

LAW SOCIETY PRO BONO SERVICES

[UEN. 201700430E]

[A company limited by guarantee and not having
share capital]

[Incorporated in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

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Fiducia LLP

[UEN. T10LL0955L]

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the member together with the audited financial statements of Law Society Pro Bono Services (the "Company") for the financial year ended 31 March 2021.

In the opinion of the directors,

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

Directors

The directors of the Company in office at the date of this statement are as follows:

Gregory Vijayendran Ganesamoorthy
Wong Weng Wah Kelvin
Seah Zhen Wei, Paul
Arfat Beebee Binte Noor Mohamed Abdul Latiff Mrs Arfat Selvam
Dinesh Singh Dhillon
Derek Kang Yu Hsien
Narayanan Sreenivasan
Sunil Sudheesan
Tan Cheow Hung
Tan Gim Hai Adrian
Thio Shen Yi

Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.


Other matters

As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.


Independent auditor

The independent auditor, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,



Gregory Vijayendran Ganesamoorthy
Chairman



Seah Zhen Wei, Paul
Treasurer

Singapore, **11 AUG 2021**

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Independent auditor's report to the members of:

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Law Society Pro Bono Services (the "Company"), which comprise the statement of financial position as at 31 March 2021, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 March 2021 and of the financial performance, changes in funds and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Matters

The financial statements of the Company for the financial year ended 31 March 2020 were audited by a firm of auditor other than Messrs. Fiducia LLP who expressed an unmodified opinion on those statements on 6 August 2020.

Other Information

Management is responsible for the other information. The other information comprises the Director's Statement (as set out on page 2), but does not include the financial statements and our auditor's report thereon which we obtained prior to the date of this auditor's report, and the annual report, which we 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.

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Other Information (Cont'd)

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.

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

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

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

Those charged with governance comprises the directors. Their responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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.

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

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

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

We communicate with 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.

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Report on Other Legal and Regulatory Requirements

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

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

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



Fiducia LLP

Public Accountants and
Chartered Accountants

Singapore, **11 AUG 2021**

Partner-in-charge: Gan Chek Huat
PAB No.: 01939

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Note	2021			2020		
		Unrestricted fund	Restricted funds	Total	Unrestricted fund	Restricted funds	Total
		S\$	S\$	S\$	S\$	S\$	S\$
INCOME							
Contributions							
Government grants		501,272	597,494	1,098,766	716,620	414,380	1,131,000
CLAS Co-Payment collection	6	1,267,972	1,253,163	2,521,135	827,230	1,045,425	1,872,655
CLAS Training Programme fee		0	67,489	67,489	0	69,979	69,979
Other income	7	0	0	0	0	8,865	8,865
Amortisation of deferred grants	13	92,797	13,834	106,631	73,290	150,490	223,780
		155,553	0	155,553	191,834	3,648	195,482
Total income		2,017,594	1,931,980	3,949,574	1,808,974	1,692,787	3,501,761
LESS: EXPENDITURE							
Interest on lease liabilities	17	2,186	20,927	23,113	11,550	0	11,550
Committee activities and projects	8	52,006	418,337	470,343	29,706	488,212	517,918
Administrative expenses	9	63,427	425,973	489,400	478,868	138,303	617,171
Personnel costs	10	734,214	2,181,081	2,915,295	1,024,292	1,486,177	2,510,469
Total expenditure		851,833	3,046,318	3,898,151	1,544,416	2,112,692	3,657,108
Net surplus/(deficit), representing total comprehensive income		1,165,761	(1,114,338)	51,423	264,558	(419,905)	(155,347)

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2021

	Note	2021 S\$	2020 S\$
ASSETS			
Current assets			
Cash and cash equivalents	11	4,421,582	3,940,421
Trade and other receivables	12	188,277	307,020
Contract assets	4	223,720	194,020
Deferred expenditure	13	48,424	93,116
		<u>4,882,003</u>	<u>4,534,577</u>
Non-current assets			
Property, plant and equipment	14	518,506	669,191
Intangible assets	15	100,166	133,459
		<u>618,672</u>	<u>802,650</u>
Total assets		<u>5,500,675</u>	<u>5,337,227</u>
LIABILITIES			
Current liabilities			
Trade and other payables	16	851,833	584,562
Contract liabilities	4	77,200	0
Lease liabilities	17	101,040	117,366
Deferred grants	13	149,736	262,014
		<u>1,179,809</u>	<u>963,942</u>
Non-current liability			
Lease liabilities	17	306,914	410,756
Total liabilities		<u>1,486,723</u>	<u>1,374,698</u>
NET ASSETS		<u>4,013,952</u>	<u>3,962,529</u>
FUNDS			
Unrestricted fund	18	3,302,478	3,400,240
Restricted funds	18	711,474	562,289
TOTAL FUNDS		<u>4,013,952</u>	<u>3,962,529</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

	Unrestricted fund	Restricted funds					Total unrestricted and restricted funds
		Criminal Legal Aid Scheme	Family Justice Support Scheme	Law Awareness fund	Bar Memorial Scholarship fund	Invictus fund	
	S\$	S\$	S\$	S\$	S\$	S\$	
2021							
Balance at beginning of financial year	3,400,240	542,283	0	8,668	11,338	0	3,962,529
Net surplus/(deficit), representing total comprehensive income	1,165,761	(894,756)	(73,396)	(244,031)	85,249	12,596	51,423
Transfer of funds	(1,263,523)	888,851	143,752	232,170	(1,250)	0	0
Balance at end of financial year	3,302,478	536,378	70,356	(3,193)	95,337	12,596	4,013,952
2020							
Balance at beginning of financial year	3,987,717	86,465	0	17,375	26,319	0	4,117,876
Net surplus/(deficit), representing total comprehensive income	264,558	(398,844)	0	(6,080)	(14,981)	0	(155,347)
Transfer of funds	(852,035)	854,662	0	(2,627)	0	0	0
Balance at end of financial year	3,400,240	542,283	0	8,668	11,338	0	3,962,529

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	2021 S\$	2020 S\$
Cash flows from operating activities			
Net surplus/(deficit) for the financial year		51,423	(155,347)
Adjustments for:			
- Depreciation of property, plant and equipment	14	171,863	168,924
- Amortisation of deferred grants	13	(155,553)	(195,482)
- Amortisation of deferred expenditure	13	44,692	8,998
- Amortisation of intangible assets	15	33,293	148,695
- Property, plant and equipment written off	9	871	61,061
- Interest income	7	(31,864)	(52,119)
- Interest on lease liabilities	17	23,113	11,550
- Waiver of honorariums and disbursements charged by lawyers	4	0	(150,470)
- Waiver of rental – COVID-19	17	(13,482)	0
- Grant income for State Courts – rental subsidy	17	(104,127)	(30,230)
Operating cash flows before changes in working capital		20,229	(184,420)
Changes in working capital			
- Trade and other receivables		89,043	69,018
- Deferred expenditure		0	(64,226)
- Trade and other payables		344,471	59,861
- Deferred grants		43,275	141,361
Net cash generated from operating activities		<u>497,018</u>	<u>21,594</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	14	(30,243)	(127,188)
Adjustment due to changes in lease agreement	14	1,312	0
Proceeds from disposal of property, plant and equipment		561	0
Purchase of intangible assets	15	0	(115,592)
Interest received		31,864	52,119
Net cash produced by/(used in) investing activities		<u>3,494</u>	<u>(190,661)</u>
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(17,165)	(70,139)
Interest paid		(2,186)	(11,550)
Net cash used in financing activities		<u>(19,351)</u>	<u>(81,689)</u>
Net increase/(decrease) in cash and cash equivalents		481,161	(250,756)
Cash and cash equivalents at beginning of financial year		<u>3,940,421</u>	<u>4,191,177</u>
Cash and cash equivalents at end of financial year	11	<u>4,421,582</u>	<u>3,940,421</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021**

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

1. General information

Law Society Pro Bono Services (the "Company") is incorporated in Singapore on 4 January 2017 to take over the operations of Pro Bono, Learning and Support Services (the "Division"), a division of The Law Society of Singapore with charity status as a going concern. The Division was deregistered as a charity with effect from 23 May 2018. The Company's registered office and principal place of activities is located at 1 Havelock Square, #B1-18 State Courts, Singapore 059724.

