HCSA COMMUNITY SERVICES

UNIQUE ENTITY NUMBER: S97SS0023J

STATEMENT OF THE BOARD AND FINANCIAL STATEMENTS

FOR YEAR ENDED 31 DECEMBER 2024

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司

Independent member of

leading **edge** alliance

www.lohocklingco.com.sg

Table Of Contents

HCSA COMMUNITY SERVICES

CORPORATE INFORMATION 2024

1. CHARITY REGISTRATION NUMBER

001299

2. INSTITUTION OF A PUBLIC CHARACTER (IPC) NUMBER

IPC 000212

3. UNIQUE ENTITY NUMBER (UEN)

S97SS0023J

4. REGISTERED ADDRESS

No. 1 Lorong 23, Geylang, Singapore 388352

5. BOARD MEMBERS

Name	Designation
Dominique Choy	President
Yeo Jih-Shian	Vice President
Benedict Brandon Phay Yee How	Secretary
Emily Han	Assistant Secretary
Harry Loh	Treasurer
Francis Ding	Assistant Treasurer
Tony Lim King Leong	Board Member
Vincent Lim Kee Ang	Board Member
Lee Soon Siang Delene	Board Member
Lynn Hermijanto	Board Member
Rachel Ooi Wei Gee	Board Member

6. BANKERS

OCBC Bank Ltd
DBS Bank
Hong Leong Finance Limited

7. LEGAL ADVISORS

WongPartnership LLP

8. AUDITORS

Lo Hock Ling & Co.
Public Accountants and
Chartered Accountants Singapore

HCSA COMMUNITY SERVICES

(Registered under the Societies Act 1966)

STATEMENT BY THE BOARD

In our opinion, the accompanying financial statements of HCSA Community Services (the "Association") set out on pages 6 to 38 which comprise the statement of financial position as at 31 December 2024, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and material accounting policy and other explanatory information, are properly drawn up in accordance with the provisions of the Societies Act 1966, Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the state of affairs of the Association as at 31 December 2024 and the results, changes in funds and cash flows of the Association for the year ended on that date.

On Behalf of the Board

Dominique Choy
President

Francis Ding
Assistant Treasurer

Singapore, 16 May 2025

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of HCSA Community Services (the "Association") set out on pages 6 to 38, which comprise the statement of financial position (balance sheet) as at 31 December 2024, and the statement of financial activities, statement of changes in funds and statement of cash flows 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 present fairly, in all material respects, the state of affairs of the Association as at 31 December 2024 and the results, changes in funds and cash flows of the Association 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 Association in accordance with the *Accounting and Corporate Regulatory Authority 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 in the annual report but does not include the financial statements and our auditor's report thereon. Other than the information included in Corporate Information 2024 and Statement by the Board set out on pages 1 to 2 of this report which we obtained prior to the date of this auditor's report, the remaining other information included in the annual report is expected to be made available to us after that date.

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 the Board for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board's responsibilities include overseeing the Association's financial reporting process.

101A Upper Cross Street #11-22, People's Park Centre,
Singapore 058358 Tel: (65) 65356111 Fax: (65) 65336960
enquiry@lohocklingco.com.sg www.lohocklingco.com.sg

Continued

Auditors' 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 Association'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 Association'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 Association 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 Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion,

(a) the accounting and other records required to be kept by the Association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and

(b) the fund-raising appeals held during the year have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

101A Upper Cross Street #11-22, People's Park Centre,
Singapore 058358 Tel: (65) 65356111 Fax: (65) 65336960
enquiry@lohocklingco.com.sg www.lohocklingco.com.sg

Continued

Report on Other Legal and Regulatory Requirements

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

(a) the Association has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and

(b) the Association has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

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

Singapore, 16 May 2025

101A Upper Cross Street #11-22, People's Park Centre,
Singapore 058358 Tel: (65) 65356111 Fax: (65) 65336960
enquiry@lohocklingco.com.sg www.lohocklingco.com.sg

HCSA COMMUNITY SERVICES

(Registered under the Societies Act 1966)

Statement of Financial Activities
for the year ended 31 December 2024

	Notes	Unrestricted funds 2024	Restricted funds 2024	Total 2024	Total 2023
		$	$	$	$
INCOME FROM GENERATED FUNDS					
Voluntary Income					
Amortisation of deferred capital grants	14	226,375	-	226,375	90,729
Donations					
- non-tax deductible		73,431	40,000	113,431	32,082
- tax deductible		581,034	207,131	788,165	306,659
Grants from government agencies		404,097	3,390,313	3,794,410	3,071,983
Residential rental		60,170	-	60,170	55,542
		1,345,107	3,637,444	4,982,551	3,556,995
Activities for Generating Funds					
Carpark fees		192,387	-	192,387	-
Course fees		264,614	-	264,614	266,425
Income from fund-raising events	3	1,341,547	-	1,341,547	1,843,323
Rental income/utility recoveries		1,418,361	-	1,418,361	1,488,717
		3,216,909	-	3,216,909	3,598,465
Investment Income					
Interest income from fixed deposits		122,627	-	122,627	132,790
Changes in fair value of financial assets through profit or loss	8	54,725	-	54,725	57,254
		177,352	-	177,352	190,044
Other Income					
Gain on disposal of property, plant and equipment		-	-	-	3,000
Other government grants		142,443	-	142,443	91,907
Miscellaneous income		107,093	-	107,093	88,348
		249,536	-	249,536	183,255
TOTAL INCOME		4,988,904	3,637,444	8,626,348	7,528,759

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

HCSA COMMUNITY SERVICES

(Registered under the Societies Act 1966)

Statement of Financial Activities
for the year ended 31 December 2024 (continued)

	Notes	Unrestricted funds 2024	Restricted funds 2024	Total 2024	Total 2023
		$	$	$	$
EXPENDITURES					
Costs of Generating Funds					
Advertising and commission		1,199	-	1,199	-
Appreciation and training for volunteers		2,310	-	2,310	2,000
Amortisation of intangible assets		7,119	-	7,119	230
Bank charges		3,274	-	3,274	1,505
Bonus	4	267,640	-	267,640	258,048
Clinical and therapy expenses		242	-	242	-
Central provident fund contribution	4	154,216	-	154,216	114,573
Depreciation on property, plant and equipment	6	18,974	-	18,974	12,248
Depreciation on right-of-use assets	7	525,354	-	525,354	530,889
Food and refreshments		10,344	-	10,344	5,392
Foreign workers levy		1,867	-	1,867	-
Fund-raising expenses		178,719	-	178,719	86,870
General expenses		23,665	-	23,665	12,439
Insurance		15,146	-	15,146	28,845
Interest expense on lease liabilities		15,902	-	15,902	43,758
Lease of premises		-	-	-	15,120
Materials and accessories		-	-	-	1,326
Printing, stationery and postage		11,470	-	11,470	23,288
Publicity and promotion		33,722	-	33,722	14,246
Repairs and maintenance		71,282	-	71,282	34,632
Resident/intern allowance		1,478	-	1,478	1,808
Retreats and special events		4,620	-	4,620	13,263
Salaries	4	1,118,451	-	1,118,451	994,834
Sanitary and utilities		271,036	-	271,036	299,021
Staff benefits	4	27,084	-	27,084	25,231
Telecommunication		52,260	-	52,260	58,709
Training		952	-	952	-
Transport and vehicle expenses		5,421		5,421	5,450
		2,823,747	-	2,823,747	2,583,725

