

## HEARTWARE NETWORK

(Registered in Singapore under the Charities Act 1994 and Societies Act 1966)  
(Registration No: T00SS0109G)  
(Institutions of a Public Character Number: IPC00016)

### Statement by the Board of Management and Financial Statements

Reporting Year Ended 31 December 2021

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# HEARTWARE NETWORK

## Statement by the Board of Management and Financial Statements

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## HEARTWARE NETWORK

### Statement by the Board of Management

In the opinion of the Board of Management,

- (a) the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of Heartware Network (the "Society") as at 31 December 2021 and the results, changes in funds and cash flows of the Society for the reporting year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Board of Management approved and authorised these financial statements for issue.

On Behalf of the Board of Management,

*SK Ting*

.....  
Ting Seng Kiong  
Chairman

21 JUN 2022

*Vikas Arora*

.....  
Vikas Arora  
Honorary Treasurer

**RSM Chio Lim LLP**8 Wilkie Road, #03-08  
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Audit@RSMSingapore.sg  
www.RSMSingapore.sg**Independent Auditor's Report to the Members of  
HEARTWARE NETWORK****Report on the audit of the financial statements****Opinion**

We have audited the accompanying financial statements of Heartware Network (the "Society"), which comprise the statement of financial position as at 31 December 2021, the statement of financial activities, and statement of cash flows for the reporting year then ended, and notes to the financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and the Charities Accounting Standards ("CAS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2021 and of the results, changes in funds and cash flows of the Society for the reporting 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 Society in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Other information**

Management is responsible for the other information. The other information comprises the information included in the statement by the Board of Management and the annual report but does not include the financial statements and our auditor's report thereon.

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

## **Independent Auditor's Report to the Members of HEARTWARE NETWORK**

### **Other information (cont'd)**

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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 and fair presentation of these financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and CAS, and for such internal control as the Board of Management determines in necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Board of Management is responsible for overseeing the Society's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

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

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

- a) 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.

## **Independent Auditor's Report to the Members of HEARTWARE NETWORK**

### **Auditor's responsibilities for the audit of the financial statements (cont'd)**

- b) 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 Society's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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 Society'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 Society to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

### **Report on other legal and regulatory requirements**

In our opinion,

- (a) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) the fund raising appeals held during the reporting year have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeals.

**Independent Auditor's Report to the Members of  
HEARTWARE NETWORK**

**Report on other legal and regulatory requirements (cont'd)**

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

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

The engagement partner on the audit resulting in this independent auditor's report is Tan Wei Ling.

*RSM Chio Lim LLP*

RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

21 June 2022

**HEARTWARE NETWORK**  
**Statement of Financial Activities**  
**Reporting Year Ended 31 December 2021**

	Notes	2021		2020	
		Unrestricted Funds \$	Restricted Funds \$	Unrestricted Funds \$	Restricted Funds \$
<b>Income</b>					
Voluntary income	4	314,661	302,088	584,321	182,492
Fund raising events		435,220	-	-	-
Interest income		8,395	-	27,712	-
Other income	5	216,309	2,750	253,635	-
<b>Total income</b>		<b>974,585</b>	<b>304,838</b>	<b>865,668</b>	<b>182,492</b>
				<b>Total \$</b>	<b>Total \$</b>
				616,749	766,813
				435,220	-
				8,395	27,712
				219,059	253,635
				1,279,423	1,048,160
<b>Expenditure</b>					
Fund raising expenditure		13,361	-	-	-
Charitable activities expenditure	6	775,129	520,730	739,143	405,354
Governance costs	7	11,631	-	11,372	-
<b>Total expenditure</b>		<b>800,121</b>	<b>520,730</b>	<b>750,515</b>	<b>405,354</b>
				<b>Total \$</b>	<b>Total \$</b>
				13,361	-
				1,295,859	1,144,497
				11,631	11,372
				1,320,851	1,155,869
<b>Net surplus / (deficit)</b>		<b>174,464</b>	<b>(215,892)</b>	<b>115,153</b>	<b>(222,862)</b>
<b>Reconciliation of funds:</b>					
Total funds at beginning of the year		2,457,227	241,435	2,464,698	341,673
Inter-fund transfer		(156,397)	156,397	(122,624)	122,624
<b>Total funds at end of the year</b>		<b>2,475,294</b>	<b>181,940</b>	<b>2,457,227</b>	<b>241,435</b>
				<b>Total \$</b>	<b>Total \$</b>
				(41,428)	(107,709)
				2,698,662	2,806,371
				-	-
				2,657,234	2,698,662