The Company was registered as a charity under the Charities Act, Chapter 37 on 31 March 2017 and has been accorded an Institutions of a Public Character ("IPC") status for the period from 31 March 2019 to 31 March 2022.

The Company is a public company limited by guarantee whereby its member undertakes to contribute to the assets of the Company, in the event of the Company being wound up while it is a member, or within one (1) year after he ceases to be a member, for payment of debts and liabilities of the Company contracted before he ceases to be a member, and of the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributories among themselves, such amount as may be required not exceeding S\$10 Singapore Dollars only.

The Company's sole member is The Law Society of Singapore (the "Law Society") whose members are lawyers in Singapore.

The principal activities of the Company is to coordinate and administer all pro bono initiatives of the Law Society, including the Company's General fund ("General Fund"), Criminal Legal Aid Scheme ("CLAS"), Family Justice Support Scheme ("FJSS"), Law Awareness Fund and Bar Memorial Scholarship Fund ("BMSF"). The purpose of the Company is to implement the Law Society's vision and initiatives as to the provision of pro bono legal services in Singapore.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ("FRSs") and the disclosure requirements of the Charities Act, Chapter 37 and Regulations. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

These financial statements are presented in Singapore Dollar (S\$), which is the Company's functional currency.

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.1 Interpretations and amendments to published standards effective in 2020

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

Except for the adoption of amendment to FRS 116 Leases as described below, the adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Company's accounting policies and had no material effect on the amounts reported for the current or prior financial year.

Early adoption of Amendments to FRS 116 Leases – COVID-19 Related Rent Concessions

The Company has elected to early adopt the amendments to FRS 116 which introduced a practical expedient for a lessee to elect not to assess whether a rent concession is a lease modification, if all the following conditions are met:

- (a) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (b) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (c) there is no substantive change to other terms and conditions of the lease.

The Company has elected to apply this practical expedient to all property leases. As a result of applying the practical expedient, rent concessions of S\$13,482 was recognised as negative variable lease payments in the statement of comprehensive income during the year.

2.1.2 Standards issued but not yet effective

The Company has not adopted the following relevant new/revised FRS, INT FRS and amendments to FRSs that were issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to:	
- FRS 109, FRS 39, FRS 107, FRS 104 and FRS 116 Interest Rate Benchmark Reform - Phase 2	1 January 2021
- FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
- FRS 103 Reference to the Conceptual Framework	1 January 2022
- FRS 37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
- FRS 1 Classification of Liabilities as Current or Non-current	1 January 2023
- FRS 110 and FRS Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined
Annual Improvements to FRSs 2018-2020	1 January 2022

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.2 Standards issued but not yet effective (Cont'd)

The directors expect that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the year of initial application.

2.2 Income recognition

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

Income is recognised when a Company satisfies a performance obligation by transferring a promised good and 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 income recognised is the amount allocated to the satisfied performance obligation.

Income is recognised as follows:

2.2.1 CLAS Fellowship sponsorships

CLAS Fellowship sponsorships is recognised over the period the sponsorship relates.

2.2.2 CLAS Co-Payment collection

CLAS Co-Payment collection is recognised when service is rendered.

2.2.3 Fund-raising event, conference fees and CLAS Training programme fees

Fund-raising event, conference fees and CLAS Training programme fees are recognised when the event is held.

2.2.4 Donations

Donations are recognised when received in cash or the right to receive payment is established.

2.2.5 Interest income

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

2.2.6 Other income

Other income is recognised when received.

2. Significant accounting policies (Cont'd)

2.3 Government grants

Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised in deferred grant on the statement of financial position and amortised to statement of comprehensive income over the expected useful life of the relevant asset by equal annual instalments.

When the grant related to expenditure item, it is recognised in statement of comprehensive income over the period necessary to match them on a systematic basis to the expenditure that it is intended to compensate.

2.4 Expenditure recognition

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.5 Employee benefits

2.5.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contributions have been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

2.5.2 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.6 Leases

The Company 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 a lessee

The Company applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets. For these exempted leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

2. Significant accounting policies (Cont'd)

2.6 Leases (Cont'd)

As a lessee (Cont'd)

2.6.1 Right-of-use assets

The Company 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, and lease payments made at or before the commencement date less any lease incentives received. 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 transfers to the Company 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 2.11. The Company's right-of-use assets are presented within property, plant and equipment as disclosed in Note 14.

2.6.2 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities 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. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. 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 Company 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.

The Company's lease liabilities are disclosed in Note 17.

The Company has applied the amendment to FRS 116 Leases: Covid-19-Related Rent Concessions. The Company applies the practical expedient allowing it not to assess whether a rent concession related to COVID-19 is a lease modification. The Company applies the practical expedient consistently to contracts with similar characteristics and in similar circumstances. For rent concessions in leases to which the Company chooses not to apply the practical expedient, or that do not qualify for the practical expedient, the Company assesses whether there is a lease modification.

2. Significant accounting policies (Cont'd)

2.6 Leases (Cont'd)

As a lessee (Cont'd)

2.6.3 Short-term leases and leases of low-value assets

The Company has elected to not recognise right-of-use assets and lease liabilities for short term leases that have lease term of 12 months or less and leases of low value leases, except for sublet arrangements. Lease payments relating to these leases are expensed to the statement of comprehensive income on a straight-line basis over the lease term. The Company's short-term lease is lodged in repair and maintenance under administrative expenses disclosed in Note 9.

2.6.4 Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Company shall recognise those lease payments in the statement of comprehensive income in the periods that triggered those lease payments.

2.7 Financial assets

2.7.1 Classification and measurement

The Company classifies its financial assets as at amortised cost.

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Company reclassifies debt instruments when and only when its business model for managing those assets changes.

At initial recognition

At initial recognition, the Company measures a financial assets 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 statement of comprehensive income.

At subsequent measurement

Debt instruments of the Company mainly comprise of cash and cash equivalents and trade and other receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristic of the assets. The Company managed these group of financial assets by collecting the contractual cash flow and these cash flows represented solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

2. Significant accounting policies (Cont'd)

2.7 Financial assets (Cont'd)

2.7.1 Classification and measurement (Cont'd)

At subsequent measurement (Cont'd)

A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in the statement of financial activities when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.

2.7.2 Impairment

The Company assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

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

For cash and cash equivalents and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.7.3 Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in statement of comprehensive income. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to statement of comprehensive income.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2. Significant accounting policies (Cont'd)

2.9 Property, plant and equipment

2.9.1 Measurement

Property, plant and equipment are initially recorded at cost. Subsequent to initial recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

2.9.2 Depreciation

Depreciation is calculated on a straight-line basis to write off the depreciable amounts of property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	<u>Years</u>
Computer	5
Office equipment	5
Renovation	3 to 5
Air-conditioners	3 to 5
Right-of-use assets	Over the remaining lease term

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in statement of comprehensive income when the changes arise.

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

2.9.3 Subsequent expenditure

Subsequent expenditure relating to plant and equipment that have already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as "repair and maintenance expenses" in the statement of comprehensive income during the financial year in which it is incurred.

2.9.4 Disposal

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to statement of comprehensive income.

2. Significant accounting policies (Cont'd)

2.10 Intangible assets

Computer software development costs are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct expenditure, which enhances or extends the performance of computer software beyond its original specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Computer software development costs and acquired computer software licences are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives of 5 years.

The amortisation period and amortisation method of intangible assets are reviewed at least at each reporting date. The effects of any revision are recognised in statement of comprehensive income when the changes arise.

2.11 Impairment of non-financial assets

Non-financial assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the statement of comprehensive income.

An impairment loss for an asset is reversed only if, and 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. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

2.12 Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in statement of comprehensive income. Financial liabilities include "Trade and other payables" and "Lease liabilities" in the statement of financial position.

2. Significant accounting policies (Cont'd)

2.12 Financial liabilities (Cont'd)

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in statement of comprehensive income.

2.13 Trade and other payables

Trade payables represent liabilities for goods and services provided to the Company prior to the end of financial year, which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Other payables excluding accruals, are recognised at their transaction price, excluding transaction cost, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of comprehensive income as incurred. Accruals are recognised at the best estimate of the amount payable.

