

NATIONAL ARTHRITIS FOUNDATION
(Registered in the Republic of Singapore)
(UEN: S84SS0010J)

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

**NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)**

THE BOARD

<u>Name</u>	<u>Position on Board</u>
LAU TANG CHING	CHAIRMAN
BENJAMIN GAW YING CHARN	DEPUTY CHAIRMAN
CHOO CHAI LEONG	HONORARY TREASURER
ANINDITA SANTOSA	HONORARY SECRETARY
FELIX WANG TWE FENG	BOARD MEMBER
JOHN STEVEN MANNING	BOARD MEMBER
YEONG WAI TECK	BOARD MEMBER
NEO CHIA REEI	BOARD MEMBER
AMEE PARIKH	BOARD MEMBER
OOI PEI LING	BOARD MEMBER
YVONNE CHOO MRS YVONNE GOH	BOARD MEMBER
JEANNIE ONG BEE KOON	BOARD MEMBER
STACEY MARGARET HAR YIN	BOARD MEMBER
YEOH SOON HWA	BOARD MEMBER
PRUDENCE CHAN PING MENG	BOARD MEMBER

REGISTERED OFFICE

420 North Bridge Road
#03-38 North Bridge Centre
Singapore 188727

AUDITOR

Kreston David Yeung PAC

BANKERS

DBS BANK LTD
MAYBANK SINGAPORE LIMITED
UNITED OVERSEAS BANK LIMITED (Closed on 24.08.2023)

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**NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)**

STATEMENT BY THE BOARD

In our opinion,

- (i) the financial statements set out on pages 6 to 29 are properly drawn up in accordance with the provisions of the Societies Act 1966, the Charities Act 1994 and other relevant regulations and the Singapore Financial Reporting Standards, so as to present fairly, in all material respects, the state of affairs of National Arthritis Foundation (the “Foundation”) as at 31 December 2023 and the results, changes in funds and cash flows of the Foundation for the year then ended; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

The Board members approved and authorised these financial statements for issue.

On behalf of The Board,



LAU TANG CHING
Chairman



CHOO CHAI LEONG
Honorary Treasurer

29 April 2024



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NATIONAL ARTHRITIS FOUNDATION (UEN: S84SS0010J)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of National Arthritis Foundation (the "Foundation"), which comprise the statement of financial position as at 31 December 2023, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Foundation 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 Foundation as at 31 December 2023 and the results, changes in funds and cash flows of the Foundation 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 Foundation 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 Statement by the Board (set out on page 2) and the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NATIONAL ARTHRITIS FOUNDATION (UEN: S84SS0010J) (Continued)**

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the provisions of the Societies Act, Charities Act and Regulations and FRSs, and for such internal controls 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation'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 Foundation to cease to continue as a going concern.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
NATIONAL ARTHRITIS FOUNDATION (UEN: S84SS0010J) (Continued)**

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required to be kept by the Foundation have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations.

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

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

A handwritten signature in blue ink, appearing to be "A. H. Ip", written over a light blue horizontal line.

**KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants**

Singapore, 29 April 2024

KRESTON DAVID YEUNG PAC (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and an independent member of the **Kreston Global** network
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NATIONAL ARTHRITIS FOUNDATION
(UEN: S84SS0010J)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2023

	Note	2023 S\$	2022 S\$
ASSETS			
Non-current assets			
Plant and equipment	3	148	1,208
Right-of-use assets	4	60,332	-
Total non-current assets		<u>60,480</u>	<u>1,208</u>
Current assets			
Other receivables, deposits and prepayments	5	115,802	40,865
Cash and bank balances	6	2,402,615	1,823,193
Total current assets		<u>2,518,417</u>	<u>1,864,058</u>
Total assets		<u>2,578,897</u>	<u>1,865,266</u>
LIABILITIES			
Non-current liabilities			
Deferred capital grants	7	30,672	-
Lease liability	8	18,883	-
		<u>49,555</u>	<u>-</u>
Current liabilities			
Accruals		5,800	6,347
Other payables		985	5,574
Lease liability	8	42,883	-
Total current liabilities		<u>49,668</u>	<u>11,921</u>
Total liabilities		<u>99,223</u>	<u>11,921</u>
Net Assets		<u>2,479,674</u>	<u>1,853,345</u>
FUNDS			
Restricted fund			
Juvenile Arthritis Fund	9	147,606	148,391
President's Challenge Fund	10	237,500	71,250
Unrestricted funds			
General fund		1,548,944	1,080,438
Patient Subsidy Care Fund	11	545,624	553,266
Total funds		<u>2,479,674</u>	<u>1,853,345</u>

The notes set out on pages 10 to 29 form an integral part of and should be read in conjunction with this set of financial statements.

