

**CLARITY SINGAPORE LIMITED**

[UEN. 201021634E]

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

[Incorporated in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
30 SEPTEMBER 2022**

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**Fiducia LLP**

(UEN. T10LL0955L)

Public Accountants and  
Chartered Accountants of Singapore

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

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**DIRECTORS' STATEMENT**

The directors present their statement to the members together with the audited financial statements of **Clarity Singapore Limited** (the "Company") for the financial year ended 30 September 2022.

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 30 September 2022 and the financial performance, changes in funds and cash flows of the Company for the financial year then ended; and
- b) at the date of this 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:

Staes Paul E	
Jerome Yuen Ka Lok	
Elizabeth Chia Wei Ling	
Phua Siok Gek Cynthia	(Resigned on 30 September 2022)
Koh Ngiap Hern Peter Kenson	(Appointed on 1 January 2022)
Chan Pee Teck, Peter	
Lam Kok Wai, Peter (Lin Guowei, Peter)	
Yeo Yul Chuan, Benjamin (Yang Yaoquan)	
Lee Mei Ying, Theresa	
Loh Yong Chye	(Appointed on 1 December 2022)
Lee Houli	(Appointed on 1 December 2022)

**Arrangements to enable directors to acquire shares and 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 objects 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**

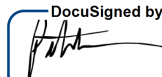
As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.


**DIRECTORS' STATEMENT (CONT'D)**

**Independent Auditor**

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

For and on behalf of the Board of Directors,

DocuSigned by:  
  
5B17DD663D1F64FC...  
Lam Kok Wai, Peter  
Director

DocuSigned by:  
  
646927900C9B479...  
Chan Pee Teck, Peter  
Director

Singapore, 22 February 2023.

## Fiducia LLP

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Independent auditor's report to the members of:

### **CLARITY SINGAPORE LIMITED**

[UEN. 201021634E]  
[IPC No. IPC000714]

[A company limited by guarantee and not having share capital]  
[Incorporated in the Republic of Singapore]

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of **Clarity Singapore Limited** (the "Company"), which comprise the statement of financial position as at 30 September 2022, and the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial 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 1967 (the "Companies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 30 September 2022, and of the financial performance, changes in the funds and cash flows of the Company for the financial 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 Information

Management is responsible for the other information. The other information comprises the Directors' Statement (set out on page 2 and 3), 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 is expected to be made available to us after that date.

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

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

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(CONT'D)

Independent auditor's report to the members of:

### **CLARITY SINGAPORE LIMITED**

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the 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 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.

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.

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Independent auditor's report to the members of:

### **CLARITY SINGAPORE LIMITED**

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### **Auditor's Responsibilities for the Audit of the Financial Statements (Cont'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 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.

### **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 financial year:

- a) the Company has not used the donation moneys in accordance with the 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.

DocuSigned by:  
  
A863FCC12BAB474...  
**Fiducia LLP**  
Public Accountants and  
Chartered Accountants

Singapore, 22 February 2023.

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

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

		Unrestricted Funds	Restricted Funds	Total Funds
	Note	S\$	S\$	S\$
<b>2022 INCOME</b>				
Income from generating funds		398,499	1,254,298	1,652,797
Income from charitable activities		8,290	121,590	129,880
Other income		125,947	0	125,947
<b>TOTAL INCOME</b>	4	<u>532,736</u>	<u>1,375,888</u>	<u>1,908,624</u>
<b>LESS: EXPENDITURE</b>				
Cost of charitable activities		83,345	895,830	979,175
Governance and other administrative costs		379,603	234,822	614,425
<b>TOTAL EXPENDITURE</b>	4	<u>462,948</u>	<u>1,130,652</u>	<u>1,593,600</u>
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<u>69,788</u>	<u>245,236</u>	<u>315,024</u>
		Unrestricted Funds	Restricted Funds	Total Funds
	Note	S\$	S\$	S\$
<b>2021 INCOME</b>				
Income from generating funds		600,190	915,240	1,515,430
Income from charitable activities		24,455	78,270	102,725
Other income		157,421	0	157,421
<b>TOTAL INCOME</b>	4	<u>782,066</u>	<u>993,510</u>	<u>1,775,576</u>
<b>LESS: EXPENDITURE</b>				
Cost of charitable activities		140,644	679,400	820,044
Governance and other administrative costs		302,637	240,810	543,447
<b>TOTAL EXPENDITURE</b>	4	<u>443,281</u>	<u>920,210</u>	<u>1,363,491</u>
<b>SURPLUS FOR THE FINANCIAL YEAR</b>		<u>338,785</u>	<u>73,300</u>	<u>412,085</u>