HCSA COMMUNITY SERVICES

(Registered under the Societies Act 1966)

Statement of Financial Activities
for the year ended 31 December 2024 (continued)

	Notes	Unrestricted funds 2024	Restricted funds 2024	Total 2024	Total 2023
		$	$	$	$
EXPENDITURES (continued)					
Charitable Activities and Programs Costs					
Amortisation of intangible assets	5	156,745	696	157,441	71,614
Appreciation and training for volunteers		4,815	21,359	26,174	1,643
Bank charges		2	1,685	1,687	1,001
Bonus	4	79,451	475,221	554,672	477,761
Clinical and therapy expenses		-	15,865	15,865	23,306
Community outreach and special events		1,061	20,092	21,153	54,757
Central provident fund contribution	4	45,924	302,265	348,189	289,435
Depreciation on property, plant and equipment	6	56,592	121,645	178,237	92,258
Depreciation on right-of-use assets	7	47,631	260,256	307,887	263,199
Food and refreshments		1,008	96,438	97,446	71,649
Foreign workers levy		-	25,157	25,157	19,686
General expenses		707	19,327	20,034	9,348
Insurance		2,630	36,517	39,147	30,245
Interest expense on lease liabilities		1,442	11,401	12,843	12,096
Loss on disposal of property, plant and equipment		-	15,134	15,134	-
Lease of premises		-	92,623	92,623	-
Materials and accessories		36,511	2,177	38,688	38,813
Printing, stationery and postage		2,644	17,227	19,871	23,854
Publicity and promotion		20,480	7,631	28,111	48,762
Repairs and maintenance		16,493	128,710	145,203	106,828
Resident/intern allowance		20,216	87,074	107,290	104,164
Salaries	4	80,233	2,133,075	2,213,308	2,014,976
Sanitary and utilities		41,686	100,688	142,374	128,416
Staff benefits	4	8,654	173,566	182,220	120,406
Telecommunication		11,858	56,663	68,521	73,590
Transport and vehicle expenses		868	18,194	19,062	33,556
Tuition		667	56,451	57,118	222,453
		638,318	4,297,137	4,935,455	4,333,816

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

HCSA COMMUNITY SERVICES

(Registered under the Societies Act 1966)

Statement of Financial Activities
for the year ended 31 December 2024 (continued)

	Unrestricted funds 2024	Restricted funds 2024	Total 2024	Total 2023
	$	$	$	$
Governance costs				
Audit fees	21,640	23,708	45,348	22,130
Professional fees	33,487	29,660	63,147	23,526
	55,127	53,368	108,495	45,656
TOTAL EXPENDITURES	3,517,192	4,350,505	7,867,697	6,963,197
Surplus/(deficit) for the year	1,471,712	(713,061)	758,651	565,562
Total funds brought forward	6,201,587	662,296	6,863,883	6,298,321
Transfer of funds	(652,641)	652,641	-	-
Total funds carried forward	7,020,658	601,876	7,622,534	6,863,883

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

HCSA COMMUNITY SERVICES

(Registered under the Societies Act 1966)

Statement of Financial Position as at 31 December 2024

	Notes	2024	2023
		$	$
ASSETS			
Non-Current Assets			
Intangible assets	5	285,257	389,798
Property, plant and equipment	6	879,238	183,483
Right-of-use assets	7	293,353	830,664
Financial assets at fair value through profit or loss	8	2,111,979	1,257,254
		3,569,827	2,661,199
Current Assets			
Trade and other receivables	9	1,352,392	659,184
Fixed deposits with banks	10	2,805,000	3,690,483
Cash and bank balances		2,211,684	2,530,207
		6,369,076	6,879,874
Total Assets		9,938,903	9,541,073
FUNDS AND LIABILITIES			
Funds			
Unrestricted funds			
- General fund		6,963,626	6,144,555
- Training Kitchen fund	11	57,032	57,032
		7,020,658	6,201,587
Restricted funds	12	601,876	662,296
Total Funds		7,622,534	6,863,883
Non-Current Liabilities			
Lease liabilities	13	-	126,509
Deferred capital grants	14	187,079	413,157
		187,079	539,666
Current Liabilities			
Deferred capital grants	14	265,053	251,978
Deferred income	15	54,290	117,272
Lease liabilities	13	339,436	738,942
Other payables	16	1,470,511	1,029,332
		2,129,290	2,137,524
Total Liabilities		2,316,369	2,677,190
Total Funds and Liabilities		9,938,903	9,541,073

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

HCSA COMMUNITY SERVICES

(Registered under the Societies Act 1966)

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

	Unrestricted		Restricted										
	General fund	Training Kitchen fund	DS TGH fund	DS SGC fund	Gilead Science fund	HKL fund	HWH fund	NCSS OD fund	Silver Volunteer fund	SPIN fund	Yellow Ribbon Enabling fund	Other funds	Total
Notes		11	12	12	12	12	12	12	12	12	12	12A	
	$	$	$	$	$	$	$	$	$	$	$	$	$
Balance as at 1 January 2023	5,692,100	120,000	163,092	-	59,592	82,000	-	43,335	5,957	-	1,150	131,095	6,298,321
Surplus/(deficit) for the year	1,171,143	(62,968)	(127,596)	-	151,230	99,743	(508,063)	(43,335)	15,051	(210,625)	1,900	79,082	565,562
Transfer of funds	(718,688)	-	-	-	-	-	508,063	-	-	210,625	-	-	-
Balance as at 31 December 2023	6,144,555	57,032	35,496	-	210,822	181,743	-	-	21,008	-	3,050	210,177	6,863,883
Surplus/(deficit) for the year	1,471,712	-	(268,909)	1,402	(100,358)	54,749	(225,540)	-	-	(214,696)	(2,600)	42,891	758,651
Transfer of funds	(652,641)	-	233,413	-	-	-	225,540	-	(21,008)	214,696	-	-	-
Balance as at 31 December 2024	6,963,626	57,032	-	1,402	110,464	236,492	-	-	-	-	450	253,068	7,622,534