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



## HEARTWARE NETWORK

### Statement of Financial Position As at 31 December 2021

	<u>Notes</u>	<u>2021</u> \$	<u>2020</u> \$
<b>ASSETS</b>			
<b><u>Non-current assets</u></b>			
Plant and equipment	10	146,691	233,874
Intangible assets	11	141,472	9,744
<b>Total non-current assets</b>		<u>288,163</u>	<u>243,618</u>
<b><u>Current assets</u></b>			
Loans granted under Youth Business Singapore	12	2,950	3,900
Receivables	13	50,415	28,542
Other assets	14	7,967	7,341
Cash and cash equivalents	15	2,429,527	2,555,243
<b>Total current assets</b>		<u>2,490,859</u>	<u>2,595,026</u>
<b>Total assets</b>		<u>2,779,022</u>	<u>2,838,644</u>
<b>Less:</b>			
<b><u>Current liabilities</u></b>			
Payables	16	121,788	104,630
Other liabilities	17	–	35,352
<b>Total current liabilities / total liabilities</b>		<u>121,788</u>	<u>139,982</u>
<b>Net assets</b>		<u>2,657,234</u>	<u>2,698,662</u>
<b>Represented by:</b>			
<b>FUNDS</b>			
<b><u>Unrestricted funds</u></b>			
General Fund	18,20	2,382,654	2,305,262
Designated Income Fund	18,20	92,640	151,965
<b>Total unrestricted funds</b>		<u>2,475,294</u>	<u>2,457,227</u>
<b><u>Restricted funds</u></b>			
Other Restricted Funds	19,20	181,940	241,435
<b>Total funds</b>		<u>2,657,234</u>	<u>2,698,662</u>

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

## HEARTWARE NETWORK

### Statement of Cash Flows Reporting Period Ended 31 December 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
<b><u>Cash flows from operating activities</u></b>		
Net deficit for the year	(41,428)	(107,709)
Adjustment for:		
Amortisation of intangible assets	4,890	9,726
Depreciation of plant and equipment	106,451	104,170
Donation-in-kind	–	(4,697)
Interest income	(8,395)	(27,712)
Loss on disposal of plant and equipment	–	256
Operating cash flows before changes in working capital	<u>61,518</u>	<u>(25,966)</u>
Receivables	(22,600)	179,099
Payables	17,158	(17,562)
Other assets	(626)	(585)
Other liabilities	(35,352)	35,352
Cash restricted in use	<u>71,962</u>	<u>18,633</u>
Net cash flows from operating activities	<u>92,060</u>	<u>188,971</u>
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment	(19,268)	(5,563)
Purchase of intangible assets	(136,618)	–
Interest income received	<u>9,122</u>	<u>26,263</u>
Net cash flow (used in) / from investing activities	<u>(146,764)</u>	<u>20,700</u>
<b><u>Cash flows from financing activity</u></b>		
Repayment of loans granted	<u>950</u>	<u>–</u>
Net cash flow from financing activity	<u>950</u>	<u>–</u>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(53,754)</b>	<b>209,671</b>
Cash and cash equivalents, beginning balance	<u>2,483,281</u>	<u>2,273,610</u>
<b>Cash and cash equivalents, ending balance (Note 15A)</b>	<b><u>2,429,527</u></b>	<b><u>2,483,281</u></b>

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

## HEARTWARE NETWORK

### Notes to the Financial Statements 31 December 2021

#### 1. General

Heartware Network (the "Society") was established in Singapore on 12 April 2000 as a Society under the Societies Act 1966. The Society is also a charity registered under the Charities Act 1994. The Society was conferred the Institution of Public Character under the Charities Act 1994. The financial statements are presented in Singapore Dollar.

The Board of Management approved and authorised these financial statements for issue on the date of the Statement by the Board of Management.

The Society's vision is to be trusted youth developer, enabling youths to become resilient and active community champions. The mission is to ignite the hearts of youth and impart them with values, character and skills to make a real difference to the community.

The Society seeks to instill positive values and build strong character in youth between ages 14 and 35. The Society engages youth to be resilient, innovative in serving others, and to be entrepreneurs rooted to Singapore as their home. The Society is committed to transforming the lives of under-served children and youth by empowering them with greater confidence in their abilities, so as to achieve a brighter future.

The Society's commitment is to transform youths to discover their sense of purpose in life through 3 key thrusts – Youth Development, Youth Leadership and Youth Entrepreneurship.