2.14 Provisions for other liabilities and charges

Provisions are recognised when the Company has a legal or constructive obligation as a result of past events, and 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. Where the Company expects a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

2.15 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in statement of comprehensive income in the period in which they are incurred.

2.16 Borrowings

Borrowings are initially recognised at their fair values (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and their redemption values is recognised in the income statement over the period of borrowings using the effective interest method.

Borrowings, which are due to be settled within twelve months after the reporting date, are included in current borrowings in the statement of financial position.

2. Significant accounting policies (Cont'd)

2.17 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Board of Directors. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Board of Directors retains full control over the use of unrestricted funds for any of the Company's purposes.

2.18 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.19 Events after the reporting period

Events after the reporting period that provide additional information about the Company's position at the reporting period (adjusting events) are reflected in the financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The Management is of the opinion that there are no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Critical judgements in applying the entity's accounting policies

The key critical judgement in applying the entity's accounting policies concerning the future at the reporting date, that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is discussed below.

Government grants

Government grants to meet operating expenses are recognised as income in statement of financial activities on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Company will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Company if the conditions are not met.

4. Revenue from contracts with customers

(a) Disaggregation of revenue from contracts with customers:

	2021 S\$	2020 S\$
Revenue from:		
CLAS Co-payment collection	67,489	69,979
CLAS Training programme fee	0	8,865
Contributions		
- Annual pledges and firms	155,000	105,000
- CLAS Fellowship	485,171	382,500
- Donations received	419,056	71,837
- Fund raising event	2,256	445,972
- Honorarium donations from others	27,708	99,061
- Honorarium donations to CLAS	9,575	19,130
- The Law Society of Singapore (Annual Contribution)	0	7,500
Other income	0	150,470
	<u>1,166,255</u>	<u>1,360,314</u>
 Timing of transfer of services		
- At a point in time	1,098,766	1,281,470
- Over time	67,489	78,844
	<u>1,166,255</u>	<u>1,360,314</u>

(b) Contract assets and contract liabilities

	2021 S\$	2020 S\$
Contract assets	223,720	194,020
Contract liabilities	<u>77,200</u>	<u>0</u>

Contract assets relate to the Company's rights to consideration for services performed for CLAS cases not billed at the reporting date. Contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Ministry of Law acknowledges the claims.

Contract liabilities pertains to advanced receipt of donations related to Just Laugh and Run for Justice fundraising events to be held subsequent to the financial year-end. Revenue will be recognised when the events are held.

Significant changes in the contract assets balances are explained as follows:

	2021 S\$	2020 S\$
Contract assets reclassified to trade receivables	194,020	125,000
Services performed but not billed	<u>223,720</u>	<u>134,000</u>

5. Tax-deductible donations

	2021 S\$	2020 S\$
Tax-deductible donations received from:		
- The Law Society of Singapore	0	7,500
- Law firms under the CLAS fellowship scheme	196,250	530,000
- Others	786,272	567,243
	<u>982,522</u>	<u>1,104,743</u>

During the financial year, the Company issued tax-deductible receipts, for donations totalling S\$952,072 (2020: S\$1,107,992) pursuant to its Institutions of a Public Character ("IPC") status.

6. Government grants

	2021 S\$	2020 S\$
Bicentennial Community Fund	400,000	0
Jobs Support Scheme	367,211	0
Ministry of Law		
- Secretariat Grant	500,000	500,000
- CLAS Cases Grant	711,000	818,000
- CLAS Advocates Grant	275,545	227,425
- Grant for rental at State Courts	104,127	30,230
NCSS		
- Care and Share	0	297,000
- Invictus fund	50,000	0
- Other grants	25,437	0
Tote Board - funding for FJSS	77,261	0
Other grants	10,554	0
	<u>2,521,135</u>	<u>1,872,655</u>

7. Other income

	2021 S\$	2020 S\$
Interest income	31,864	52,119
Donations by lawyers of honorariums and expenses	0	150,470
Waiver of rental - COVID-19	13,482	0
Miscellaneous income	61,285	21,191
	<u>106,631</u>	<u>223,780</u>

8. Committee activities and projects

	2021 S\$	2020 S\$
Ad Hoc Pro Bono referral scheme	36,350	4,521
Advocates for the Arts	0	3,648
Bar Memorial Scholarship	15,000	15,000
CLAS Criminal Law Training Programme	0	718
Community Legal Clinics	1,921	1,858
Disbursement charged by assigned lawyers	54,010	31,437
Disbursement specialist report	42,878	58,990
Enhanced CLAS (Honorarium)	299,783	368,471
Fund raising expenses	12,582	10,861
Interpretation/ translation fee	2,873	3,083
Law Awareness Projects	3,943	6,009
Meeting expenses	549	2,606
Online Legal Awareness Project	400	0
Volunteer engagement/ recognition/ training	54	10,716
	<u>470,343</u>	<u>517,918</u>

9. Administrative expenses

	Note	2021 S\$	2020 S\$
Amortisation of intangible assets	15	33,293	148,695
Auditor's remuneration – external		14,377	9,609
Accounting expenses – internal		510	509
Bank charges		871	1,858
Business continuity		4,127	0
Consultancy services		3,000	0
Corporate secretariat expenses		14,068	14,088
Depreciation of property, plant and equipment	14	173,175	168,924
Internal audit		9,630	5,350
IT expenses		180,043	118,054
Marketing communications		7,820	7,895
Miscellaneous		119	0
Moving/ relocation costs		0	6,065
Office insurance		7,633	8,458
Pantry supplies		236	2,770
Photocopier metered charges and paper costs		1,476	3,157
Postages		289	1,208
Printing and stationery		2,039	2,264
Property, plant and equipment written off		871	61,062
Publication		136	407
Operating lease - rental of equipment		0	9,630
Repair and maintenance		14,360	14,480
Resource library		2,630	7,619
Security		0	245
Storage		1,474	1,558
Telephone and facsimile charges		15,464	11,268
Utilities		1,759	11,998
		<u>489,400</u>	<u>617,171</u>

10. Personnel costs

	2021 S\$	2020 S\$
Employer's central provident fund contributions ("CPF")	280,378	226,089
Skills development levy	3,151	2,584
CLAS Advocates and Fellows expenses	22,187	29,457
Conferences/ study trips	24	16,585
HR services	44,151	6,648
Salaries and bonuses	2,487,160	2,162,682
Staff allowance and transport	1,385	3,977
Staff medical fees and group hospital insurance	41,544	34,808
Staff training	8,335	16,932
Staff welfare	11,971	10,310
Temporary staff	15,009	397
	<u>2,915,295</u>	<u>2,510,469</u>

11. Cash and cash equivalents

2021	General fund S\$	CLAS S\$	FJSS S\$	Law Awareness S\$	BMSF S\$	Total S\$
Cash at banks	700,298	790,185	10,000	5,138	95,337	1,600,958
Fixed deposits	2,820,624	0	0	0	0	2,820,624
	<u>3,520,922</u>	<u>790,185</u>	<u>10,000</u>	<u>5,138</u>	<u>95,337</u>	<u>4,421,582</u>

2020	General fund S\$	CLAS S\$	Law Awareness S\$	BMSF S\$	Total S\$
Cash at banks	543,241	602,252	8,984	11,338	1,165,815
Fixed deposits	2,774,606	0	0	0	2,774,606
	<u>3,317,847</u>	<u>602,252</u>	<u>8,984</u>	<u>11,338</u>	<u>3,940,421</u>

The fixed deposits mature within 1 to 4 months (2020: 1 to 4 months) from the financial year-end and earn interest at rate of 0.5% to 2.0% (2020: 1.7% to 2.0%) per annum.

At the reporting date, the carrying amount of cash and cash equivalents approximate their fair values.