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

HCSA COMMUNITY SERVICES

(Registered under the Societies Act 1966)

	Notes	2024	2023
		$	$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		758,651	565,562
Adjustments for:			
Amortisation on intangible assets	5	164,560	71,844
Depreciation on property, plant and equipment	6	197,211	104,506
Depreciation on right of use assets	7	833,241	794,088
Interest expense on lease liabilities		28,745	55,854
Changes in fair value of financial assets at fair value through profit or loss	8	(54,725)	(57,254)
Loss/(gain) on disposal of property, plant and equipment		15,134	(3,000)
Amortisation of deferred capital grants	14	(226,375)	(90,729)
Interest income		(122,627)	(132,790)
Operating surplus before working capital changes		1,593,815	1,308,081
Increase in receivables		(693,207)	(191,867)
Increase in payables		441,178	150,320
Decrease in deferred income		(62,982)	(117,024)
Net cash from operating activities		1,278,804	1,149,510
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		122,627	116,705
Decrease/(increase) in fixed deposits with maturity over 3 months		885,483	(84,597)
Purchase of intangible assets	5	(60,019)	(235,690)
Purchase of property, plant and equipment	6	(908,100)	(94,967)
Purchase of financial asset at fair value through profit or loss		(800,000)	(1,200,000)
Proceeds on disposal of property, plant and equipment		-	3,000
Net cash used in investing activities		(760,009)	(1,495,549)
CASH FLOWS FROM FINANCING ACTIVITIES			
Grants received as deferred capital grants	14	13,372	335,152
Repayment of lease liabilities	13	(821,945)	(771,030)
Payment of interest on lease liabilities	13	(28,745)	(55,854)
Net cash used in financing activities		(837,318)	(491,732)
Net decrease in cash and cash equivalents		(318,523)	(837,771)
Cash and cash equivalents at beginning of the year		2,530,207	3,367,978
Cash and cash equivalents at end of the year	17	2,211,684	2,530,207

NOTES TO THE FINANCIAL STATEMENTS - 31 December 2024

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

1. GENERAL INFORMATION

HCSA Community Services (the "Association") is registered with the Registrar of Societies in the Republic of Singapore as a charity registered under the Charities Act 1994. Its registered office is located at No. 1 Lorong 23 Geylang, Singapore 388352.

The Association is a charity registered under the Charities Act 1994. The Association is also an Institution of a Public Character ("IPC") under the Ministry of Social and Family Development, the IPC status is valid for the period from 1 January 2024 to 31 October 2025.

The principal activities of the Association are to operate a halfway and three quarter way house to rehabilitate male ex-offenders, operate a residential treatment centre for abused teenage girls, operate a culinary training centre for the Association's beneficiaries and other vulnerable individuals, and provide community-based services to the needy, elderly and disadvantaged.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of Preparation

The Association presents its financial statements in Singapore dollars ("$"), which is also its functional currency. These financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below, and comply with Charities Act 1994, Societies Act 1966 and Singapore Financial Reporting Standards ("FRSs"), including related Interpretations promulgated by the Accounting Standards Committee, as required by the Societies Act 1966.

During the financial year, the Association adopted all the new and amended FRSs which are relevant to the Association and are effective for the current financial year. The adoption of these Standards did not result in any substantial changes to the Association's accounting policies and have no material effect on the financial performance or position of the Association.

2.2 Critical Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Association'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.

(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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Critical Accounting Estimates and Judgments (continued)

(A) *Key sources of estimation uncertainty* (continued)

(i) *Amortisation of Intangible Assets/Depreciation on Property, Plant and Equipment*

The costs of intangible assets and property, plant and equipment are amortised/depreciated on a straight line basis over their estimated useful lives. Management's estimates of the useful lives of these assets are disclosed in notes 2.8 and 2.9. Changes in the expected usage and technological developments could impact the economic useful lives and the residual values of these assets. Therefore, future amortisation/depreciation charges could be revised. The carrying amounts of these assets and the amortisation/depreciation charges for the year are disclosed in notes 5 and 6 to the financial statements respectively.

(ii) *Expected credit losses on trade receivables*

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

Based on management's assessment, there are no ECLs on the Association's trade receivables at the balance sheet date.

(iii) *Leases*

Incremental Borrowing Rate

The Association cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Association would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. Determining the incremental borrowing rate requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Association estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

Estimation of Lease Term

When determining the lease term of a lease contract, management considers all relevant factors that create an economic incentive for the Association to exercise an extension option, including any expected changes in circumstances since the commencement date that is within its control and affects its ability to exercise or not to exercise an option to extend. Extension options are only included in the lease term if the lease is reasonably certain to be extended.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.2 Critical Accounting Estimates and Judgments (continued)

(B) Critical judgments made in applying accounting policies

In the process of applying the Association's accounting policies, the management has made certain judgments, 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 Association'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 Association has not applied any new FRS that has been issued but is not yet effective. The Board plans to adopt these FRSs in the first financial year commencing on or after their respective effective dates.

The Board does not expect the adoption of the new FRSs that have been issued but are not yet effective to have material impact on the financial statements in the period of initial application.

2.4 Revenue Recognition

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

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.

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

Culinary course fees are recognised as income at a point in time upon completion of training courses.

Revenue from sale of items is recognised at a point in time when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

Interest income is recognised over time on a time-proportion basis.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.4 Revenue Recognition (continued)

Government grants are recognised when there is reasonable assurance that the Association will comply with the conditions attaching to the grants and the grants will be received.

Grants related to income are recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grant is intended to compensate

Grants related to assets are recognised as deferred capital grant in the balance sheet, and are amortised over the useful life of the assets to match the depreciation of the property, plant and equipment purchased with the related grants.

A gift in kind is included in profit or loss based on an estimate of the fair value at the date of the receipt of the gift of a non-monetary asset or the grant of a right to a 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.

2.5 Funds

Monies received for specific purposes are credited directly to the respective fund accounts. Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Unless specifically indicated, fund balances are not represented by any specific assets but are represented by the total net assets of the Association. The objectives and movements of the Association's Restricted Funds and Designated are disclosed in the notes to the financial statements.

2.6 Employee Benefits

(i) *Defined Contribution Plans*

The Association makes contributions to the state provident fund (Central Provident Fund). Such contributions are recognised as compensation expense in the same period as the employment that gives 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.