Youth Development – Inducts Youth into the world of volunteerism by instilling in them a "Make a Difference" attitude through sustainable actions.

Youth Leadership – Empower and equip Youth with leadership skills to plan, lead and execute large-scale community projects.

Youth Entrepreneurship – Develop life skills for the workspace through entrepreneurship opportunities, instilling a "Can Do, Will Do" attitude.

The Society's registered office and place of activities is located at 568 Ganges Avenue, #02-100, Singapore 160568.

#### **The Covid-19 pandemic and its aftermath**

Management has reviewed the estimated potential impact and plausible downside scenarios, along with its responses as a result of the Covid-19 pandemic. No material uncertainties were identified in connection with the Society's ability to continue in operational existence for the foreseeable future.

#### **Accounting convention**

The financial statements have been prepared on a going concern basis under the historical cost convention in accordance with the Charities Accounting Standards ("CAS") as issued by the Singapore Accounting Standards Council. The Society is also subject to the provisions of the Charities Act 1994 and the Societies Act 1966.

## HEARTWARE NETWORK

### 1. General (cont'd)

#### **Basis of preparation of the financial statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Society's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C below, where applicable.

### 2. Significant accounting policies and other explanatory information

#### 2A. Significant accounting policies

##### **Income recognition**

##### (a) Donations

Donations and income from fund-raising events are recognised as and when received.

##### (b) Government grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received.

##### (c) Rendering of services

Income from services rendered is recognised when the the services are provided.

##### (d) Interest Income

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

##### **Donation-in-kind**

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

## HEARTWARE NETWORK

### 2. Significant accounting policies and other explanatory information (cont'd)

#### 2A. Significant accounting policies (cont'd)

##### Employee benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The Society's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the Society is contractually obliged or where there is constructive obligation based on past practice.

##### Income tax

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

##### Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets over their estimated useful lives of each part of an item of these assets. The useful lives of the assets are as follows:

Computers	–	3 years
Furniture and office equipment	–	5 years
Renovations	–	5 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

The gain or loss arising from the derecognition of an item of plant and equipment is recognised in statement of financial activities.

## HEARTWARE NETWORK

### 2. Significant accounting policies and other explanatory information (cont'd)

#### 2A. Significant accounting policies (cont'd)

##### Intangible assets

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset shall be measured at cost less accumulated amortisation.

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Website portal development – 5 years

Intangible assets under development are not depreciated until they are ready and available for use.

##### Receivables

Receivables excluding prepayments shall be initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs shall be recognised as expenditure in the Statement of Financial Activities as incurred. Prepayments shall be initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, receivables excluding prepayments shall be measured at cost less any accumulated impairment losses. The impairment loss is the difference between carrying amount of the financial asset and the undiscounted future cash flows (excluding unearned interest in the case of an interest-bearing financial asset) that the Society expects to receive from the financial asset. Prepayments shall be measured at the amount paid less the economic resources received or consumed during the financial period.

##### Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in statement of financial activities on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in statement of financial activities as an integral part of the total lease expense.

##### Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, and on demand deposits. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction, if any.

## HEARTWARE NETWORK

### 2. Significant accounting policies and other explanatory information (cont'd)

#### 2A. Significant accounting policies (cont'd)

##### Payables

Payables excluding accruals shall be recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the Statement of Financial Activities as incurred. Accruals shall be recognised at the best estimate of the amount payable.

##### 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 management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

#### 2B. Other explanatory information

##### Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

#### 2C. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

##### Allocation of employees benefits expense to funds

Management's assumption is required to allocate the employees benefits expense to the funds. Assumptions made include the time spent by each staff on each programme under the funds, based on their knowledge with the programmes. Such assumption is subject to judgements and may develop materially differently than expected and therefore resulting in significant impact on the fund balances at the reporting year end. The fund balances at the reporting year end are disclosed in Notes 18, 19 and 20.

## HEARTWARE NETWORK

### 3. Related party relationships and transactions

CAS defines a related party as the board/office bearers and key management of the Society.

The members of the Board of Management are volunteers and receive no monetary remuneration for their contribution. There are no paid staff who are close members of the family of the members of Board of Management.

### 3A. Key management compensation

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and other short-term employee benefits	<u>151,221</u>	<u>149,879</u>

The above amounts are included under employee benefits expense.

Key management personnel included the Board of Management and the Executive Director who have the authority and responsibility for planning, directing and controlling the activities of the Society, directly or indirectly.