NATIONAL ARTHRITIS FOUNDATION
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STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2023

	Note	Unrestricted Funds		Restricted Funds		2023 Total S\$	2022 Total S\$		
		General Fund	Patient Subsidy Care Fund	Juvenile Arthritis Fund	President's Challenge Fund				
								Funds	
								Fund	Fund
INCOME									
<i>Income from generated funds</i>									
Voluntary income									
- outright donations		135,412	-	-	-	135,412	29,818		
- donation in kind		5,323	-	-	-	5,323	25,968		
- memberships		2,465	-	-	-	2,465	1,340		
- President's Challenge 2022		-	-	-	166,250	166,250	71,250		
	12	143,200	-	-	166,250	309,450	128,376		
Activities for generating funds - fund raising									
- Charity golf	13	-	-	-	-	-	332,236		
- Cycling Fundraiser	14	-	-	-	-	-	139,651		
- Moove for Hope	15	-	-	-	-	-	69,777		
- Charity Draw	16	209,442	-	-	-	209,442	-		
- You can help soothe the pain 2022	17	60,174	-	-	-	60,174	-		
-Arthritis Afflicts Young and Old Via Giving.SG FY21	18	1,005	-	-	-	1,005	-		
-Arthritis Afflicts Young and Old Via Giving.SG FY22	19	37,832	-	-	-	37,832	-		
- Gala Dinner 2023	20	525,268	-	-	-	525,268	-		
- You can help soothe the pain 2023	21	1,641	-	-	-	1,641	-		
		835,362	-	-	-	835,362	541,664		
<i>Income from charitable activities</i>									
- TaiChi for Arthritis		-	-	-	-	-	40		
- Physiotherapy fee		-	-	-	-	-	30		
- Events and talk		-	-	-	-	-	11,650		
		-	-	-	-	-	11,720		
<i>Other income</i>									
- Government grants	22	415	-	-	-	415	11,427		
- Interest income		44,174	-	-	-	44,174	5,159		
		44,589	-	-	-	44,589	16,586		
TOTAL INCOME		1,023,151	-	-	166,250	1,189,401	698,346		
EXPENDITURES									
<i>Costs of generating funds</i>									
- Advertisement		21	-	-	-	21	6,420		
- Donation in kind		5,323	-	-	-	5,323	25,968		
		5,344	-	-	-	5,344	32,388		
Costs of fund raising activities		67,016	-	-	-	67,016	66,956		
<i>Charitable activities</i>									
- Medical subsidy		-	7,642	575	-	8,217	16,016		
- JIA Day		-	-	210	-	210	4,655		
- SASC		-	-	-	-	-	-		
- Workshop event		5,768	-	-	-	5,768	-		
		5,768	7,642	785	-	14,195	20,671		
<i>Other expenditures</i>	23	476,517	-	-	-	476,517	328,062		
TOTAL EXPENDITURE		(554,645)	(7,642)	(785)	-	(563,072)	(448,077)		
SURPLUS/(DEFICIT) BEFORE TAXATION		468,506	(7,642)	(785)	166,250	626,329	250,269		
Taxation	25	-	-	-	-	-	-		
NET MOVEMENT IN FUNDS		468,506	(7,642)	(785)	166,250	626,329	250,269		
Balance at beginning of year		1,080,438	553,266	148,391	71,250	1,853,345	1,603,076		
Balance at end of year		1,548,944	545,624	147,606	237,500	2,479,674	1,853,345		

The notes set out on pages 10 to 29 form an integral part of and should be read in conjunction with this set of financial statements.