2.7 Leases

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

As lessee

The Association applies a single recognition and measurement approach for all leases (except for short-term leases and leases of low-value assets). The Association recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.7 Leases (continued)

As lessee (continued)

Right-of-use assets

The Association recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and an estimate of the costs to dismantle and remove the underlying asset and to restore the asset to its original condition (restoration costs). Right-of-use assets are depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset is transferred to the Association at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in note 2.13.

Lease liabilities

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

In calculating the present value of lease payments, the Association uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments or a change in the assessment of an option to purchase the underlying asset).

Short-term leases and leases of low-value assets

Where applicable, the Association applies the short-term lease recognition exemption to its short-term leases (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 assets 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 Association does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases is accounted for on a straight line basis over the lease terms.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.8 Intangible Assets

Intangible assets are initially recorded at cost. The cost of an item of intangible assets is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably.

Intangible assets with finite useful life are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised over their expected useful lives of 3 years or duration of the licence on a straight line basis.

The amortisation period and amortisation method of intangible assets are reviewed and adjusted as appropriate, at each financial year-end.

Intangible assets are 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.

2.9 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 when it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably.

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

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

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

Office furniture, equipment, computers and electrical appliances	3 years
Motor vehicles	5 years
Renovation	3 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 recognised in profit or loss in the year the asset is derecognised.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.10 Financial Assets

Financial assets are recognised when the Association becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have ceased or expired.

A. *Classification*

The Association's financial assets are classified at amortised cost and through profit or loss.

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

B. *At initial recognition*

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

C. *At subsequent measurement*

(i) Financial assets at amortised cost

The Association's financial assets, comprising mainly receivables and cash and cash equivalents, are measured at amortised cost subsequent to initial recognition, as these are 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 are recognised using the effective interest rate method.

(ii) Financial assets at fair value through profit or loss (FVPL)

The Association's quoted securities are classified as financial asset at FVPL and will continue to be carried at fair value subsequent to initial recognition. Gains and losses arising from the changes in fair values of these financial assets are recognised in the profit or loss in the period in which they arise.

Regular way of purchases and sales of investments are recognised on trade-date, that is, the date on which the Association commits to purchase or sell the asset. Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of consideration received is recognised in profit or loss.

D. *Impairment of Financial Assets*

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.10 Financial Assets (continued)

D. Impairment of Financial Assets (continued)

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

2.11 Trade and Other Receivables

Receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses, as explained in note 2.10 (D). Receivables with a short duration are not discounted.

2.12 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at banks 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 original maturities over 3 months are excluded from cash and cash equivalents.

2.13 Impairment of Non-Financial Assets

The carrying amounts of the Association's 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 a non-revalued 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.

2.14 Payables

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables with a short duration are not discounted.

Payables are recognised when the Association becomes a party to the contractual provisions of the financial instrument. Payables are derecognised when the obligation under the liability is extinguished.

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

2.15 Provisions

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

2.16 Related Parties

A related party is defined as follows:

(A) A person or a close member of that person's family is related to the Association if that person:

(i) Has control or joint control over the Association;

(ii) Has significant influence over the Association; or

(iii) Is a member of the key management personnel of the Association or of a parent of the Association.

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

(i) The entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary are related to each other).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association.

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

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

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

3. FUND-RAISING ACTIVITIES

Income from fund-raising events comprises donations received classified as:

	2024	2023
	$	$
Income relating to unrestricted funds	1,341,547	1,215,793
Income relating to restricted funds	-	627,530
	1,341,547	1,843,323
Tax deductible donations from fund raising activities	468,529	1,135,838
Fund-raising expenses	178,719	86,870

Total expenses incurred on public fund-raising appeals during 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 requirements of the 30/70 fund-raising rule stated in Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

4. EMPLOYEE BENEFITS EXPENSE

		2024	2023
		$	$
Employee benefits expenses relating to unrestricted funds			
Cost of Generating Funds			
Salaries		1,118,451	994,834
Bonus		267,640	258,048
Employer's contributions to Central Provident Fund		154,216	114,573
Other benefits		27,084	25,231
	(i)	1,567,391	1,392,686
Charitable Activities and Programs Costs			
Salaries		80,233	129,844
Bonus		79,451	37,756
Employer's contributions to Central Provident Fund		45,924	26,293
Other benefits		8,654	12,184
	(ii)	214,262	206,077
Employee benefits expenses relating to restricted funds			
Charitable Activities and Programs Costs			
Salaries		2,133,075	1,885,132
Bonus		475,221	440,005
Employer's contributions to Central Provident Fund		302,265	263,142
Other benefits		173,566	108,222
	[note 12] (iii)	3,084,127	2,696,501
Total (i + ii + iii)		4,865,780	4,295,264

4. EMPLOYEE BENEFITS EXPENSE (continued)

The above employee benefits expense includes key management personnel compensation as disclosed in note 20 to the financial statements.

5. INTANGIBLE ASSETS

	Computer software licences
	$
Cost	
At 1 January 2023	412,642
Additions	235,690
At 31 December 2023	648,332
Additions	60,019
Written off	(51,467)
At 31 December 2024	656,884
Accumulated amortisation	
At 1 January 2023	186,690
Charged to charitable activities and programs costs	230
- unrestricted fund	67,450
- restricted fund	4,164
	71,844
At 31 December 2023	258,534
Charged to cost of generating funds	7,119
Charged to charitable activities and programs costs	
- unrestricted fund	156,745
- restricted fund (note 12)	696
	164,560
Written off	(51,467)
At 31 December 2024	371,627
Net carrying amount	
At 31 December 2024	285,257
At 31 December 2023	389,798

Cost relating to computer software licences acquired is not an integral part of the related hardware.