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

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**STATEMENT OF FINANCIAL POSITION AS AT 30 SEPTEMBER 2022**

	Note	2022 S\$	2021 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and bank balances	9	2,803,116	2,713,849
Trade and other receivables	10	<u>671,375</u>	<u>449,938</u>
		<u>3,474,491</u>	<u>3,163,787</u>
<b>Non-current assets</b>			
Property, plant and equipment	11	<u>49,426</u>	<u>42,689</u>
<b>Total assets</b>		<u>3,523,917</u>	<u>3,206,476</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	13	84,016	89,303
Lease liabilities	14	<u>10,931</u>	<u>10,511</u>
		<u>94,947</u>	<u>99,814</u>
<b>Non-current liabilities</b>			
Lease liabilities	14	<u>10,388</u>	<u>3,104</u>
<b>Total liabilities</b>		<u>105,335</u>	<u>102,918</u>
<b>NET ASSETS</b>		<u>3,418,582</u>	<u>3,103,558</u>
<b>FUNDS</b>			
<b>Unrestricted fund</b>			
General fund	15	<u>2,912,461</u>	<u>2,842,673</u>
<b>Restricted funds</b>			
Better and Happier Youth	16.1	19,271	21,863
Comit@Central	16.2	0	46,371
Comit@North	16.3	0	105,472
Comit (Combined)	16.4	444,911	0
Community Chest Charity Support Fund	16.6	41,939	86,730
Pledge It Forward Campaign	16.9	<u>0</u>	<u>449</u>
		<u>506,121</u>	<u>260,885</u>
<b>TOTAL FUNDS</b>		<u>3,418,582</u>	<u>3,103,558</u>

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



**STATEMENT OF CHANGES IN FUNDS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

	Note	Beginning of the year S\$	Net surplus/ (deficit) S\$	(Note 16) Transfer S\$	End of the year S\$
<b>2022</b>					
<b>Unrestricted fund</b>					
General fund		2,842,673	69,788	0	2,912,461
<b>Restricted funds</b>					
Better and Happier Youth	16.1	21,863	(2,592)	0	19,271
Comit@Central	16.2	46,371	89,424	(135,795)	0
Comit@North	16.3	105,472	(25,918)	(79,555)	0
Comit (Combined)	16.4	0	229,562	215,350	444,911
Community Chest Charity Support Fund	16.6	86,730	(44,791)	0	41,939
Pledge It Forward Campaign	16.9	449	(449)	0	0
		260,885	245,236	0	506,121
		3,103,558	315,024	0	3,418,582
<b>2021</b>					
<b>Unrestricted fund</b>					
General fund		2,503,888	338,785	0	2,842,673
<b>Restricted funds</b>					
Better and Happier Youth	16.1	26,538	(4,675)	0	21,863
Comit@Central	16.2	0	46,371	0	46,371
Comit@North	16.3	110,004	(4,532)	0	105,472
Community Chest Charity Support Fund	16.6	50,000	36,730	0	86,730
NCSS Comchest Covid-19	16.8	1,554	(1,554)	0	0
Pledge It Forward Campaign	16.9	449	0	0	449
#StrongerTogether Staff Appreciation Fund	16.11	(960)	960	0	0
		187,585	73,300	0	260,885
		2,691,473	412,085	0	3,103,558

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**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

	Note	2022 S\$	2021 S\$
<b>Cash flows from operating activities</b>			
Surplus for the financial year		315,024	412,085
Adjustments for:			
- COVID-19 related rent concessions		(1,081)	(2,161)
- Depreciation	11	34,303	40,330
- Interest income		(7,876)	(2,233)
- Interest expenses		476	1,041
Operating cash flow before working capital changes		<u>340,846</u>	<u>449,062</u>
Changes in working capital			
- Trade and other receivables		(225,738)	(262,319)
- Other payables		(4,206)	24,146
<b>Net cash generated from operating activities</b>		<u>110,902</u>	<u>210,889</u>
<b>Cash flows from investing activities</b>			
Interest received		12,177	476
Placement of fixed deposits with maturity over 3 months		700,118	(347,597)
Purchases of property, plant and equipment	11	(41,040)	(51,877)
Acquisition of ROU assets		18,966	0
<b>Net cash generated from/(used in) investing activities</b>		<u>690,221</u>	<u>(398,998)</u>
<b>Cash flows from financing activities</b>			
Interest paid on lease liabilities	14	(476)	(1,041)
Payment of principal portion of lease liabilities		(11,262)	(15,264)
<b>Net cash used in financing activities</b>		<u>(11,738)</u>	<u>(16,305)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		789,385	(204,414)
Cash and cash equivalents at beginning of financial year		<u>1,713,849</u>	<u>1,918,263</u>
Cash and cash equivalents at end of financial year	9	<u>2,503,234</u>	<u>1,713,849</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2022**

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

**1. General information**

Clarity Singapore Limited (the "Company") was incorporated on 10 October 2010 as a company limited by guarantee and not having a share capital. Each member of the Company undertakes to meet the debts and liabilities of the Company, in the event of liquidation, to an amount not exceeding S\$10 per member. As at 30 September 2022, the Company has 8 members (2021: 9 members).

