in amount due from subsidiary:

	<u>Group</u>		<u>Association</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Amount due from subsidiary	-	-	1,763,248	2,337,151
Less: Current year's allowance for expected credit loss	-	-	<u>(1,539,277)</u>	<u>-</u>
	<u>-</u>	<u>-</u>	<u>223,971</u>	<u>2,337,151</u>

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

16. FIXED DEPOSITS WITH BANKS

	<u>Group and Association</u>	
	<u>2024</u>	<u>2023</u>
	\$	\$
Fixed deposits with banks	<u>16,918,805</u>	<u>8,657,735</u>

Fixed deposits mature within one year (2023: one year) and earn interest at rates ranging from 2.84% to 3.84% (2023: 3.6% to 3.84%) per annum.

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

	<u>Group and Association</u>	
	<u>2024</u>	<u>2023</u>
	\$	\$
General fund	14,148,805	7,162,735
Capital replacement fund (note 17)	<u>2,770,000</u>	<u>1,495,000</u>
	<u>16,918,805</u>	<u>8,657,735</u>

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17. CAPITAL REPLACEMENT FUND

	<u>Group and Association</u>	
	<u>2024</u>	<u>2023</u>
	\$	\$
Balance at beginning of the year	1,495,000	500,000
Transfer from general fund arising from surplus during the year	<u>1,275,000</u>	<u>995,000</u>
Balance at end of the year (note 16)	<u>2,770,000</u>	<u>1,495,000</u>

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

18. DEFERRED CAPITAL GRANTS

	<u>Group</u>		<u>Association</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Balance at beginning of the year	213,762	104,270	149,945	30,829
Additions	202,224	174,405	165,538	146,277
Amount utilised during the year	<u>(116,684)</u>	<u>(64,913)</u>	<u>(81,222)</u>	<u>(27,161)</u>
Balance at end of the year	<u>299,302</u>	<u>213,762</u>	<u>234,261</u>	<u>149,945</u>
Represented by:				
Non-current liabilities	187,705	136,570	152,122	106,711
Current liabilities	<u>111,597</u>	<u>77,192</u>	<u>82,139</u>	<u>43,234</u>
	<u>299,302</u>	<u>213,762</u>	<u>234,261</u>	<u>149,945</u>

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

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19. DEFERRED INCOME

	<u>Group</u>		<u>Association</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Income received in advance due:				
within 1 year	154,485	68,172	154,485	59,524
after 1 year but not later than 5 years	<u>138,240</u>	<u>14,707</u>	<u>138,240</u>	<u>14,707</u>
	<u>292,725</u>	<u>82,879</u>	<u>292,725</u>	<u>74,231</u>
Income received in advance comprise:				
Operating lease income	292,725	74,231	292,725	74,231
Service fees income	<u>-</u>	<u>8,648</u>	<u>-</u>	<u>-</u>
	<u>292,725</u>	<u>82,879</u>	<u>292,725</u>	<u>74,231</u>

20. OTHER PAYABLES AND PROVISIONS

	<u>Group</u>		<u>Association</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
<u>Current liabilities</u>				
Non-trade payables	747,334	560,350	604,970	536,827
Refundable deposits	523,939	970,393	507,583	590,217
Accruals	832,180	965,766	956,180	765,919
Provision for unutilised annual leave	<u>77,792</u>	<u>79,487</u>	<u>77,792</u>	<u>79,487</u>
	<u>2,181,245</u>	<u>2,575,996</u>	<u>2,146,525</u>	<u>1,972,450</u>
<u>Non-current liability</u>				
Provision for reinstatement costs	<u>-</u>	<u>190,010</u>	<u>-</u>	<u>-</u>
	<u>2,181,245</u>	<u>2,766,006</u>	<u>2,146,525</u>	<u>1,972,450</u>

Payables and accruals are unsecured, non-interest bearing and are normally settled within 30 days (2023: 30 days) or on demand.

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

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21. TRADE PAYABLES

	<u>Group</u>		<u>Association</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Hostel trade payables	175,712	220,043	175,712	220,043
Goods and service tax payables	<u>163,683</u>	<u>208,243</u>	<u>163,683</u>	<u>131,846</u>
	<u>339,395</u>	<u>428,286</u>	<u>339,395</u>	<u>351,889</u>

Trade payables are non-interest bearing and are normally settled within 30 days (2023: 30 days).