6. PROPERTY, PLANT AND EQUIPMENT

	Office furniture, equipment, computers and electrical appliances	Motor vehicles	Renovation	Total
Cost	$	$	$	$
At 1 January 2023	892,359	116,595	1,557,723	2,566,677
Additions	13,009	-	81,958	94,967
Disposal	-	(116,595)	-	(116,595)
At 31 December 2023	905,368	-	1,639,681	2,545,049
Additions	397,839	-	510,261	908,100
Disposals	(125,241)	-	(283,946)	(409,187)
Reclassifications	13,359	-	(13,359)	-
At 31 December 2024	1,191,325	-	1,852,637	3,043,962
Accumulated Depreciation				
At 1 January 2023	749,796	116,595	1,507,264	2,373,655
Charged to cost of generating funds	1,758	-	10,490	12,248
Charged to charitable activities and programs costs				
- unrestricted funds	45,877	-	11,118	56,995
- restricted funds (note 12)	25,265	-	9,998	35,263
Charge for the year	72,900	-	31,606	104,506
Disposals	-	(116,595)	-	(116,595)
At 31 December 2023	822,696	-	1,538,870	2,361,566
Charged to cost of generating funds	6,390	-	12,584	18,974
Charged to charitable activities and programs costs				
- unrestricted funds	16,794	-	39,798	56,592
- restricted funds (note 12)	83,620	-	38,025	121,645
Charge for the year	106,804	-	90,407	197,211
Disposals	(116,068)	-	(277,985)	(394,053)
At 31 December 2024	813,432	-	1,351,292	2,164,724
Net Book Value				
At 31 December 2024	377,893	-	501,345	879,238
At 31 December 2023	82,672	-	100,811	183,483

7. RIGHT OF USE ASSETS

	Operating premises
	$
Cost	
At 1 January 2023	2,201,224
Additions	23,064
At 31 December 2023	2,224,288
Additions	297,117
Written off	(109,048)
At 31 December 2024	2,412,357
Accumulated depreciation	
At 1 January 2023	599,536
Depreciation for the year	
Charged to cost of generating funds	530,889
Charged to charitable activities and programs costs	
- unrestricted funds	13,742
- restricted funds (note 12)	249,457
	794,088
At 31 December 2023	1,393,624
Depreciation for the year	
Charged to cost of generating funds	525,354
Charged to charitable activities and programs costs	
- unrestricted funds	47,631
- restricted funds (note 12)	260,256
	833,241
Written off	(107,861)
At 31 December 2024	2,119,004
Net Book Value	
At 31 December 2024	293,353
At 31 December 2023	830,664

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2024	2023
	$	$
Unit Trust		
Balance as at 1 January	1,257,254	-
Additions during the year	800,000	1,200,000
Changes in fair value for the year	54,725	57,254
Balance as at 31 December	2,111,979	1,257,254

9. TRADE AND OTHER RECEIVABLES

	2024	2023
	$	$
Trade receivables	3,600	32,948
Non-trade receivables	310,498	118,345
Accrued income	20,749	-
Grants receivables	711,533	193,877
Deposits	243,432	240,005
Prepayments	25,535	57,924
Interest receivables on fixed deposits	37,045	16,085
	1,352,392	659,184

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

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

10. FIXED DEPOSITS WITH BANKS

Fixed deposits have original maturity terms between 12 and 24 months (2023: 6 and 24 months) and earn interest at rates ranging from 2.50% to 3.32% (2023: 0.20% to 3.48%) per annum.

The Association regards all fixed deposits as current assets, notwithstanding that one (2023: one) deposit has maturity period of more than 12 months from the balance sheet date, in view of its highly liquid nature. The Board has the discretion to terminate a fixed deposit prematurely when necessary so as to improve the cash flow management of the Association.

11. TRAINING KITCHEN FUND

	2024	2023
	$	$
Balance as at 1 January	57,032	120,000
Movements during the year		
Funds designated	-	-
Less: Funds utilised		
Materials for culinary class and other costs	-	62,968
	-	62,968
Balance as at 31 December	57,032	57,032

The Training Kitchen fund is designated to support the cost of culinary courses and the renovation of HCSA Academy Culinary Training Centre.

HCSA COMMUNITY SERVICES

(Registered under the Societies Act 1966)

12. RESTRICTED FUNDS

	Notes	DS TGH FUND (a)	DS SGC fund (b)	GILEAD SCIENCE FUND (c)	HKL FUND (d)	HWH FUND (e)	NCSS OD FUND (f)	SILVER VOLUNTEER FUND (g)	SPIN FUND (h)	YELLOW RIBBON ENABLING FUND (i)	OTHER RESTRICTED FUNDS (note 12A)	TOTAL
		$		$	$	$	$	$	$	$	$	$
Balance as at 1 January 2023		163,092	-	59,592	82,000	-	43,335	5,957	-	1,150	131,095	486,221
Movements during the year												
Funds received/receivable		-		179,560	307,000	346,595	223,835	71,053	339,354	4,300	551,306	2,023,003
MSF subvention												
- per capita grant		1,446,607	-	-	-	-	-	-	-	-	-	1,446,607
- rental		88,096	-	-	-	-	-	-	-	-	-	88,096
Reversal of deferred grant income		-	-	-	-	-	-	-	-	-	16,000	16,000
Reclassify to deferred capital grant		-	-	-	-	-	(91,626)	-	-	-	(188,646)	(280,272)
		1,534,703	-	179,560	307,000	346,595	132,209	71,053	339,354	4,300	378,660	3,293,434
Funds utilised												
Amortisation of intangible asset	5	(4,164)	-	-	-	-	-	-	-	-	-	(4,164)
Bonus		(200,501)	-	-	-	(102,607)	(14,027)	-	(101,259)	-	(21,611)	(440,005)
Depreciation on property, plant and equipment	6	(16,705)	-	-	-	(13,144)	-	-	(5,414)	-	-	(35,263)
Depreciation on right-of-use assets	7	(89,608)	-	-	-	(128,780)	-	-	(17,327)	-	(13,742)	(249,457)
Employer's contributions to Central Provident Fund	4	(132,297)	-	-	-	(53,232)	(18,196)	-	(48,150)	-	(11,267)	(263,142)
Interest expenses on lease liabilities		(1,552)	-	-	-	(9,293)	-	-	(1,250)	-	-	(12,095)
Salaries	4	(906,378)	-	-	(42,160)	(386,631)	(106,086)	(39,142)	(297,389)	-	(107,346)	(1,885,132)
Staff benefits	4	(75,210)	-	(18,370)	-	(5,399)	(3,139)	-	(5,804)	-	(300)	(108,222)
Repair and maintenance		(50,453)	-	-	-	(22,408)	-	(272)	(11,405)	-	(9,814)	(94,352)
Other costs		(185,431)	-	(9,960)	(165,097)	(133,164)	(34,096)	(16,588)	(61,981)	(2,400)	(135,498)	(744,215)
		(1,662,299)	-	(28,330)	(207,257)	(854,658)	(175,544)	(56,002)	(549,979)	(2,400)	(299,578)	(3,836,047)
(Deficit)/surplus		(127,596)	-	151,230	99,743	(508,063)	(43,335)	15,051	(210,625)	1,900	79,082	(542,613)
Transfer from general fund		-		-	-	508,063	-	-	210,625	-	-	718,688
Balance as at 31 December 2023		35,496	-	210,822	181,743	-	-	21,008	-	3,050	210,177	662,296
Movements during the year												
Funds received/receivable		34,984	-	-	160,000	799,943	-	17,281	356,793	4,000	302,571	1,675,572
MSF subvention												
- per capita grant		1,476,972	341,137	-	-	-	-	-	-	-	-	1,818,109
- rental		127,636	29,276	-	-	-	-	-	-	-	-	156,912
Reclassify to deferred grant income		-	-	-	-		-	-	-	-	(13,149)	(13,149)
		1,639,592	370,413	-	160,000	799,943	-	17,281	356,793	4,000	289,422	3,637,444
Funds utilised												
Amortisation of intangible asset	5	-		-	-	(696)	-	-	-	-	-	(696)
Bonus	4	(218,054)	(272)	-	-	(142,454)	-		(114,441)			(475,221)
Depreciation on property, plant and equipment	6	(87,972)	-	-	-	(28,627)	-	-	(5,046)	-	-	(121,645)
Depreciation on right-of-use assets	7	(67,448)	(54,893)	-	-	(121,564)	-	-	(16,351)	-	-	(260,256)
Employer's contributions to Central Provident Fund	4	(140,457)	(23,568)	-	-	(74,940)	-	-	(63,300)	-	-	(302,265)
Interest expenses on lease liabilities		(3,984)	(3,242)	-	-	(3,680)	-	-	(495)	-	-	(11,401)
Loss on disposal of property, plant and equipment		(15,134)	-	-	-	-	-	-	-	-	-	(15,134)
Rental – short-term lease		(92,623)	-	-	-		-	-	-	-	-	(92,623)
Repair and maintenance		(70,727)	(25,299)	-	-	(23,960)	-	(64)	(8,660)	-		(128,710)
Salaries	4	(918,315)	(186,698)	(30,300)	(42,290)	(451,648)	-	(14,541)	(314,722)	-	(174,561)	(2,133,075)
Staff benefits	4	(76,196)	(36,822)	(22,446)	-	(20,138)	-	-	(11,616)	-	(6,348)	(173,566)
Other costs		(217,591)	(38,217)	(47,612)	(62,961)	(157,776)	-	(2,676)	(36,858)	(6,600)	(65,622)	(635,913)
		(1,908,501)	(369,011)	(100,358)	(105,251)	(1,025,483)	-	(17,281)	(571,489)	(6,600)	(246,531)	(4,350,505)
(Deficit)/surplus		(268,909)	1,402	(100,358)	54,749	(225,540)	-	-	(214,696)	(2,600)	42,891	(713,061)
Transfer from/(to) general fund		233,413	-	-	-	225,540	-	(21,008)	214,696	-	-	652,641
Balance as at 31 December 2024		-	1,402	110,464	236,492	-	-	-	-	450	253,068	601,876