The Company registered as a Charity under the Charities Act 1994 on 03 December 2010. It has been accorded an Institutions of Public Character ("IPC") status since 03 December 2010 and has been renewed on 01 September 2020 and due to expire on 31 August 2023.

The Company's registered office is at 12 Tannery Road, #10-01 HB Centre 1, S347722. The principal places of business are as follows:

- at Block 854, #01-3511, Yishun Ring Road, Singapore 760854.
- at Agape Village, 7A Lorong 8 Toa Payoh, #04-01 Singapore 319264.

The principal activities of the Company are:

- To alleviate distress amongst people suffering from mental problems or issues in the Republic of Singapore, in particular those who are poor, regardless of race, religion, sex or citizenship; and
- To better and more effectively serve the poor, the needy and especially people suffering from mental illnesses by researching, analysing the needs and developing various strategies and activities

**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 Companies Act 1967, Charities Act 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 and presentation currency. Functional currency is the currency of the primary economic environment in which the Company operates. All financial information presented are denominated in S\$ unless otherwise stated.

The preparation of these financial statements in conformity with FRSs requires management to exercise its judgment 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 judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

## 2. Significant accounting policies (Cont'd)

### 2.1 Basis of preparation (Cont'd)

#### Interpretations and amendments to published standards effective in 2021

In the current financial year, the Company adopted the new or amended FRSs and Interpretations of FRSs ("INT FRSs") that are relevant and mandatory to its operations and effective on 1 October 2021. 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.

The adoption of these new or amended FRSs and INT FRSs 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 years.

#### Standards issued but not yet effective

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

Descriptions	Annual periods commencing on
Amendments to: - FRS 103 : Reference to the Conceptual Framework - FRS 16 : Property, Plant and Equipment – Proceeds before Intended Use - FRS 37 : Onerous Contracts – Cost of Fulfilling a Contract Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to: - FRS 1 : Disclosure of Accounting Policies - FRS 8 : Definition of Accounting Estimates - FRS 12 : Deferred tax related to Assets and Liabilities arising from a single transaction	1 January 2023
Amendments to: - FRS 1 : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Directors expects that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

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## **2. Significant accounting policies (Cont'd)**

### **2.2 Income recognition**

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

Income is recognised when the Company satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the 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 Donations**

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

#### **2.2.2 Rendering of services**

Revenue from services is recognised duration in which the services are rendered.

#### **2.2.3 Interest income**

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

#### **2.2.4 Other income**

Other income is recognised when earned.

### **2.3 Government grants**

Grants from the government are recognised as a receivable at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all attached conditions. Where the grants relates to an asset, the fair value is recognised as funds on the statement of financial position and is amortised to the statement of financial activities over the expected useful lives of the relevant asset by equal annual instalments.

Government grants receivable are recognised as income in the statement of financial activities over the periods necessary to match them with the related costs which they intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

### **2.4 Expenditure recognition**

All expenditure are accounted for on an 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. Significant accounting policies (Cont'd)

### 2.4 Expenditure recognition (Cont'd)

#### 2.4.1 Cost of charitable activities

Cost of charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company. The total cost of charitable activities comprises of direct cost and apportionment of overhead and shared costs.

#### 2.4.2 Governance and other administrative costs

Governance costs include the costs of governance arrangement, which relate to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

### 2.5 Property, plant and equipment

#### 2.5.1 Measurement

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item 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 and restoration is included as a consequence of acquiring or using the property, plant and equipment.

#### 2.5.2 Depreciation

Depreciation is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful Lives
Computers	1 year
Furniture	5 years
Fixtures and Fittings	3 years
Office equipment	3 years
Website development	3 years
Renovation	3 years
Rights of use assets – Office Units	Over the remaining lease term
Rights of use asset – Copier	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 financial activities when the changes arise.

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

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**2. Significant accounting policies (Cont'd)****2.5 Property, plant and equipment (Cont'd)**

## 2.5.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has 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. All other repair and maintenance expenses are recognised in the statement of financial activities when incurred.

## 2.5.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the disposals proceeds and its carrying amount is recognised in the statement of financial activities.

**2.6 Impairment of non-financial assets**

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, 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 (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial performance.

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods. A reversal of impairment loss for an asset is recognised in the statement of comprehensive income.

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**2. Significant accounting policies (Cont'd)****2.7 Financial assets****(a) Classification and measurement**

The Company classifies its financial assets into the measurement category of 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 asset.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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 asset at its fair value plus, in the case of a financial asset not at fair value through statement of financial activities, transaction costs that are directly attributable to the acquisition of the financial assets.