NATIONAL ARTHRITIS FOUNDATION
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STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 December 2023

	<--- Unrestricted --->		<-Restricted->		Total S\$
	General Fund S\$	Patient Subsidy Care Fund S\$	Juvenile Arthritis Fund S\$	President's Challenge Fund S\$	
Balance as at 01.01.2022	930,748	517,202	155,126	-	1,603,076
- Net surplus/(deficit) for the year	199,690	(13,936)	(6,735)	71,250	250,269
- Transfer of funds	(50,000)	50,000	-	-	-
Balance as at 31.12.2022/01.01.2023	1,080,438	553,266	148,391	71,250	1,853,345
- Net surplus/(deficit) for the year	468,506	(7,642)	(785)	166,250	626,329
Balance as at 31.12.2023	1,548,944	545,624	147,606	237,500	2,479,674

The notes set out on pages 10 to 29 form an integral part of and should be read in conjunction with this set of financial statements.

NATIONAL ARTHRITIS FOUNDATION
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STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2023

	Note	2023 S\$	2022 S\$
Cash flows from operating activities			
Surplus for the year		626,329	250,269
Adjustments for:-			
Depreciation of plant and equipment		1,060	3,321
Depreciation of right-of-use assets		24,842	-
Interest expense		2,092	-
Interest income		(44,174)	(5,159)
Net cash flows before working capital changes		610,149	248,431
(Increase)/Decrease in other receivables, deposits and prepayments		(41,511)	64,707
Decrease in other payables		(5,136)	(50,672)
Net cash generated from operating activities		563,502	262,466
Cash flows from investing activities			
Interest received		10,748	6,393
(Increase)/Decrease in fixed deposits		(1,154,004)	397,981
Net cash (used in)/generated from investing activities		(1,143,256)	404,374
Cash flows from financing activities			
Proceed from capital grant		30,672	-
Interest paid		(2,092)	-
Payment of principal portion of lease liabilities		(23,408)	-
Net cash used in financing activities		5,172	-
Net (decrease)/increase in cash and cash equivalents		(574,582)	666,840
Cash and cash equivalents at beginning of year		1,417,874	751,034
Cash and cash equivalents at end of year	6	843,292	1,417,874

The notes set out on pages 10 to 29 form an integral part of and should be read in conjunction with this set of financial statements.

NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

1. GENERAL

The Foundation is a non-profit organisation registered as a society on 27 June 1984, and subsequently became a registered charity on 15 April 1985. Its IPC status was renewed on 5 December 2022 for a period of 3 years till 4 December 2025.

The principal activities of the Foundation are providing medical subsidies to underprivileged arthritis patients, supporting research, and educating the community on the disease to help arthritis sufferers lead productive lives while promoting healthy living to alleviate arthritis incidence in Singapore.

The registered office of the Foundation which is domiciled in Singapore, is located at 420 North Bridge Road, #03-38 North Bridge Centre, Singapore 188727.

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) Basis of Preparation

The financial statements of the Foundation have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and in accordance with the Singapore Financial Reporting Standards (“FRS”).

In the current financial year, the Foundation has adopted all the new and amended FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning on or after 1 January 2023. The adoption of these new/amended FRSs and INT FRSs has no material effect on the financial statements.

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

b) Significant Accounting Estimates and Judgements

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

Management is of the opinion that there are no critical estimates/judgements involved that have a significant effect on the amounts recognised in the financial statements.

c) Plant and Equipment

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

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

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

c) Plant and Equipment (Continued)

The residual values, useful life and depreciation method are reviewed at end of each reporting period, and adjusted prospectively as appropriate. The effects of any revision are recognised in statement of financial activities when the changes arise.

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

Computers	3 - 5 years
Furniture and fittings	5 - 10 years
Office equipment	5 years
Renovation	3 years

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

d) Foreign Currency Transactions

Functional and Presentation Currencies

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

Transactions and Balances

Monetary assets and liabilities in foreign currencies are translated into Singapore dollar at rate of exchange at the end of reporting period. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are taken to statement of financial activities.

The monetary financial assets and liabilities are denominated in SGD unless otherwise indicated.

e) Impairment of Non-Financial Assets

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

e) **Impairment of Non-Financial Assets** (Continued)

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the statement of financial activities in those expense categories consistent with the function of the impaired asset.

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

f) **Financial Instruments**

(a) **Financial Assets**

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Foundation measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in statement of financial activities.