12. RESTRICTED FUNDS (continued)

12A. OTHER RESTRICTED FUNDS

	ALLEN OVERY STEPUP FUND	HP ACRONIS ITLAB FUND	ISHK TOLALAM WELLNESS FUND	MAJURITY TRUST TRAMPOLINE FUND	NCSS CTT COMCAP TRUST FUND	NCSS EVMFS FUND	NCSS PEERS SUPPORT FUND	NCSS TECH BOOSTER FUND	PC EMPOWERING FOR LIFE FUND	NCSS CTT DPE FUND	TOTAL OTHER RESTRICTED FUNDS
	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)	(t)	(s)	(note 12)
	$	$	$	$	$	$	$	$	$	$	$
Balance as at 1 January 2023	100,000	-	90	-	-	9,381	9,091	12,533	-	-	131,095
Movements during the year											
Funds received/receivable	100,730	100,000	14,240	10,000	138,513	12,804	-	458	174,561	-	551,306
Reversal of deferred grant income	-	-	-	16,000	-	-	-	-	-	-	16,000
Reclassify to deferred capital grant	-	(50,133)	-	-	(138,513)	-	-	-	-	-	(188,646)
	100,730	49,867	14,240	26,000	-	12,804	-	458	174,561	-	378,660
Funds utilised											
Bonus	-	-	-	-	-	-	-	-	(21,611)	-	(21,611)
Depreciation on right-of-use assets	-	-	-	-	-	-	-	-	(13,742)	-	(13,742)
Employer's contributions to Central Provident Fund	-	-	-	-	-	-	-	-	(11,267)	-	(11,267)
Salaries	-	(500)	-	-	-	(19,185)	(9,091)	-	(78,570)	-	(107,346)
Other benefits	-	-	(300)	-	-	-	-	-	-	-	(300)
Repair and maintenance	-	(1,050)	-	-	-	-	-	-	(8,764)	-	(9,814)
Other costs	(41,184)	(40,307)	(400)	(10,000)	-	(3,000)	-	-	(40,607)	-	(135,498)
	(41,184)	(41,857)	(700)	(10,000)	-	(22,185)	(9,091)	-	(174,561)	-	(299,578)
Surplus/(deficit)	59,546	8,010	13,540	16,000	-	(9,381)	(9,091)	458	-	-	79,082
Balance as at 31 December 2023	159,546	8,010	13,630	16,000	-	-	-	12,991	-	-	210,177
Movements during the year											
Funds received/receivable	83,131	-	-	4,000	-	-	-	-	174,561	40,879	302,571
Reclassify to deferred grant income	-	-	-	-	-	-	-	-	-	(13,149)	(13,149)
	83,131	-	-	4,000	-	-	-	-	174,561	27,730	289,422
Funds utilised											
Salaries	-	-	-	-	-	-	-	-	(174,561)	-	(174,561)
Staff benefits	(981)	-	(5,367)	-	-	-	-	-	-	-	(6,348)
Other costs	(9,216)	(8,010)	(4,666)	(16,000)	-	-	-	-	-	(27,730)	(65,622)
	(10,197)	(8,010)	(10,033)	(16,000)			-	-	(174,561)	27,730	(246,531)
Surplus/(deficit)	72,934	(8,010)	(10,033)	(12,000)	-	-	-	-	-	-	42,891
Balance as at 31 December 2024	232,480	-	3,597	4,000	-	-		12,991	-	-	253,068

12. RESTRICTED FUND (continued)

(a) DS TGH fund is a restricted fund provided by the Ministry of Social and Family Development in support of the approved costs of operating the Therapeutic Group Home Programme. The deficit of DS TGH fund is met by the general fund. Upon approval from the fund provider, surplus could be transferred back to the general fund for the deficit which was previously met by the general fund.

(b) DS SGC fund is a restricted fund funded by Ministry of Social and Family Development in support of the approved costs of operating the Children's Home Tier 2 Programme. The programme provides appropriate levels of care for Children and Young Persons with higher needs and who therefore require small group care for a limited period of time (within 12-18 months).