### 4. Voluntary income

	<u>2021</u>	<u>2020</u>
	\$	\$
Donations	96,470	200,644
Donation-in-kind	–	4,697
Government grants <sup>(a)</sup>	<u>520,279</u>	<u>561,472</u>
	<u>616,749</u>	<u>766,813</u>

<sup>(a)</sup> Government grants are allocated and recorded in the respective specific funds based on the projects which the grants are utilised to fund. The major government grants received during the current reporting year included Tote Board's Enhanced Fund-Raising (EFR) Programme and Ministry of Culture, Community & Youth - Growing Youth Volunteerism in Singapore.

### 5. Other income

	<u>2021</u>	<u>2020</u>
	\$	\$
Fees and recovery of costs	111,067	63,102
Government grants – Jobs Support Scheme <sup>(a)</sup>	37,620	161,601
Government grants – Others	70,239	28,893
Others	133	39
	<u>219,059</u>	<u>253,635</u>

<sup>(a)</sup> The purpose of the Jobs Support Scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19 for 17 months from April 2020 to August 2021.



## HEARTWARE NETWORK

### 6. Charitable activities expenditure

	<u>2021</u>	<u>2020</u>
	\$	\$
Employees benefits expense (Note 8)	967,802	810,490
Rental expenses	68,835	61,852
Depreciation of plant and equipment (Note 10)	106,451	104,170
Amortisation of intangible assets (Note 11)	4,890	9,726
Others including volunteers related expenses	147,881	158,259
	<u>1,295,859</u>	<u>1,144,497</u>

### 7. Governance cost

	<u>2021</u>	<u>2020</u>
	\$	\$
Audit fees to the independent auditor of the Society	<u>11,631</u>	<u>11,372</u>

### 8. Employees benefits expense

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and other employee benefits	833,698	697,145
Contributions to defined contribution plan	134,104	113,345
Total employees benefits expense	<u>967,802</u>	<u>810,490</u>

### 9. Tax deductible donation receipts

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the Society. This status is effective for the period from 1 January 2020 to 31 December 2021 and has been renewed from 1 January 2022 to 31 December 2023 under the Institutions of a Public Character (IPC) Scheme.

	<u>2021</u>	<u>2020</u>
	\$	\$
Tax deductible receipts issued for donations collected	<u>381,280</u>	<u>197,490</u>

## HEARTWARE NETWORK

### 10. Plant and equipment

	<u>Computer</u> \$	<u>Furniture and office equipment</u> \$	<u>Renovation</u> \$	<u>Total</u> \$
<u>Cost:</u>				
At 1 January 2020	48,242	127,918	396,440	572,600
Additions	5,563	4,697	–	10,260
Written off	(12,810)	(28,231)	–	(41,041)
At 31 December 2020	40,995	104,384	396,440	541,819
Additions	16,964	2,304	–	19,268
At 31 December 2021	57,959	106,688	396,440	561,087
<u>Accumulated depreciation:</u>				
At 1 January 2020	36,341	71,135	137,084	244,560
Depreciation for the year	7,702	17,180	79,288	104,170
Written off	(12,810)	(27,975)	–	(40,785)
At 31 December 2020	31,233	60,340	216,372	307,945
Depreciation for the year	9,599	17,564	79,288	106,451
At 31 December 2021	40,832	77,904	295,660	414,396
<u>Carrying value:</u>				
At 1 January 2020	11,901	56,783	259,356	328,040
At 31 December 2020	9,762	44,044	180,068	233,874
At 31 December 2021	17,127	28,784	100,780	146,691

The depreciation expense is charged under charitable activities expenditure (Note 6).

### 11. Intangible assets

	<u>Website and Youthbank Portal</u> \$
<u>Cost:</u>	
At 1 January 2020 and 31 December 2020	72,644
Additions	136,618
At 31 December 2021	209,262
<u>Accumulated amortisation:</u>	
At 1 January 2020	53,174
Amortisation for the year	9,726
At 31 December 2020	62,900
Amortisation for the year	4,890
At 31 December 2021	67,790
<u>Net book value:</u>	
At 1 January 2020	19,470
At 31 December 2020	9,744
At 31 December 2021	141,472

Included in additions are costs incurred for a new volunteer management system, Youthbank 4.0, which is currently under development as at the reporting year end.

The amortisation expense is charged under charitable activities expenditure (Note 6).

## HEARTWARE NETWORK

### 12. Loans granted under Youth Business Singapore

These loans were granted to approved applicants under the Youth Business Singapore loan scheme to assist young entrepreneurs in starting up their business. These loans are unsecured, interest-free and are repayable in 12 or 24 monthly instalments from the second year of granting the loans.