Trade receivables are measured at the amount of consideration to which the Foundation expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Foundation's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and FVPL. The Foundation only has debt instruments at amortised cost.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

f) **Financial Instruments** (Continued)

(a) **Financial Assets** (Continued)

Subsequent measurement (Continued)

Debt instruments (Continued)

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

Derecognition

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

(b) **Financial Liabilities**

Initial recognition and measurement

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

Financial liabilities are recognised initially at fair value, plus, net of directly attributable transaction costs.

Subsequent measurement

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

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in statement of financial activities.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

f) Financial Instruments (Continued)

(c) Offsetting of Financial Instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legal enforceable right to offset the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

g) Impairment of Financial Assets

The Foundation recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Foundation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

h) Cash and Cash Equivalents

For the purpose of presentation in statement of cash flows, cash and cash equivalents comprise cash on hand and at banks and exclude fixed deposits mature more than 3 months which are subject to insignificant risk of changes in value.

i) Provisions

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

j) Contingencies

A contingent liability is:-

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Foundation; or

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

j) Contingencies (Continued)

A present obligation that arises from past events but is not recognised because:

- i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

k) Income Recognition

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

Income including donations, gifts and grants that provide core funding or are of general nature are recognised where there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement. Such income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Foundation has unconditional entitlement.

i) Donations

Income from donations are accounted for when received, except for committed donations.

ii) Rendering of services

Income from rendering of services, which include registration fees are recognised over the period in which the services are rendered.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

k) Income Recognition (Continued)

iii) Taichi DVD and handbook

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good to the customer. Control of the Taichi DVD and handbook is transferred to the customer, generally on delivery of the Taichi DVD and handbook.

iv) Government grant

Grants for the purchase of depreciable assets are taken to the deferred grant account at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The deferred grant is recognised in the statement of financial activities over the period necessary to match the depreciation of the assets purchased with the related grant. Grants for operating expenses are recognised in the statement of financial activities over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

v) Interest income

Interest income is recognised using the effective interest method.

vi) Donations in kind

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

vii) Membership fee

Membership fee income are recognised ratably over the term of the membership.

l) Employee Benefits

Defined Contribution Plans

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

l) Employee Benefits (Continued)

Employee Leave Entitlement

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

m) Key Management Personnel

Key management personnel are those having the authority and responsibility for planning, directing and controlling the activities of the Foundation. The Members of The Board and Executive Director are considered as key management personnel of the Foundation.

n) Leases

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

Right-of-use asset

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

If ownership of the leased asset transfers to the Foundation 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 asset is also subject to impairment. The accounting policy for impairment is disclosed in Note 2(e) to the financial statements.

The Foundation's right-of-use assets is disclosed Note 4 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

n) Leases (Continued)

As lessee (Continued)

Lease liabilities

At the commencement date of the lease, the Foundation recognises lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Foundation 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

The Foundation has applied the short-term lease recognition exemption to its short-term leases of office premises (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). 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.

o) Funds Structure

Unrestricted funds comprise of “General Fund” and “Patient Subsidy Care Fund” which are available for use at the discretion of the management in furtherance of the Foundation’s purposes.

Restricted funds are represented by “Juvenile Arthritis Fund” and “President’s Challenge Fund” which are subject to restriction on their expenditures according to the term and nature of the appeal and purpose approved.

Unless specifically indicated, fund balances are not represented by any specific accounts, but are represented by all assets of the Foundation.

**NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

3. PLANT AND EQUIPMENT

	Office Equipment S\$	Furniture and Fittings S\$	Computers S\$	Total S\$
Cost				
At 01.01.2022/31.12.2022/ 01.01.2023/31.12.2023	3,014	2,358	7,935	13,307
Accumulated Depreciation				
At 01.01.2022	2,329	1,397	5,052	8,778
Charge for the year	342	407	2,572	3,321
At 31.12.2022/01.01.2023	2,671	1,804	7,624	12,099
Charge for the year	343	406	311	1,060
At 31.12.2022	3,014	2,210	7,935	13,159
Carrying amount				
At 31.12.2022	-	148	-	148
At 31.12.2023	343	554	311	1,208

4. RIGHT-OF-USE ASSETS

	2023 S\$	2022 S\$
<u>Office premises</u>		
Cost		
At beginning of the year	-	-
Additions during the year	85,174	-
At end of the year	85,174	-
Less: Accumulated depreciation		
At beginning of the year	-	-
Charge for the year	24,842	-
At end of the year	24,842	-
Carrying amount	60,332	-

**NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

5. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2023	2022
	S\$	S\$
Deposits	11,980	6,450
Prepayments	40,479	7,542
Grant receivable from Singapore Totalisator Board - Enhanced Fund-Raising Programme	11,794	9,176
Grant receivable from Government - Enhanced Fund-Raising Programme	17,690	13,764
Interest receivable	33,859	433
Other receivable	-	3,500
	<u>115,802</u>	<u>40,865</u>

Tote Board's Fund-Raising Programme serves as a catalyst to encourage the community to better meet the needs of the underserved in the community. In financial year 2020, to help charities during the difficult Covid-19 period, Tote Board and the Government provided joint support through Enhanced Fund-Raising Programme at a dollar-for-dollar matching up to S\$250,000. The joint support from Tote Board and the Government has been extended to 31 March 2025.

6. CASH AND BANK BALANCES

	2023	2022
	S\$	S\$
Fixed deposits	1,559,323	405,319
Bank balances	<u>843,292</u>	<u>1,417,874</u>
Cash and bank balances	2,402,615	1,823,193
Less: Fixed deposits mature more than 3 months	<u>(1,559,323)</u>	<u>(405,319)</u>
	<u>843,292</u>	<u>1,417,874</u>
Cash and cash equivalents as presented in the statement of cash flows	<u>843,292</u>	<u>1,417,874</u>

The fixed deposits are re-priced for a period between 3 to 12 months (2022: 12 months) which earn interest ranging at 0.2% to 3.9% (2022: 0.35%) per annum.

**NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

7. DEFERRED CAPITAL GRANTS

	2023 S\$	2022 S\$
Balance at beginning of year	-	-
Receipts during the year	30,672	-
	<hr/>	<hr/>
	30,672	-
Less: Amortisation	-	-
	<hr/>	<hr/>
Balance at end of year	30,672	-
	<hr/>	<hr/>

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

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

8. LEASES

The Foundation as a lessee

The Foundation has a lease contract for its leasehold office premises. The Foundation's obligations under these leases are secured by the lessor's title to the leased asset. The Foundation is restricted from assigning and subleasing its leased asset.

a) Lease liability

The carrying amounts of lease liability and the movements during the year are as below:-

	1 January		Non-cash changes			31 December
	2023	Addition	Cash	Accretion	Reclassification	2023
	S\$	S\$	flows	of Interest	S\$	S\$
			S\$	S\$		
Lease liability:-						
- Current	-	85,174	(25,500)	2,092	(18,883)	42,883
- Non-current	-	-	-	-	18,883	18,883
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	85,174	(25,500)	2,092	-	61,766
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

(b) Amount recognised in profit or loss

	2023 S\$	2022 S\$
Depreciation of right-of-use assets	24,842	-
Interest expense on lease liability	2,092	-
Short-term lease	15,473	34,725
	<hr/>	<hr/>
Total amount recognised in profit or loss	42,407	34,725
	<hr/>	<hr/>

**NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

8. LEASES (Continued)

The Foundation as a lessee (Continued)

(c) Total cash outflows

The Foundation had total cash outflows for leases of S\$40,973 (2022: S\$34,725).

(d) Lease options

The Foundation's lease contract includes extension options.

9. JUVENILE ARTHRITIS FUND

The Juvenile Arthritis Fund was established in year 2017 for the funding received from CapitaLand Hope Foundation. The fund is set up for providing financial assistance to help underprivileged children suffering from juvenile idiopathic arthritis (JIA) to defray their medical treatment costs and creating awareness and educating the patients and their families as well as the public on JIA.

10. PRESIDENT'S CHALLENGE FUND

The President's Challenge Fund is established for the funding received from President's Challenge 2022 (PC2022). The fund is set up for the purpose of financing the NAF Arthritis Rehabilitation Centre. The total amount allocated for the fund is S\$237,500 in which the Foundation had received 30% disbursement from PC2022 in year 2022. The remaining 70% was received during the year. All funding must be utilised within 3 years after receiving the first disbursement for the purpose approved.