(c) Gilead Science Grant is a restricted fund set up to provide financial support for Highpoint Halfway House Hepatitis C – Educate, Test and Treat Project.

(d) Hongkong Land Grant is a restricted fund set up to provide financial support for HCSA's Dayspring Clinical Therapies for abused teenage girls, alternate schooling/home schooling programme, online learning and tuition programme for single-parent children, digitalisation hardware provision of notebook computer, culinary training scholarship for youths at risk and young adults.

(e) HWH fund is a restricted fund funded by Yellow Ribbon Singapore for the operation of the approved HCSA Shelter Programme. The deficit of HWH fund is met by the general fund. Upon approval from the fund provider, surplus could be transferred back to the general fund for the deficit which was previously met by general fund.

(f) NCSS OD fund was a restricted fund set up for the approved programme, Organisation Development Programme ("OD"), of which NCSS is the administrator, in partnership with Singapore Totalisator Board. The objective of the OD is to enable the non-profit organisation to go through a diagnostic using Enterprise SG's Business Excellence framework, leading to the conceptualisation of a time-bound strategy plan. The fund which was fully utilised in 2023 was used to cover the expenditure in running the NCSS OD.

(g) The Silver Volunteer fund is a restricted fund in support of the programmes approved by the Council for Third Age. Upon confirmation and approval of the claimed amounts by the fund provider, expenditure previously absorbed by the general fund was transferred back accordingly.

(h) SPIN fund is a restricted fund set up for the approved programme, Single Parents: Informed, Involved, Included (SPIN). The deficit of SPIN fund is met by the general fund. Upon approval from the fund provider, surplus could be transferred back to the general fund for the deficit which was previously met by general fund.

(i) Yellow Ribbon Enabling fund is a restricted fund set up to provide financial support to newly released ex-offenders as well as families who are affected by recent incarceration of a sole bread-winner. The fund will be used strictly for food and transportation of beneficiaries.

(j) Allen Overy Stepup Fund is a restricted fund set up to provide financial support to launch aftercare programme that aims to support ex-offenders and teenage girls who have suffered trauma after they are discharged from our rehabilitative programmes through Highpoint Halfway House and Dayspring Residential Treatment Centre.

(k) HP Acronis ITLab fund is a restricted fund funded by Yellow Ribbon Singapore to assist ex-offenders to understand their personal capability and capacity, aiding in their job match and assisting them in developing work ethics through an enhanced employment and employability framework.

(l) Ishk Tolalam Wellness Fund is a restricted fund designated for wellness and selfcare for Dayspring RTC staff (counselling and self-care) and Highpoint staff (self-care).

12. RESTRICTED FUND (continued)

(m) Majurity Trust Trampoline Fund is a restricted fund set up to deliver academic support programmes to young girls in HCSA DRTC who experience abuse to continue schooling and children of single-parents and provide stipends for job training for ex-offenders through the HCSA Academy.

(n) NCSS Community Capability Trust was a grant disbursement from NCSS in relation to the Association's modern workplace initiative for acquiring laptops bundled with software. This was fully utilised in 2023.

(o) NCSS EVMFS, Enhanced Volunteer Manager Funding Scheme was a 2-year restricted funding programme set up to provide financial support for dedicated volunteer managers to strengthen the volunteer management capabilities. This was fully utilised in 2023.

(p) NCSS Peers Support Funding was funded by NCSS supported through Community Chest (ComChest) to provide manpower support for Highpoint's Shelter programme. This was fully utilised in 2023.

(q) NCSS Tech Booster Fund (Grant) is a restricted fund set up to provide financial support to ramp up ready technologies adoption to enhance operational efficiency, alleviate demand for vacant positions and increase client centricity of services. The fund will be used strictly for the implementation of technologies, along with change management for stakeholders and redesign of processes affected by the adoption of technologies.

(r) The President's Challenge (PC) – Empowering for life fund is funded by PC fund for the operation of the HCSA Academy Culinary Training Centre.

(s) The NCSS CTT DPE fund is a grant in support of the Association's cyber security and data protection consultancy.

13. LEASE LIABILITIES

	2024		2023	
	Contractual lease liabilities	Present value of lease liabilities	Contractual lease liabilities	Present value of lease liabilities
	$	$	$	$
Lease liabilities payable:				
- within 1 year	343,182	339,436	760,506	738,942
- after 1 year but not later than 5 years	-	-	126,751	126,509
	343,182	339,436	887,257	865,451
Less: Amounts representing interest	3,746	-	21,806	-
	339,436	339,436	865,451	865,451

The Association leases operating premises with lease periods of 1.5 to 3 years. The leases have varying terms and provide renewal rights.

The present values of lease liabilities are calculated based on incremental borrowing rates of 4.63% (2023: 4.63%) per annum.

13. LEASE LIABILITIES (continued)

Reconciliation of changes in liabilities arising from financing activities

Movements in lease liabilities arising from financing cash flows during the year are as follows.

	2024	2023
	$	$
Lease liabilities as at 1 January	865,451	1,613,417
Additional lease liabilities during the year	297,117	23,064
Effect of lease modification	(1,187)	-
	1,161,381	1,636,481
Non-cash movement		
Accretion of interest	28,745	55,854
Cash movements		
Less:		
Payments of lease liabilities during the year		
- Principal portion	821,945	771,030
- Interest	28,745	55,854
	850,690	826,884
Lease liabilities as at 31 December	339,436	865,451

14. DEFERRED CAPITAL GRANTS

	Intangible assets	Computer	Furniture and fittings	Total
	$	$	$	$
Gross carrying value				
At 1 January 2023	408,555	50,336	10,580	469,471
Additions	335,152	-	-	335,152
At 31 December 2023	743,707	50,336	10,580	804,623
Additions	13,372	-	-	13,372
At 31 December 2024	757,079	50,336	10,580	817,995
Less: Accumulated amortisation				
At 1 January 2023	19,031	26,202	3,526	48,759
Amortisation for the year	72,553	14,650	3,526	90,729
At 31 December 2023	91,584	40,852	7,052	139,488
Amortisation for the year	214,863	7,984	3,528	226,375
At 31 December 2024	306,447	48,836	10,580	365,863
Net carrying value				
At 31 December 2024	450,532	1,500	-	452,132
At 31 December 2023	652,123	9,484	3,528	665,135

14. DEFFERED CAPITAL GRANTS (continued)

	2024	2023
	$	$
Classification:		
- Current	265,053	251,978
- Non-current	187,079	413,157
	452,132	665,135

15. DEFERRED INCOME

	2024	2023
	$	$
Deferred income	54,290	117,272

Deferred income represents grants in respect of and receivable in the next financial year, for which the Association has fulfilled the grant requirements as at the balance sheet date. Grants which are used to fund the costs of programs relating to the subsequent years are deferred and will be unutilised as income over the periods necessary to match them with the related costs which they are intended to compensate.