12. Trade and other receivables

	General fund S\$	CLAS S\$	FJSS S\$	Total S\$
2021				
Other receivables				
- Grant receivables				
- FJSS Tote Board	0	0	77,261	77,261
- Jobs Support Scheme	39,466	0	0	39,466
- NCSS	23,464	0	0	23,464
- Interest receivables	12,133	0	0	12,133
- Prepayments	11,330	5,719	0	17,049
- Sundry receivables - others	5,554	13,350	0	18,904
	<u>91,947</u>	<u>19,069</u>	<u>77,261</u>	<u>188,277</u>
2020				
Trade receivables				
- Third parties		0	98,000	98,000
- Related party – The Law Society of Singapore	514	0		514
	<u>514</u>	<u>98,000</u>		<u>98,514</u>
Other receivables				
- Grant receivables - Jobs Support Scheme	144,038	0		144,038
- Interest receivables	26,287	0		26,287
- Prepayments	11,141	4,137		15,278
- Sundry deposits	22,703	200		22,903
	<u>204,683</u>	<u>102,337</u>		<u>307,020</u>

Trade receivables are non-interest bearing and are generally on 14 days (2020: 14 days) terms. They are recognised at their original invoice amounts, which represent their fair values on initial recognition.

The trade receivable with The Law Society of Singapore represents fees for services rendered to The Law Society of Singapore during the financial year.

Receivable from Tote Board pertains to its funding support to the Family Justice Support Scheme programme of the Company.

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees (Singapore citizens and Permanent Residents) during this period of economic and pandemic uncertainty. JSS payouts are intended to offset local employees' wages and help protect their jobs.

Receivables from the National Council of Social Service pertains to the grants agreements related to Optimise HR Management Practices with High Impact Human Capital Strategy and Internal Audit Services projects of the Company.

At the reporting date, the carrying amounts of trade and other receivables approximate their fair values.

13. Deferred expenditure and deferred grants

	General fund S\$	Law Awareness Fund S\$	Total S\$
2021			
<u>Deferred expenditure</u>			
Balance at 1 April 2020	93,116	0	93,116
Amortisation	(44,692)	0	(44,692)
Balance at 31 March 2021	48,424	0	48,424
Just Laugh 2020	48,424	0	48,424
Deferred expenditure for projects to be completed:			
- Within 12 months – Current	48,424	0	48,424
<u>Deferred grants</u>			
Balance at 1 April 2020	262,014	0	262,014
Grant received from NCSS	43,275	0	43,275
Amortisation	(155,553)	0	(155,553)
Balance at 31 March 2021	149,736	0	149,736
Grants for projects to be completed:			
- Within 12 months – Current	149,736	0	149,736
2020			
<u>Deferred expenditure</u>			
Balance at 1 April 2019	34,240	3,648	37,888
Addition – NCSS projects	5,350	0	5,350
Addition – Just Laugh 2020	58,876	0	58,876
Amortisation	(5,350)	(3,648)	(8,998)
Balance at 31 March 2020	93,116	0	93,116
Just Laugh 2020	58,876	0	58,876
NCSS projects	34,240	0	34,240
	93,116	0	93,116
Deferred expenditure for projects to be completed:			
- Within 12 months – Current	93,116	0	93,116
<u>Deferred grants</u>			
Balance at 1 April 2019	316,135	0	316,135
Grant received from National Arts Council	0	3,648	3,648
Grant received from NCSS	996	0	996
Grant refundable to Singapore Tote Board	(7,321)	0	(7,321)
Addition – government grant for Jobs Support Scheme	144,038	0	144,038
Amortisation	(191,834)	(3,648)	(195,482)
Balance at 31 March 2020	262,014	0	262,014
Grants for projects to be completed:			
- Within 12 months – Current	262,014	0	262,014

13. Deferred expenditure and deferred grants (Cont'd)

Deferred grants are grants received from various statutory bodies for the implementation of the various projects undertaken by the Company. Such grants which have been received are not recognised in statement of comprehensive income as the projects have not been completed and the terms and conditions relating to the grants have not been met. Similarly, expenses incurred for such uncompleted projects are deferred and not recognised in statement of comprehensive income.

The deferred grant income – Jobs Support Scheme (JSS) will be recognised as a grant income, on a systematic basis, over the estimated 17 months of economic uncertainty until August 2021 in which the entity recognises the related salary costs.

When the projects are completed and the terms and conditions have been satisfied, the deferred grants received and deferred expenditure will be recognised in statement of comprehensive income.

14. Property, plant and equipment

	Computer S\$	Office equipment S\$	Renovation S\$	Air- conditioners S\$	Right-of-use assets S\$	Total S\$
Cost						
At 1 April 2019	97,160	25,521	319,510	70,538	0	512,729
Impact of FRS 116	0	0	0	0	123,816	123,816
At 1 April 2019, restated	97,160	25,521	319,510	70,538	123,816	636,545
Additions	41,530	0	85,658	0	524,363	651,551
Write-off	(17,564)	0	(307,695)	(70,538)	0	(395,797)
At 31 March 2020	121,126	25,521	97,473	0	648,179	892,299
Additions	13,107	7,788	2,354	0	6,994	30,243
Write-off	(28,986)	(3,832)	(1,433)	0	(123,816)	(158,067)
Adjustment due to changes in lease agreement	0	0	0	0	(2,624)	(2,624)
At 31 March 2021	105,247	29,477	98,394	0	528,733	761,851
Accumulated depreciation						
At 1 April 2019	87,249	11,380	234,358	55,933	0	388,920
Depreciation charge	5,394	3,932	31,722	4,172	123,704	168,924
Write-off	(17,564)	0	(257,067)	(60,105)	0	(334,736)
At 31 March 2020	75,079	15,312	9,013	0	123,704	223,108
Depreciation charge	12,376	4,329	23,379	0	131,779	171,863
Write-off	(28,986)	(2,789)	(1,044)	0	(120,119)	(152,938)
Adjustment due to changes in lease agreement	0	0	0	0	1,312	1,312
At 31 March 2021	58,469	16,852	31,348	0	136,676	243,345
Net carrying amount						
At 31 March 2020	46,047	10,209	88,460	0	524,475	669,191
At 31 March 2021	46,778	12,625	67,046	0	392,057	518,506

14. Property, plant and equipment (Cont'd)

	Computer S\$	Office equipment S\$	Renovation S\$	Air- conditioners S\$	Right-of-use assets S\$	Total S\$
Comprises:						
2020						
General fund	45,036	5,568	88,460	0	41,538	180,602
CLAS	1,011	4,641	0	0	482,937	488,589
	<u>46,047</u>	<u>10,209</u>	<u>88,460</u>	<u>0</u>	<u>524,475</u>	<u>669,191</u>
2021						
General fund	34,778	5,117	67,046	0	38,336	145,277
CLAS	0	3,049	0	0	353,721	356,770
FJSS	3,863	0	0	0	0	3,863
Invictus	8,137	4,459	0	0	0	12,596
	<u>46,778</u>	<u>12,625</u>	<u>67,046</u>	<u>0</u>	<u>392,057</u>	<u>518,506</u>

Assets acquired under leasing arrangements

Right-of-use assets acquired under leasing arrangements are premises under the category of "Right-of-use assets". Details of such leased assets are disclosed in Note 17.

During the financial year, the Company acquired a ticket machine with an aggregate cost of S\$6,994 (2020: S\$Nil) by means of a lease agreement. The cash outflow on acquisition of property, plant and equipment amounted to S\$30,243 (2020: S\$127,188).

15. Intangible assets

	Computer software development costs S\$	Computer software S\$	Total S\$
Cost			
At 1 April 2019	685,750	48,094	733,844
Additions	115,592	0	115,592
At 31 March 2020 and 31 March 2021	<u>801,342</u>	<u>48,094</u>	<u>849,436</u>
Accumulated amortisation			
At 1 April 2019	548,044	19,238	567,282
Amortisation charge	139,076	9,619	148,695
At 31 March 2020	687,120	28,857	715,977
Amortisation charge	23,674	9,619	33,293
At 31 March 2021	<u>710,794</u>	<u>38,476</u>	<u>749,270</u>
Net carrying amount			
At 31 March 2020	<u>114,222</u>	<u>19,237</u>	<u>133,459</u>
At 31 March 2021	<u>90,548</u>	<u>9,618</u>	<u>100,166</u>

15. Intangible assets (Cont'd)

	Computer software development costs S\$	Computer software S\$	Total S\$
Comprises:			
2020			
General fund	556	0	556
CLAS	113,666	19,237	132,903
	<u>114,222</u>	<u>19,237</u>	<u>133,459</u>
2021			
CLAS	<u>90,548</u>	<u>9,618</u>	<u>100,166</u>

The computer software development costs were mainly incurred for computerisation of General Pro Bono Services Office's workflows for implementation of a customer relationship management system.