11. PATIENT SUBSIDY CARE FUND

The Patient Subsidy Care Fund is designated to subsidise the medical and related costs of financially needy Singapore citizens and permanent residents who are stricken with arthritis.

12. INCOME

	2023	2022
	S\$	S\$
Donations - tax exempt	82,538	28,058
Donations - non-tax exempt	52,874	1,760
Donations in kind	5,323	25,968
Membership fee	2,465	1,340
President's Challenge 2022	166,250	71,250
	<u>309,450</u>	<u>128,376</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

13. CHARITY GOLF

	2023 S\$	2022 S\$
Income		
Donation - tax exempt	-	187,030
Donation - non-tax exempt	-	2,989
Grant - Singapore Totalisator Board	-	142,217
	<u>-</u>	<u>332,236</u>

14. CYCLING FUNDRAISER

Income		
Grant - Singapore Totalisator Board	-	139,651
	<u>-</u>	<u>139,651</u>

15. MOOVE FOR HOPE

Income		
Donation - tax exempt	-	32,290
Donation - non-tax exempt	-	14,547
Grant - Singapore Totalisator Board	-	22,940
	<u>-</u>	<u>69,777</u>

16. CHARITY DRAW

Income		
Donation - non-tax exempt	104,721	-
Grant - Singapore Totalisator Board	104,721	-
	<u>209,442</u>	<u>-</u>

Charity Draw donations are all non-tax exempt as these are income derived from sales of charity draw tickets at Singapore Pools' retail outlets around the island.

17. YOU CAN HELP SOOTHE THE PAIN 2022

Income		
Donation - tax exempt	27,802	-
Donation - non-tax exempt	2,888	-
Grant - Singapore Totalisator Board	29,484	-
	<u>60,174</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

18. ARTHRITIS AFFLICTS YOUNG AND OLD VIA GIVING.SG FY 21

	2023	2022
	S\$	S\$
Income		
Grant - Singapore Totalisator Board	1,005	-
	<u>1,005</u>	<u>-</u>

19. ARTHRITIS AFFLICTS YOUNG AND OLD VIA GIVING.SG FY 22

	2023	2022
	S\$	S\$
Income		
Donation - tax exempt	14,130	-
Donation - non-tax exempt	4,080	-
Grant - Singapore Totalisator Board	19,622	-
	<u>37,832</u>	<u>-</u>

20. GALA DINNER 2023

Income		
Donation - tax exempt	245,556	-
Donation - non-tax exempt	29,712	-
Grant - Singapore Totalisator Board	250,000	-
	<u>525,268</u>	<u>-</u>

21. YOU CAN HELP SOOTHE THE PAIN 2023

Income		
Donation - tax exempt	1,560	-
Donation - non-tax exempt	81	-
	<u>1,641</u>	<u>-</u>

22. GOVERNMENT GRANTS

Wage credit scheme	-	688
Paternity leave and childcare leave claim	415	-
SG United traineeship allowance	-	8,183
IT grant	-	747
Shared service grant	-	1,809
	<u>415</u>	<u>11,427</u>

NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

23. OTHER EXPENDITURES

	2023	2022
	S\$	S\$
Accountancy fee	5,794	4,650
Administrative fee	-	6,292
Audit fee	6,462	5,315
Bank charges	1,156	790
Casual labour	5,981	10,666
Cleaning expense	20	30
Community Chest Fund's expenses	-	700
Courier expenses	253	2,133
Depreciation of plant and equipment	1,060	3,321
Depreciation of right-of-use assets	24,842	-
Ex-gratia	-	8,140
General expenses	617	874
Insurance	3,275	1,572
Interest expense on lease liability	2,092	-
Internet and telephone	3,160	3,202
Office expenses	559	82
Office rental	15,473	34,725
Postage and direct mailers' charges (Note i)	51,087	50
Printing and stationery (Note ii)	13,914	1,201
Refreshments	2,101	3,539
Repair and maintenance	11	198
Salary and related costs (Note 24)	333,646	236,643
Stamp duty	328	-
Subscription fee	664	12
Subscription fee - iShine	3,072	3,208
Transport	288	269
Water and electricity	662	450
	<u>476,517</u>	<u>328,062</u>

Note i) Costs incurred for a disease awareness and donation appeal exercise done via a direct mail that was inserted into Singapore Power (SP) bill statements and mailed to households that receive SP monthly statements.