16. OTHER PAYABLES

	2024	2023
	$	$
Accruals	1,003,925	572,788
Deposits received	284,446	289,866
Provision for unutilised leave	65,040	50,114
Sundry payables	117,100	116,564
	1,470,511	1,029,332

Other payables are unsecured, non-interest bearing and are normally settled within 90 days or on demand.

17. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances as shown in the statement of financial position.

18. TAXATION

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

During the financial year, the Company issued tax-exempt receipts for donations collected amounting to $1,256,695 (2023: $1,440,017).

19. COMMITMENTS

Capital Commitment

As at 31 December 2024, the Association has capital commitment amounting to $18,282 (2023: $54,846) in respect of contracted expenditure for intangible assets which have not been provided for in the financial statements.

Lease Commitment

As at the balance sheet date, the Association has the following lease commitments under non-cancellable operating leases where the Association is the lessor:

	2024	2023
	$	$
Receivable within 1 year	279,146	1,448,078
Receivable after 1 year but not later than 5 years	221,000	556,276
	500,146	2,004,354

The above operating lease receivables relate to the sublet of the Association's premises to non-related parties and do not provide for contingent rents.

20. RELATED PARTIES

The Association is governed by the Board. The key management personnel, comprising the Chief Executive Officer and management personnel, are responsible for organising and supervising the daily activities of the Association. The Association has in place a conflict of interest policy which sets out documented procedures requiring the Board members and staff in management positions to declare actual or potential conflicts of interests to the Board, and to abstain from voting or participating in decision making where such conflicts arise.

Key management personnel compensation

	2024	2023
	$	$
Short-term employee benefits:		
Salaries and related costs	1,045,970	1,196,487
Employer's contribution to Central Provident Fund	128,759	144,489
	1,174,729	1,340,976

Key management personnel are employees holding management position in the Association.

The annual remuneration of the top three highest paid staff classified by remuneration bands are as follows:

	Number of staff	
	2024	2023
Annual remuneration		
$100,001 to $200,000	3	3

The members of the Board are volunteers and do not receive any monetary remuneration for their service.

No paid staff who is a close family member of the Board and key management personnel received annual remuneration exceeding $50,000 in 2024 (2023:nil).

21. FINANCIAL RISKS MANAGEMENT

The Association 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 management reviews and agrees on policies for managing each of these risks and they are summarised below:

22.1 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 Association as and when they fall due.

Risk Management

The Association's exposure to credit risk arises primarily from trade and other receivables. Credit evaluations are performed on all tenants. Tenants are required to place security deposits with the Association at the commencement of each tenancy term.

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

Recognition of expected credit losses (ECL)

The Association's financial assets that are subject to credit losses where the expected credit loss model has been applied are trade and other receivables. The Association 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 Association's historical collection trend, most trade and other receivables are settled within the credit term. Trade and other receivables are assessed on a collective basis to determine whether there are changes in credit risk. Lifetime ECLs are recognised for specific receivables for which credit risk is deemed to have increased significantly.

Based on the management's assessment, there is no significant ECL on the Association's receivables as at the balance sheet date.

22.2 Liquidity risk

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

The Association manages its operating cash flows and the availability of funding so as to ensure that a sufficient level of cash and cash equivalents is maintained to meet its working capital requirement.

22. FINANCIAL RISKS MANAGEMENT (continued)

22.2 Liquidity risk (continued)

The table below summarises the maturity profile of the Association's financial liabilities at the balance sheet date based on contractual undiscounted payments.

	Within 1 year	After 1 year but not later than 5 years	Total
	$	$	$
2024			
Lease liabilities	343,182	-	343,182
Other payables	1,405,471	-	1,405,471
	1,748,653	-	1,748,653
2023			
Lease liabilities	760,506	126,751	887,257
Other payables	979,218	-	979,218
	1,739,724	126,751	1,866,475

22.3 Market price risk

At the balance sheet date, the Association' held unit trust as financial asset at fair value through profit or loss.

Sensitivity analysis

A 10% increase in the underlying unit trust prices at the reporting date would increase equity and profit by $211,198 (2023:125,725) as a result of higher fair value gains on the basis that all other variables remain constant.

A 10% decrease in the underlying unit trust prices would have had the equal but opposite effects on equity and profit, on the basis that all other variables remain constant.

The Association is exposed to the risk of impairment in the value of investments held. The Association manages the risk of impairment by evaluating investment opportunities, continuously monitoring the performance of investments held and assessing market risk relevant to which the investments operate.

22.4 Interest rate risk

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

The Association does not have any interest-bearing financial liabilities. Its only exposure to changes in interest rates relates to interest-earning bank deposits. The management 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 Association are disclosed in note 10 to the financial statements.

23. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

The fair values of financial instruments which are carried at fair value are classified based on a three-level fair value measurement hierarchy defined 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)

The fair value of the Association's financial assets at fair value through profit or loss is determined based on the amount received upon full redemption of the unit trust subsequent to the balance sheet date. These assets are classified under level 2 of the fair value hierarchy.

The carrying amounts of cash and cash equivalents, receivables and payables approximate their fair values due to their short term nature.

The carrying amounts of lease liabilities are reasonable approximation of their fair values as they are measured at the present value of lease payments based on the incremental borrowing rate.

There were no assets or liabilities transferred between Level 1 and Level 2 or transfers into or out of Level 3. The Association's policy is to recognise transfers (if any) between levels of fair value hierarchy at the end of the reporting period during which they occur.

24. FINANCIAL INSTRUMENTS BY CATEGORY

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

	2024	2023
	$	$
Financial assets at FVPL	2,111,979	1,257,254
Financial assets at amortised cost	6,343,541	6,821,950
Financial liabilities at amortised cost	1,744,907	1,844,669

25. RESERVE POLICY

The Association will work towards building up reserves of up to one year of operating expenditures from the Association's unrestricted funds that are freely available for operating purposes in order to ensure long term sustainability.

The Board of the Association will review its reserve requirement annually.

Designated and restricted funds disclosed in notes 12 and notes 12A to the financial statements are only used for the specific purposes for which the funds were set up.

The Association is not subject to externally imposed reserve management requirements.

There were no changes to the Association's approach to reserve management since the previous financial year.

26. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Association for the year ended 31 December 2024 were authorised for issue by the HCSA Community Services Board on 16 May 2025.