16. Trade and other payables

	General fund S\$	CLAS S\$	FJSS S\$	Law Awareness fund S\$	Total S\$
2021					
Trade payables					
- Third parties	16,215	23,245	54	0	39,514
Other payables					
- Accrued operating expenses	225,655	481,295	20,714	8,331	735,995
- Advance receipts	0	75,000	0	0	75,000
- Law Society of Singapore	1,324	0	0	0	1,324
	<u>243,194</u>	<u>579,540</u>	<u>20,768</u>	<u>8,331</u>	<u>851,833</u>
2020					
Trade payables					
- Third parties		27,753	38,124	0	65,877
Other payables					
- Accrued operating expenses		62,167	284,952	316	347,435
- Advance receipts		0	171,250	0	171,250
		<u>89,920</u>	<u>494,326</u>	<u>316</u>	<u>584,562</u>

Trade payables are unsecured, non-interest bearing and are normally settled in 14 days' (2020: 14 days) term.

Advance receipts are donations received in advance from law firms under CLAS Fellowship Scheme.

Non-trade amount due to related party consist of overpayment received from contributions by the Law Society of Singapore.

17. Lease liabilities

	2021 S\$	2020 S\$
Current	101,040	117,366
Non-current	306,914	410,756
	<u>407,954</u>	<u>528,122</u>

The carrying amount of right-of-use assets classified within property, plant and equipment in the statement of financial position are as follows:

	General fund S\$	CLAS S\$	Total S\$
2021			
Lease of premises	0	353,721	353,721
Lease of equipment	38,336	0	38,336
	<u>38,336</u>	<u>353,721</u>	<u>392,057</u>
2020			
Lease of premises	0	482,937	482,937
Lease of equipment	41,538	0	41,538
	<u>41,538</u>	<u>482,937</u>	<u>524,475</u>

The Company's leasing activities comprise the following:

- i) The Company leases office premises, copier equipment and office equipment from non-related parties. The leases have an average tenure of between two to five years (2020: three to five years); and
- ii) In addition, in prior year, the Company leases certain office equipment with remaining contractual terms of less than one year. These leases are short-term. The Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

The amount recognised in statement of comprehensive income are as follows:

	2021 S\$	2020 S\$
Depreciation of right-of-use assets	133,091	123,704
Interest expense on lease liabilities	23,113	11,550
Lease expense not capitalised in lease liabilities:		
Operating lease expense - equipment	0	9,630
	<u>156,204</u>	<u>144,884</u>

17. Lease liabilities (Cont'd)

Total cash outflows:

During the financial year, the Company had total cash outflows for leases of S\$19,351 (2020: S\$91,319).

Reconciliation of movements of lease liabilities to cash flows arising from financing activities:

	1 April 2020 S\$	Cash flows S\$	Accretion of interests S\$	Non-cash changes				31 March 2021 S\$
				Adjustments S\$	Rental subsidy S\$	Rent concession S\$	Other S\$	
Liabilities								
- Current	117,366	(19,351)	23,113	(6,321)	(104,127)	(13,482)	103,842	101,040
- Non-current	410,756	0	0	0	0	0	(103,842)	306,914
	528,122	(19,351)	23,113	(6,321)	(104,127)	(13,482)	0	407,954

	1 April 2019 (As restated) S\$	Cash flows S\$	Accretion of interests S\$	Non-cash changes				31 March 2020 S\$
				Additions S\$	Rental subsidy S\$	Rent concession S\$	Other S\$	
Liabilities								
- Current	77,582	(81,689)	11,550	524,363	(30,230)	0	(384,210)	117,366
- Non-current	26,546	0	0	0	0	0	384,210	410,756
	104,128	(81,689)	11,550	524,363	(30,230)	0	0	528,122

As at 31 March 2021, the Company does not have any commitments for short-term lease.

18. Accumulated funds

18.1 Unrestricted funds

Accumulated general fund is expendable at the direction of the Board of Directors in furtherance of the Company's objectives.

The Company absorbed the expenditure of certain restricted funds by transferring funds from general fund to restricted funds amounting to S\$1,263,523 and S\$852,035 as of 31 March 2021 and 2020, respectively.

18.2 Restricted funds

Restricted funds are funds subject to specific trusts, which may be declared by the donor(s) or with their authority or created through legal process, but still within wider objectives of the Company.

Restricted funds comprise of:

18.2.1 Criminal Legal Aid Scheme

The Criminal Legal Aid Scheme fund is established to aid impecunious accused persons. This programme offers pro bono criminal defence representation for needy accused persons facing non-capital charges, regardless of nationality.

18.2.2 Family Justice Support Scheme

The Family Justice Support Scheme is established for the purpose of offering legal representation to litigants facing family law issues.

18.2.3 Law Awareness fund

The Law awareness fund is a fund established for the purpose of reaching out members of the public to increase understanding of how the law applies in their daily lives. This is implemented through free public legal education talks, webinars, seminars, exhibitions and information booklets.

18.2.4 Bar Memorial Scholarship fund

The scholarship fund is established for an annual award given to Singaporean candidates who have obtained admission to, or who are currently taking a course in subjects of study relating to law. Other than the financial needs of the students, the Company also considers their academic results and track record, testimonials and volunteering experience when awarding the scholarship.

18.2.5 Invictus fund

Invictus fund is received from National Council of Social Service to support the Company in maintaining service delivery and serving clients safely and effectively during the pandemic.

18. Accumulated funds

18.3 The respective funds are represented by the following assets and liabilities:

2021

ASSETS

	Note	Unrestricted fund		Restricted funds				Total S\$
		General fund S\$	CLAS S\$	FJSS S\$	Law Awareness fund S\$	BMSF S\$	Invictus fund S\$	
Current assets								
Cash and cash equivalents	11	3,520,922	790,185	10,000	5,138	95,337	0	4,421,582
Trade and other receivables	12	91,947	19,069	77,261	0	0	0	188,277
Contract assets	4	0	223,720	0	0	0	0	223,720
Deferred expenditure	13	48,424	0	0	0	0	0	48,424
		<u>3,661,293</u>	<u>1,032,974</u>	<u>87,261</u>	<u>5,138</u>	<u>95,337</u>	<u>0</u>	<u>4,882,003</u>

Non-current assets

Property, plant and equipment	14	145,277	356,770	3,863	0	0	12,596	518,506
Intangible assets	15	0	100,166	0	0	0	0	100,166
		<u>145,277</u>	<u>456,936</u>	<u>3,863</u>	<u>0</u>	<u>0</u>	<u>12,596</u>	<u>618,672</u>
Total assets		<u>3,806,570</u>	<u>1,489,910</u>	<u>91,124</u>	<u>5,138</u>	<u>95,337</u>	<u>12,596</u>	<u>5,500,675</u>

LIABILITIES

Current liabilities								
Trade and other payables	16	243,194	579,540	20,768	8,331	0	0	851,833
Contract liabilities	4	77,200	0	0	0	0	0	77,200
Lease liabilities	17	8,049	92,991	0	0	0	0	101,040
Deferred grants	13	149,736	0	0	0	0	0	149,736
		<u>478,179</u>	<u>672,531</u>	<u>20,768</u>	<u>8,331</u>	<u>0</u>	<u>0</u>	<u>1,179,809</u>

Non-current liability

Lease liabilities	17	25,913	281,001	0	0	0	0	306,914
		<u>504,092</u>	<u>953,532</u>	<u>20,768</u>	<u>8,331</u>	<u>0</u>	<u>0</u>	<u>1,486,723</u>
Total liabilities		<u>504,092</u>	<u>953,532</u>	<u>20,768</u>	<u>8,331</u>	<u>0</u>	<u>0</u>	<u>1,486,723</u>
Net assets		<u>3,302,478</u>	<u>536,378</u>	<u>70,356</u>	<u>(3,193)</u>	<u>95,337</u>	<u>12,596</u>	<u>4,013,952</u>