22. EMPLOYEE BENEFITS EXPENSE

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	\$	\$
Salaries and related costs	6,757,515	10,085,791
Employer's contributions to Central Provident Fund	<u>777,397</u>	<u>1,148,391</u>
	<u>7,534,912</u>	<u>11,234,182</u>

23. RELATED PARTIES

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

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

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

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

	<u>Group</u>	
	<u>2024</u>	<u>2023</u>
	\$	\$
Short-term employee benefits	359,650	414,641
Employer's contributions to Central Provident Fund	<u>46,476</u>	<u>35,143</u>
	<u>406,126</u>	<u>449,784</u>
Number of key management personnel	<u>3</u>	<u>3</u>

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23. RELATED PARTIES (continued)

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

	<u>No. of Staff</u>	
	<u>2024</u>	<u>2023</u>
Annual remuneration		
- more than \$100,000 but less than \$200,000	3	3

- (iii) With companies in which certain directors have significant influence

	<u>2024</u>	<u>2023</u>
	\$	\$
Rental income	47,100	24,284

24. CASH AND CASH EQUIVALENTS

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

25. COMMITMENTS

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

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

	<u>Group and Association</u>	
	<u>2024</u>	<u>2023</u>
	\$	\$
Lease income receivable		
within 1 year	1,359,981	305,957
after 1 year but not later than 5 years	<u>2,092,080</u>	<u>275,147</u>
	<u>3,452,061</u>	<u>581,104</u>

The above operating leases do not provide for contingent rents.

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

	<u>Group</u>		<u>Association</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Lease of low-value assets	8,340	41,012	8,340	15,012
Short-term leases (a)	-	98,488	-	-

- (a) These represent lease of premises with the Housing and Development Board ("HDB") for the operation of child development centres. These leases do not have a fixed tenure and allow for termination with advance notification of one month. The yearly lease expenses for the financial year are included in the disclosure of lease expenses in note 8 to the financial statements.

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25. COMMITMENTS (continued)

- (iii) At the balance sheet date, the Group and the Association have capital commitments amounting to \$1,140,970 (2023: \$111,390) and \$1,140,970 (2023: \$111,390) respectively, for the purchase of property, plant and equipment.

26. FINANCIAL RISK MANAGEMENT

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

26.1 Credit Risk

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

(i) *Risk Management*

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

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

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

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

(ii) *Recognition of Expected Credit Losses ("ECLs")*

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

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

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

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26. FINANCIAL RISK MANAGEMENT (continued)

26.2 Liquidity Risk

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

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

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

26.3 Interest Rate Risk

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

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

The interest rates and terms of maturity of financial assets of the Group and the Association are disclosed in notes 12 and 16 to the financial statements.

27. RESERVES MANAGEMENT

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

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

As disclosed in note 17 to the financial statements, the Group also maintains designated funds to ensure adequate resources are set aside for capital replacement.

The Group is not subject to externally imposed capital requirements.

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

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28. FAIR VALUE OF ASSETS AND LIABILITIES

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

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

(b) Fair Value of Non-Financial Assets

The Group and the Association do not apply fair value accounting in the measurement of the non-financial assets. However, the fair value of its investment property is disclosed in note 10 for compliance with *FRS 40 Investment Property*.

(c) Fair Value of Financial Instruments

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

29. FINANCIAL INSTRUMENTS BY CATEGORY

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

	<u>Group</u>		<u>Association</u>	
	<u>2024</u>	<u>2023</u>	<u>2024</u>	<u>2023</u>
	\$	\$	\$	\$
Financial assets at amortised cost	20,198,710	17,363,983	19,786,229	18,586,203
Financial liabilities at amortised cost	2,279,165	2,716,552	2,244,445	2,113,006

30. AUTHORISATION OF FINANCIAL STATEMENTS

The balance sheet of the Association and the consolidated financial statements of the Association and its subsidiary for the year ended 31 December 2024 were authorised for issue in accordance with directors' resolution dated 2 April 2025.