Movement in the loans are as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Balance at beginning of year	3,900	3,900
Loans repaid	<u>(950)</u>	<u>-</u>
Balance at end of year	<u>2,950</u>	<u>3,900</u>

### 13. Receivables

	<u>2021</u>	<u>2020</u>
	\$	\$
Income receivables	49,600	27,000
Accrued interest income	<u>815</u>	<u>1,542</u>
	<u>50,415</u>	<u>28,542</u>

### 14. Other assets

	<u>2021</u>	<u>2020</u>
	\$	\$
Deposits	5,819	5,750
Prepayments	<u>2,148</u>	<u>1,591</u>
	<u>7,967</u>	<u>7,341</u>

### 15. Cash and cash equivalents

	<u>2021</u>	<u>2020</u>
	\$	\$
Not restricted in use	<u>2,429,527</u>	<u>2,555,243</u>

The rates of interest for the cash on interest earning balances amounting to \$1,650,000 (2021: \$1,650,000) ranged from 0.25% to 0.35% (2020: 0.4% to 0.6%) per annum.

## HEARTWARE NETWORK

### 15. Cash and cash equivalents (cont'd)

#### 15A. Cash and cash equivalents in the statement of cash flows

	<u>2021</u>	<u>2020</u>
	\$	\$
Amount as shown above	2,429,527	2,555,243
Cash held under restricted funds (Note 19)	—	(71,962)
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>2,429,527</u>	<u>2,483,281</u>

### 16. Payables

	<u>2021</u>	<u>2020</u>
	\$	\$
Accrued expenses	119,081	102,625
Other payables	2,707	2,005
	<u>121,788</u>	<u>104,630</u>

### 17. Other liabilities

	<u>2021</u>	<u>2020</u>
	\$	\$
Government grant unamortised	—	35,352

**HEARTWARE NETWORK**

**18. Unrestricted funds**

	Balance at beginning of the year	Income	Expenditure	Net income/ (expenditure)	Inter-fund transfer	Balance at end of the year
	\$	\$	\$	\$	\$	\$
<b>2021</b>						
General fund	2,305,262	866,268	(397,838)	468,430	(391,038)	2,382,654
<u>Designated income funds</u>						
Youth Development	-	74,253	(217,137)	(142,884)	142,884	-
Youth Leadership	151,965	34,064	(93,389)	(59,325)	-	92,640
Youth Entrepreneurship	-	-	(91,757)	(91,757)	91,757	-
Sub-total	151,965	108,317	(402,283)	(293,966)	234,641	92,640
Total	2,457,227	974,585	(800,121)	174,464	(156,397)	2,475,294
<b>2020</b>						
General fund	2,217,392	791,165	(329,922)	461,243	(373,373)	2,305,262
<u>Designated income funds</u>						
Youth Development	-	63,148	(234,359)	(171,211)	171,211	-
Youth Leadership	247,306	11,355	(106,696)	(95,341)	-	151,965
Youth Entrepreneurship	-	-	(79,538)	(79,538)	79,538	-
Sub-total	247,306	74,503	(420,593)	(346,090)	250,749	151,965
Total	2,464,698	865,668	(750,515)	115,153	(122,624)	2,457,227

The purposes of the designated funds are as follows:

- (a) Youth Development designated fund comprises Heartware President's Challenge Volunteer Drive fund and Heartware River Hong Bao fund.
- (b) Youth Leadership designated fund comprises funds set up to carry out the Heartware Academy and Heartware-Character and Citizenship Education Leadership Programme.

## HEARTWARE NETWORK

### 19. Restricted Income funds

	Balance at beginning of the year	Income	Expenditure	Net expenditure	Inter-fund transfer	Balance at end of the year
	\$	\$	\$	\$	\$	\$
<u>2021</u>						
Youth Development	71,962	113,770	(226,087)	(112,317)	40,355	-
Youth Leadership	-	102,675	(218,717)	(116,042)	116,042	-
Asset Fund	169,473	88,393	(75,926)	12,467	-	181,940
	<u>241,435</u>	<u>304,838</u>	<u>(520,730)</u>	<u>(215,892)</u>	<u>156,397</u>	<u>181,940</u>
<u>2020</u>						
Youth Development	90,595	147,292	(165,925)	(18,633)	-	71,962
Youth Leadership	-	35,200	(157,064)	(121,864)	121,864	-
Asset Fund	251,078	-	(82,365)	(82,365)	760	169,473
	<u>341,673</u>	<u>182,492</u>	<u>(405,354)</u>	<u>(222,862)</u>	<u>122,624</u>	<u>241,435</u>