18. Accumulated funds (Cont'd)

18.3 The respective funds are represented by the following assets and liabilities (Cont'd):

		Unrestricted fund		Restricted funds			Total S\$
Note		General fund S\$	CLAS S\$	Law Awareness Fund S\$	BMSF S\$		
2020							
ASSETS							
<u>Current assets</u>							
Cash and cash equivalents	11	3,317,847	602,252	8,984	11,338	3,940,421	
Trade and other receivables	12	205,238	101,782	0	0	307,020	
Contract assets	4	0	194,020	0	0	194,020	
Deferred expenditure	13	93,116	0	0	0	93,116	
		<u>3,616,201</u>	<u>898,054</u>	<u>8,984</u>	<u>11,338</u>	<u>4,534,577</u>	
<u>Non-current assets</u>							
Property, plant and equipment	14	663,539	5,652	0	0	669,191	
Intangible assets	15	556	132,903	0	0	133,459	
		<u>664,095</u>	<u>138,555</u>	<u>0</u>	<u>0</u>	<u>802,650</u>	
Total assets		<u>4,280,296</u>	<u>1,036,609</u>	<u>8,984</u>	<u>11,338</u>	<u>5,337,227</u>	
LIABILITIES							
<u>Current liabilities</u>							
Trade and other payables	16	89,920	494,326	316	0	584,562	
Lease liabilities	17	117,366	0	0	0	117,366	
Deferred grants	13	262,014	0	0	0	262,014	
		<u>469,300</u>	<u>494,326</u>	<u>316</u>	<u>0</u>	<u>963,942</u>	
<u>Non-current liability</u>							
Lease liabilities	17	410,756	0	0	0	410,756	
Total liabilities		<u>880,056</u>	<u>494,326</u>	<u>316</u>	<u>0</u>	<u>1,374,698</u>	
Net assets		<u>3,400,240</u>	<u>542,283</u>	<u>8,668</u>	<u>11,338</u>	<u>3,962,529</u>	

18. Accumulated funds (Cont'd)

18.3 The income and expenditure of the respective funds are as follows:

	Unrestricted fund	Restricted funds					Total S\$
		General fund S\$	CLAS S\$	FJSS S\$	Awareness fund S\$	BMSF S\$	
2021							
Income							
Amortisation of deferred grants	155,553		0	0	0	0	155,553
Contribution from the Ministry of Law:							
- Operating costs	500,000						
- CLAS cases	0	711,000		0	0	0	500,000
- CLAS Advocates	0	275,545		0	0	0	711,000
- Grant for rental at State Courts	0	104,127		0	0	0	275,545
Contributions/donations received from others							
CLAS Fellowship	1,269,244	47,303		77,261	0	100,250	1,544,058
CLAS Co-payment collection	0	485,171		0	0	0	485,171
Interest income on fixed deposits	31,864	67,489		0	0	0	67,489
Other income	60,933	13,834		0	0	0	31,864
	2,017,594	1,704,469		77,261	0	100,250	74,767
							3,949,574
Less: Expenditure							
Ad Hoc Pro Bono Referral Scheme	36,350		0	0	0	0	36,350
Amortisation of intangible assets	0	33,293		0	0	0	33,293
Auditor's remuneration	14,377	0		0	0	0	14,377
Accounting expenses	510	0		0	0	0	510
Bank charges	225	225		0	420	1	871
Bar Memorial Scholarship	0	0		0	0	15,000	15,000
Business Continuity	3,638	0		324	0	0	4,127
Central Provident Fund and Skills Development Levy	155,926	98,449		16,434	12,720	0	283,529
Balance carried forward	211,026	131,967		16,758	13,140	15,001	388,057

18. Accumulated funds (Cont'd)

18.3 The income and expenditure of the respective funds are as follows (Cont'd):

	Unrestricted fund		Restricted funds					Total S\$
	General fund S\$	CLAS S\$	FJSS S\$	Law Awareness fund S\$	BMSF S\$	Invictus fund S\$		
2021 (Cont'd)								
Less: Expenditure (Cont'd)								
Balance brought forward	211,026	131,967	16,758	13,140	15,001	165	388,057	
CLAS Advocates and Fellows Expenses	0	22,187	0	0	0	0	22,187	
CLAS Advocates and Fellows Salaries with CPF	0	485,464	0	0	0	0	485,464	
Community legal clinics	1,921	0	0	0	0	0	1,921	
Conference/study trips	24	0	0	0	0	0	24	
Consultancy Services	3,000	0	0	0	0	0	3,000	
Corporate Admin Allocation Charge	(163,530)	126,275	12,000	25,255	0	0	0	
Corporate Personnel Allocation Charge	(716,935)	572,446	30,000	114,489	0	0	0	
Corporate secretariat expenses	14,068	0	0	0	0	0	14,068	
Depreciation of property, plant and equipment	73,166	98,245	203	0	0	1,561	173,175	
Disbursement charged by assigned lawyers	0	54,010	0	0	0	0	54,010	
Disbursement specialist report	251	42,627	0	0	0	0	42,878	
Enhanced CLAS (Honorarium)	0	299,783	0	0	0	0	299,783	
Finance charge	2,186	20,927	0	0	0	0	23,113	
Fund raising expenses	12,580	2	0	0	0	0	12,582	
HR services	44,151	0	0	0	0	0	44,151	
Internal audit	9,630	0	0	0	0	0	9,630	
Interpretations/translation fee	0	2,873	0	0	0	0	2,873	
IT services	75,338	98,742	0	0	0	5,963	180,043	
Law Awareness projects	0	0	0	3,943	0	0	3,943	
Marketing communications	4,884	70	0	920	0	1,946	7,820	
Meeting expenses	504	0	45	0	0	0	549	
Miscellaneous	119	0	0	0	0	0	119	
Online Legal Awareness Project	400	0	0	0	0	0	400	
Office Insurance	7,019	553	20	41	0	0	7,633	
Pantry supplies	236	0	0	0	0	0	236	
Photocopier metered charges and paper costs	1,476	0	0	0	0	0	1,476	
Postages	235	0	0	54	0	0	289	
Printing and stationery	1,771	4	0	4	0	260	2,039	
Balance carried forward	(416,480)	1,956,175	59,026	157,846	15,001	9,895	1,781,463	

18. Accumulated funds (Cont'd)

18.3 The income and expenditure of the respective funds are as follows (Cont'd):

	Unrestricted Fund	Restricted Funds					Total S\$
	General fund S\$	CLAS S\$	FJSS S\$	Awareness fund S\$	BMSF S\$	Invictus fund S\$	
2021 (Cont'd)							
Less: Expenditure (Cont'd)							
Balance brought forward	(416,480)	1,956,175	59,026	157,846	15,001	9,895	1,781,463
Property, plant and equipment written off	871	0	0	0	0	0	871
Publication	136	0	0	0	0	0	136
Repair and maintenance	9,823	0	0	0	0	4,537	14,360
Resource library	2,451	179	0	0	0	0	2,630
Salaries and bonuses	1,206,836	619,578	89,860	85,422	0	0	2,001,696
Staff allowance and transport	1,019	337	29	0	0	0	1,385
Staff medical fees and group hospital insurance	30,701	9,055	1,025	763	0	0	41,544
Staff training	5,191	2,753	391	0	0	0	8,335
Staff welfare	358	50	0	0	0	11,563	11,971
Storage	1,474	0	0	0	0	0	1,474
Telephone and fax charges	751	2,978	326	0	0	11,409	15,464
Temp staff	6,943	8,066	0	0	0	0	15,009
Utilities	1,759	0	0	0	0	0	1,759
Volunteer engagement/ recognition/ training	0	54	0	0	0	0	54
	851,833	2,599,225	150,657	244,031	15,001	37,404	3,898,151
Net surplus/ (deficit) for the financial year	1,165,761	(894,756)	(73,396)	(244,031)	85,249	12,596	51,423
Balance at 1 April 2020	3,400,240	542,283	0	8,668	11,338	0	3,962,529
Transfer of funds	(1,263,523)	888,851	143,752	232,170	(1,250)	0	0
Balance at 31 March 2021	3,302,478	536,378	70,356	(3,193)	95,337	12,596	4,013,952