Note ii) Costs incurred for printing the direct mail for disease awareness and donation appeal exercise (refer to postage and direct mailers' charges).

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

24. SALARY AND RELATED COSTS

	2023 S\$	2022 S\$
Salary and other short term compensation:-		
- Key management personnel (Note 26)	122,400	123,500
- Other staff	126,631	78,335
	249,031	201,835
CPF contribution:-		
- Key management personnel (Note 26)	16,439	13,855
- Other staff	24,388	14,671
	40,827	28,526
Other short term benefits:-		
- Key management personnel (Note 26)	27,100	3,650
- Other staff	16,688	2,632
	43,788	6,282
	<u>333,646</u>	<u>236,643</u>

The Foundation has paid one (2022: one) staff with annual remuneration above S\$100,000.

25. TAXATION

The Foundation as a Charity institution is exempted from income tax under section 13(1)(zm) of the Income Tax Act 1947 subject to the compliance with the relevant provisions in the Income Tax Act.

During the year, the Foundation received tax deductible donation amounted to S\$371,586 (2022: S\$247,378).

26. RELATED PARTY TRANSACTIONS

- (i) The Foundation does not remunerate The Board members for their services rendered to the Foundation.
- (ii) During the year, donations received (fund raising events) of S\$68,639 (2022: S\$34,000) are derived from The Board and Executive Director.
- (iii) Key management personnel compensation (Note 24).

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

27. FINANCIAL RISK MANAGEMENT

Financial Risk Management Objectives and Policies

The Foundation's financial risk comprises credit risk, interest rate risks, foreign currency risk and liquidity risk which are managed and monitored by The Board.

Credit Risk

The Foundation has no significant concentration of credit risk. Cash is placed with established financial institutions.

Interest Rate Risk

The Foundation is exposed to market risk for changes in interest rates relates primarily to its holding of fixed deposits as disclosed in Note 6 to the financial statements. The Foundation's policy is to obtain the most favourable interest rates available.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD fixed deposit interest rates had been 60 (2022: 60) basis points higher/lower with all other variables held constant, the Foundation's net surplus would have been S\$9,300 (2022: S\$2,430) higher/lower.

Foreign Currency Risk

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

Liquidity Risk

The Board manages the liquidity prudently and aims at maintaining an adequate level of liquidity. The Foundation has sufficient funds to finance its ongoing working capital requirements.

The following table details the remaining contractual maturities at the end of the reporting period of the Foundation's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date that the Foundation required to pay:-

	2023			
	Carrying amount S\$	Total contractual undiscounted cash flow S\$	Within 12 months or on demand S\$	Between 2 to 5 years S\$
Accruals	5,800	5,800	5,800	-
Other payables	985	985	985	-
Lease liability	61,766	63,856	44,811	19,045
	68,551	70,641	51,596	19,045

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

27. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity Risk (Continued)

	2022			
	Carrying amount S\$	Total contractual undiscounted cash flow S\$	Within 12 months or on demand S\$	Between 2 to 5 years S\$
Accruals	6,347	6,347	6,347	-
Other payables	5,574	5,574	5,574	-
	<u>11,921</u>	<u>11,921</u>	<u>11,921</u>	<u>-</u>

28. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2023 S\$	2022 S\$
Assets		
Amortised cost:-		
Other receivables	63,343	26,873
Deposits	11,980	6,450
Cash and bank balances	<u>2,402,615</u>	<u>1,823,193</u>
Total financial assets	<u>2,477,938</u>	<u>1,856,516</u>
Liabilities		
<u>Financial liabilities</u>		
At amortised cost:-		
Accruals	5,800	6,347
Other payables	985	5,574
Lease liability	<u>61,766</u>	<u>-</u>
Total financial liabilities	<u>68,551</u>	<u>11,921</u>

29. FAIR VALUES

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

**NATIONAL ARTHRITIS FOUNDATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

30. FUNDS MANAGEMENT

The Board reviews and manages the funds and reserves regularly to safeguard its assets and to ensure that the Foundation will be able to continue as a going concern and fulfill its objectives and services to the community. There have been no changes to the Foundation's approach to fund management during both of the financial years.

31. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2024. The Board expects that adoption of these accounting standards or interpretations will have no material impact on financial statements.