The purposes of the restricted funds are as follows:

- (c) Youth Development restricted fund comprises the Heartware Support Our Pioneers fund, Heartware SG Cares, Heartware Tuition Programme fund and the Youthbank fund.
- (d) Youth Leadership restricted fund comprises funds set up to carry out the We Love Our Teachers Project, Heartware Academy, Temasek Shophouse Conversations: Youth Call-to-Action Programme and Acclaim Heartware Education Fund.
- (e) Asset Fund – restricted is set up for the purpose of improving the Society’s capacity through the investment in plant and equipment and the development of the website and the Youthbank portal. These investments are funded by Innovative and Productivity Grant received from the National Council of Social Service (“NCSS”).

## HEARTWARE NETWORK

### 20. Columnar presentation of statement of financial position

	Unrestricted funds	Restricted income funds	Total
<u>2021:</u>	\$	\$	\$
<b><u>Non-current assets</u></b>			
Plant and equipment	57,999	88,692	146,691
Intangible assets	48,224	93,248	141,472
<b>Total non-current assets</b>	<b>106,223</b>	<b>181,940</b>	<b>288,163</b>
<b><u>Current assets</u></b>			
Loans granted under Youth Business Singapore	2,950	–	2,950
Receivables	50,415	–	50,415
Other assets	7,967	–	7,967
Cash and cash equivalents	2,429,527	–	2,429,527
<b>Total current assets</b>	<b>2,490,859</b>	<b>–</b>	<b>2,490,859</b>
<b>Total assets</b>	<b>2,597,082</b>	<b>181,940</b>	<b>2,779,022</b>
<b>Less:</b>			
<b><u>Current liabilities</u></b>			
Payables	121,788	–	121,788
<b>Total current liabilities / total liabilities</b>	<b>121,788</b>	<b>–</b>	<b>121,788</b>
<b>Net assets</b>	<b>2,475,294</b>	<b>181,940</b>	<b>2,657,234</b>
	Unrestricted funds	Restricted income funds	Total
<u>2020:</u>	\$	\$	\$
<b><u>Non-current assets</u></b>			
Plant and equipment	74,145	159,729	233,874
Intangible assets	–	9,744	9,744
<b>Total non-current assets</b>	<b>74,145</b>	<b>169,473</b>	<b>243,618</b>
<b><u>Current assets</u></b>			
Loans granted under Youth Business Singapore	3,900	–	3,900
Receivables	28,542	–	28,542
Other assets	7,341	–	7,341
Cash and cash equivalents	2,483,281	71,962	2,555,243
<b>Total current assets</b>	<b>2,523,064</b>	<b>71,962</b>	<b>2,595,026</b>
<b>Total assets</b>	<b>2,597,209</b>	<b>241,435</b>	<b>2,838,644</b>
<b>Less:</b>			
<b><u>Current liabilities</u></b>			
Payables	104,630	–	104,630
Other non-financial liabilities	35,352	–	35,352
<b>Total current liabilities / total liabilities</b>	<b>139,982</b>	<b>–</b>	<b>139,982</b>
<b>Net assets</b>	<b>2,457,227</b>	<b>241,435</b>	<b>2,698,662</b>

## HEARTWARE NETWORK

### 21. Reserve policy

The Society's reserves comprise the unrestricted funds and the restricted income funds. The reserves provide for financial stability and the means of development of the Society's principal activities. The intent is to maintain reserves that is capable of sustaining the Society for at least three years of its operations. The level of reserve will be reviewed annually.

The Society's reserve position is as follows:

	<u>2021</u> \$	<u>2020</u> \$
Unrestricted funds	<u>2,475,294</u>	<u>2,457,227</u>
Ratio of reserves to annual operating expenditure	<u>3.1%</u>	<u>3.3%</u>

### 22. Capital commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

	<u>2021</u> \$	<u>2020</u> \$
Commitments to acquire intangible assets	<u>191,520</u>	<u>—</u>

### 23. Operating lease payment commitments – as lessee

At the end of the reporting year, the total future minimum lease payments under non-cancellable operating leases are as follows:

	<u>2021</u> \$	<u>2020</u> \$
Not later than one year	62,518	62,518
Later than one year but not later than five years	<u>58,591</u>	<u>121,109</u>
	<u>121,109</u>	<u>183,627</u>

The operating leases are in relation to the Society's office premises and a copier.