18. Accumulated funds (Cont'd)

18.3 The income and expenditure of the respective funds are as follows (Cont'd):

2020	Unrestricted fund	Restricted funds			Total S\$
	General fund S\$	CLAS S\$	Law Awareness Fund S\$	BMSF S\$	
Income					
Amortisation of deferred grants	191,834	0	3,648	0	195,482
Contribution from The Law Society of Singapore (Annual Contribution)	7,500	0	0	0	7,500
Contribution from the Ministry of Law:					
- Operating costs	500,000	0	0	0	500,000
- CLAS cases	0	818,000	0	0	818,000
- CLAS Advocates	0	227,425	0	0	227,425
- Grant for rental at State Courts	30,230	0	0	0	30,230
Contributions/donations received from others	1,006,120	31,880	0	0	1,038,000
CLAS Fellowship	0	382,500	0	0	382,500
CLAS Training Program	0	8,865	0	0	8,865
CLAS Co-payment collection	0	69,979	0	0	69,979
Interest income on fixed deposits	52,099	0	0	20	52,119
Other income	21,191	150,470	0	0	171,661
	1,808,974	1,689,119	3,648	20	3,501,761
Less: Expenditure					
Ad Hoc Pro Bono Referral Scheme	4,521	0	0	0	4,521
Advocates for the Arts	0	0	3,648	0	3,648
Amortisation of intangible assets	137,150	11,545	0	0	148,695
Amortisation of right-of-use assets	123,704	0	0	0	123,704
Auditor's remuneration	9,609	0	0	0	9,609
Accounting expenses	509	0	0	0	509
Bank charges	961	825	71	1	1,858
Bar Memorial Scholarship	0	0	0	15,000	15,000
Central Provident Fund and Skills Development Levy	150,644	78,029	0	0	228,673
CLAS Advocates and Fellows Expenses	0	29,457	0	0	29,457
CLAS Advocates and Fellows Salaries with CPF	0	532,242	0	0	532,242
CLAS training	0	718	0	0	718
Community legal clinics	1,858	0	0	0	1,858
Conference/study trips	13,424	3,161	0	0	16,585
Corporate secretariat expenses	14,088	0	0	0	14,088
Depreciation of property, plant and equipment	41,899	3,321	0	0	45,220
Disbursement charged by assigned lawyers	0	31,437	0	0	31,437
Disbursement specialist report	0	58,990	0	0	58,990
Balance carried forward	498,367	749,725	3,719	15,001	1,266,812

18. Accumulated funds (Cont'd)

18.3 The income and expenditure of the respective funds are as follows (Cont'd):

	Unrestricted fund	Restricted funds			Total S\$
	General fund S\$	CLAS S\$	Law Awareness Fund S\$	BMSF S\$	
2020 (Cont'd)					
<u>Less: Expenditure (Cont'd)</u>					
Balance brought forward	498,367	749,725	3,719	15,001	1,266,812
Enhanced CLAS (Honorarium)	0	368,471	0	0	368,471
Finance charge	11,550	0	0	0	11,550
Fund raising expenses	10,861	0	0	0	10,861
HR services	4,118	2,530	0	0	6,648
Internal audit	5,350	0	0	0	5,350
Interpretations/translation fee	0	3,083	0	0	3,083
IT services	37,232	80,822	0	0	118,054
Law awareness projects	0	0	6,009	0	6,009
Marketing communications	7,464	431	0	0	7,895
Meeting expenses	2,151	455	0	0	2,606
Moving cost	6,065	0	0	0	6,065
Office insurance	7,620	838	0	0	8,458
Pantry supplies	924	1,846	0	0	2,770
Photocopier metered charges and paper costs	1,332	1,825	0	0	3,157
Postages	500	708	0	0	1,208
Printing and stationery	1,791	473	0	0	2,264
Property, plant and equipment written off	57,995	3,067	0	0	61,062
Publication	407	0	0	0	407
Rental of equipment	3,852	5,778	0	0	9,630
Repair and maintenance	8,654	5,826	0	0	14,480
Resource library	830	6,789	0	0	7,619
Salaries and bonuses	811,723	818,717	0	0	1,630,440
Security	245	0	0	0	245
Staff allowance and transport	3,309	668	0	0	3,977
Staff medical fees and group hospital insurance	21,907	12,901	0	0	34,808
Staff training	11,732	5,200	0	0	16,932
Staff welfare	7,037	3,273	0	0	10,310
Storage	1,218	340	0	0	1,558
Telephone and fax charges	4,702	6,566	0	0	11,268
Temp staff	397	0	0	0	397
Utilities	4,768	7,230	0	0	11,998
Volunteer engagement/ recognition/ training	10,315	401	0	0	10,716
	<u>1,544,416</u>	<u>2,087,963</u>	<u>9,728</u>	<u>15,001</u>	<u>3,657,108</u>
Surplus/ (deficit) for the financial year	264,558	(398,844)	(6,080)	(14,981)	(155,347)
Balance at 1 April 2019	3,987,717	86,465	17,375	26,319	4,117,876
Transfer of funds	(852,035)	854,662	(2,627)	0	0
Balance at 31 March 2020	<u>3,400,240</u>	<u>542,283</u>	<u>8,668</u>	<u>11,338</u>	<u>3,962,529</u>

19. Income tax

The Company is a registered charity under the Charities Act since 31 March 2017. Consequently, the income of the Company is exempted from income tax under the provisions of Section 13 of the Income Tax Act Chapter 134.

20. Related party transactions

20.1 Related party transactions and balances

In addition to related parties transactions disclosed elsewhere in the financial statements, the following significant transactions between the Company and related parties took place during the financial year on terms mutually agreed between the parties concerned:

	2021 S\$	2020 S\$
The Law Society of Singapore		
- Purchases	<u>4,270</u>	<u>13,753</u>
Directors		
- Professional fees, honoraria and disbursements paid to firms in which certain directors are members	21,791	2,884
- Professional fees, honoraria and disbursements paid to directors	600	0
- Donations received from firms in which certain directors are members	(154,775)	(42,175)
- Donations received from directors	<u>(21,538)</u>	<u>(5,800)</u>

20.2 Compensation of key management personnel

	2021 S\$	2020 S\$
Key management personnel ("KMP") remuneration		
- Salaries and other short-term employee benefits	804,621	677,558
- Post-employment benefits – contributions to CPF	<u>70,144</u>	<u>66,848</u>
	<u>874,765</u>	<u>744,406</u>

During the financial year, the Company employed an average of 35 (2020: 31) staffs.

Remuneration bands for 3 highest paid staff who are also KMP

The 3 highest paid staff whose remuneration exceeded S\$100,000 in the period were as follows:

	2021	2020
Number of staff in bands:		
S\$100,000 to S\$199,999	2	2
S\$200,000 to S\$299,999	<u>1</u>	<u>1</u>

No directors have received remuneration for their services as board members and no directors are staff of the Company.

21. Financial instruments

The financial assets and liabilities of the Company as at the end of financial year are as follows:

	2021 S\$	2020 S\$
Financial assets		
Cash and cash equivalents	4,421,582	3,940,421
Contract assets	223,720	194,020
Trade and other receivables (excluding prepayments)	171,228	291,742
	<u>4,816,530</u>	<u>4,426,183</u>
Financial liabilities		
Trade and other payables (excluding advance receipts)	776,833	413,312
Lease liabilities	407,954	528,122
	<u>1,184,787</u>	<u>941,434</u>

22. Financial risk management

The Company's activities do not expose it to any significant financial risks. Risk management is carried out under policies approved by the Directors. The Directors approves guidelines for overall risk management, as well as policies covering these specific areas.

22.1 Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company.

i) Risk management

The Company has adopted the following policy to mitigate the credit risk.

For cash and cash equivalents, the Company mitigates its credit risks by transacting only with counterparties who are rated "A" and above independent rating agencies.

The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligation as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

ii) Impairment of financial assets

As at the reporting date, there are no amounts arising from expected credit losses for each class of financial assets.

The Company had applied the simplified approach by using the provision matrix to measure the lifetime expected credit losses for other receivables.

22. Financial risk management (Cont'd)

22.1 Credit risk (Cont'd)

ii) Impairment of financial assets (Cont'd)

To measure the expected credit losses, these receivables have been grouped based on shared credit risk characteristic and days past due. In calculating the expected credit loss rates, the Company considers historical loss rates for each category of customers, and adjust for forward-looking macroeconomic data.

Receivables are written off when there is no reasonable expectation of recovery, such as debtor failing to engage in a repayment plan with the Company. The Company categories a receivable for write off when a debtor fails to make contractual payment greater than 3 years past due based on historical collection trend. Where receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit and loss.

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

As at 31 March 2021 and 2020, the carrying amount of Company's trade and other receivables were disclosed in Note 12.

The Company considered that there was evidence if any of the following indicators were present:

- There is significant difficulty of the debtor; or
- Breach of contract, such as default or past due event; or
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.

Receivables from third parties

The Company assessed the latest performance and financial position of the counterparties and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Financial assets at amortised cost

Financial assets at amortised cost include receivables and cash and cash equivalents. Credit risk exposure in relation to financial assets at amortised costs as at 31 March 2021 and 31 March 2020 is insignificant, and accordingly no credit loss allowance is recognised as at 31 March 2021 and 31 March 2020.

The Company has no financial assets that are either past due and/or impaired at 31 March 2021 and 31 March 2020.

22. Financial risk management (Cont'd)

22.2. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their cash and cash equivalents and lease liabilities.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

Sensitivity analysis for interest rate risk

At the reporting date, the interest rate profile of the Company's interest-bearing financial instruments was as follows:

	2021 S\$	2020 S\$
Fixed rate instruments		
<u>Financial assets</u>		
Fixed deposits	<u>2,820,624</u>	<u>2,774,606</u>
<u>Financial liabilities</u>		
Lease liabilities	<u>407,954</u>	<u>528,122</u>

The sensitivity analysis is based on changes in the interest rates of variable rate financial instruments.

Sensitivity analysis for interest rate risk is not presented as the Company do not have significant exposure to market risk for changes in interest rate.

At the reporting date, the Company does not have variable rate interest-bearing financial instruments.

22.3. Liquidity risk

The Directors exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

The financial liabilities of the Company as presented in the balance sheet are due within twelve months from the balance sheet date and approximate the contractual undiscounted repayments obligations.

22. Financial risk management (Cont'd)

22.3. Interest rate risk (Cont'd)

The table below summarises the maturity profile of the Company's financial assets and liabilities at the end of the reporting date based on the contractual undiscounted repayment obligations:

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2021			
Financial assets, at amortised cost			
Cash and cash equivalents	4,421,582	0	4,421,582
Contract assets	223,720	0	223,720
Trade and other receivables (excluding prepayments)	171,228	0	171,228
	<u>4,816,530</u>	<u>0</u>	<u>4,816,530</u>
Financial liabilities, at amortised cost			
Trade and other payables (excluding advance receipts)	(776,833)	0	(776,833)
Lease liabilities	(119,145)	(329,242)	(448,387)
At amortised cost	<u>(895,978)</u>	<u>(329,242)</u>	<u>(1,225,220)</u>
Net financial assets/ (liabilities)	<u>3,920,552</u>	<u>(329,242)</u>	<u>3,591,310</u>
	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2020			
Financial assets, at amortised cost			
Cash and cash equivalents	3,940,421	0	3,940,421
Contract assets	194,020	0	194,020
Trade and other receivables (excluding prepayment)	291,742	0	291,742
	<u>4,426,183</u>	<u>0</u>	<u>4,426,183</u>
Financial liabilities, at amortised cost			
Trade and other payables (excluding advance receipts)	(413,312)	0	(413,312)
Lease liabilities	(140,656)	(448,386)	(589,042)
	<u>(553,968)</u>	<u>(448,386)</u>	<u>(1,002,354)</u>
Net financial assets/(liabilities)	<u>3,872,215</u>	<u>(448,386)</u>	<u>3,423,829</u>

23. Fair values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to the short-term nature.

The carrying amounts of non-current lease liabilities approximate their fair values as they are subject to interest rate close to market rate of interest for similar arrangements of the financial institution.

24. Fund management

The Company's objectives when managing its funds are to safeguard and maintain adequate working capital to continue as a going concern and to develop its principal activities over the longer term through donations and government grants.

It is the objective of the Company to achieve a reserve that would be able to sustain operations for a three years period in the event of a decline in donations.

The objectives, policies or processes of the Company during the financial year ended 31 March 2021 remain the same as those for the financial year ended 31 March 2020.

25. Reserve position and policy

The Company's reserve position for financial year ended 31 March 2021 is as follows:

		2021	2020	Increase
		S\$	S\$	%
A	Unrestricted fund			
	Accumulated general fund	3,302,478	3,400,240	(2.88)
B	Restricted and designated funds			
	Designated funds	NA	NA	
	Restricted funds	711,474	562,289	26.53
C	Expendable endowment fund	NA	NA	
D	Total funds	4,013,952	3,962,529	1.30
E	Total annual operating expenditure	3,898,151	3,657,108	6.59
F	Ratio of funds to annual operating expenditure (A/E)	0.85	0.93	

Reference:

- C. An expendable endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a company to expend as grants.
- D. Total funds include unrestricted, restricted/designated and endowment funds.
- E. Total annual operating expenditure includes expenses related committee activities and projects, administrative expenses, personnel costs and interest on lease liabilities.

The Company's reserve policy is as follows:

The reserves that the management have set aside provide financial stability and the means for the development of the Company's principal activity. For long-term stability of the operations, it is the objective of LSPBS to achieve reserves that would be able to sustain operations for a one-year period in the event of a decline in donations. Pursuant to LSPBS' investment policy, reserves are placed in fixed deposits.

26. Comparative figures

Certain reclassifications have been made to the comparative information to enhance comparability with current year's financial statements.

The following reclassifications were made:

	As previously reported S\$	Reclassification S\$	As reclassified S\$
2020			
Statement of financial position			
Current assets			
Amount due from the Law Society of Singapore	514	(514)	0
Trade and other receivables	306,506	514	307,020
Non-current assets			
Property, plant and equipment	144,716	524,475	669,191
Right-of-use assets	524,475	(524,475)	0
Accumulated funds			
Accumulated funds	3,962,529	(3,962,529)	0
Unrestricted fund	0	3,400,240	3,400,240
Restricted funds	0	562,289	562,289
Statement of comprehensive income			
Income			
Contributions and grants	3,003,655	(3,003,655)	0
Contributions	0	1,131,000	1,131,000
Grants	0	1,872,655	1,872,655
Interest income	52,119	(52,119)	0
Other income	171,661	52,119	223,780

27. Impact of COVID-19 (Coronavirus Disease 2019)

The COVID- 19 pandemic has affected almost all countries of the world and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Company's significant operations are in Singapore which have been affected by the spread of COVID-19 in 2021. The nature of the Company's business are those of activities to coordinate and administer all pro bono initiatives of the Law Society. The impact of COVID-19 on the Company's financial performance reflected in this set of financial statements for the year ended 31 March 2021 are summarised below:

- i. The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The management is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the service disruption.
- ii. The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020 to 1 June 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for the local and the global supply chains, all businesses are required to suspend all in-person activities and the Company's physical operations were temporarily closed to adhere to the respective governments' movement control measures.
- iii. The Company was granted a total of 2-months rental waiver for the months of April 2020 to May 2020 amounting to S\$13,482 as part of the Government's rental relief framework in an assistance package to help business and cushion the impact of COVID-19. The effect of such rental concessions received was disclosed in Notes 17.
- iv. Following the COVID-19 guidelines of the government, the Company conducted a hybrid mode of providing services by having the CLAS and legal clinics applications to be handled online, by phone and through physical consultations. The trainings and seminars which are previously conducted physically were also moved online in the form of webinars.
- v. The government has also implemented assistance measures which might mitigate some of the impact of COVID-19 on the Company's results and liquidity.

As the global COVID-19 situation remains very fluid as at the date of these financial statements were authorised for issuance, the Company cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 31 March 2022. If the situation persists beyond management's current expectations, the Company's assets may be subject to further write downs in the subsequent financial years.

28. Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 March 2021 were authorised for issue in accordance with a resolution of the Board of Directors on **11 AUG 2021**