**At subsequent measurement**

Debt instruments of the Company mainly comprise of cash and bank balances, trade and other receivables.

Debt instruments that are held for collection of contractual cash flow where those cash flows represent solely payments of principal and interest are measured at amortised cost. 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 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.

**(b) 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 by the FRS 109, which requires expected lifetime losses to be recognised from the initial recognition of the trade receivables.

For cash and bank balances 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.



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**2. Significant accounting policies (Cont'd)****2.7 Financial assets (Cont'd)**

## (c) 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 the statement of financial activities.

**2.8 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of change in value.

Fixed deposits that have short maturities of three months or less from the date of acquisition are reported as cash and cash equivalents. All other fixed deposits are reported separately in the statement of financial position.

**2.9 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 financial activities. Financial liabilities include "Trade and other payables" and "Lease liabilities".

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 is derecognised when the obligations under the liability is discharged or cancelled or expires. 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 financial activities.

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**2. Significant accounting policies (Cont'd)****2.10 Other payables**

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.

**2.11 Provisions for other liabilities and charges**

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

**2.12 Borrowing costs**

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in the statement of financial activities in the period in which they are incurred. Borrowing costs are recognised in the statement of financial activities using the effective interest method. Borrowing costs may include interest in respect of lease liability recognised in accordance with FRS 116.

**2.13 Leases**

At the inception of the contract, the Company assesses if the contract contains a lease. A contract contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

When the Company is the lessee:

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

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## 2. Significant accounting policies (Cont'd)

### 2.14 Leases (Cont'd)

#### When the Company is the lessee: (Cont'd)

- Right-of-use assets

The Company recognises a right-of-use asset and lease liabilities at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted of any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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 2.6.

The Company's right-of-use assets are presented within "Property, plant and equipment" as disclosed in Note 11.

- Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Company shall use its incremental borrowing rate.

Lease payments include the following:

- Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- Amount expected to be payable under residual value guarantees;
- The exercise price of a purchase option if is reasonably certain to exercise the option; and
- Payment of penalties for terminating the lease, if the lease term reflects the Company exercising that option.

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.

For contract that contain both lease and non-lease components, the Company allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Company has elected to not separate lease and non-lease component for property lease and account these as one single lease component.

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## 2. Significant accounting policies (Cont'd)

### 2.14 Leases (Cont'd)

#### When the Company is the lessee: (Cont'd)

- Lease liabilities (Cont'd)

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- There is a change in future lease payments arising from changes in an index or rate;
- There is a changes in the Company's assessment of whether it will exercise an extension option; or
- There is modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in the statement of financial activities if the carrying amount of the right-of-use asset has been reduced to zero.

The Company's lease liabilities are disclosed in Note 14.

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.

- Short-term and low-value leases

The Company has elected to not recognised right-of-use assets and lease liabilities for short-term leases that have lease term of 12 months or less from the commencement date and do not contain a purchase option and leases of low value leases, except for sublease arrangements. Lease payments relating to short term leases and leases of low-value assets are expensed to the statement of financial activities on a straight-line basis over the lease term.

- 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 financial activities in the periods that triggered those lease payments.

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**2. Significant accounting policies (Cont'd)****2.15 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.

**2.16 Employee compensation**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.

Employee leave entitlement

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

**2.17 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. Where the possibility of an outflow of resources is not remote, the Company shall disclose for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and, where practicable:

- a) an estimate of its financial effect;
- b) an indication of the uncertainties relating to the amount or timing of any outflow; and
- c) the possibility of any reimbursement.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

**2.18 Events after the reporting date**

Events after the reporting period that provide additional information about the Company's position at the reporting date (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.

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**3. Critical accounting estimates, assumptions and judgments**

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 Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

**3.1.1 Estimated useful lives of property, plant and equipment**

The Company reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned. The carrying amount of property, plant and equipment and the depreciation charge for the financial year are disclosed in Note 11.

**3.2 Critical judgements in applying the entity's accounting policies**

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

**3.2.1 Impairment of property, plant and equipment**

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

**3.2.2 Government grants**

Government grants to meet operating expenses are recognised as income in the statement of comprehensive income on the accrual basis in the financial 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. Detailed statement of financial activities

	Note	Unrestricted fund	Restricted funds							Total Restricted funds S\$	Total Funds S\$
		General fund S\$	Better and Happier Youth S\$	Comit@ North S\$	Comit@ Central S\$	Comit (Combined) S\$	Community Silver Trust S\$	Community Chest Charity Support Fund S\$	Pledge It Forward Campaign S\$		
<b>2022 INCOME</b>											
<b><u>Income from generating funds</u></b>											
Donations											
- Tax exempt	6	173,262	0	0	0	0	0	0	0	0	173,262
- Non-tax exempt		38,480	0	0	0	0	0	0	0	0	38,480
Grants											
- Grant from AIC		5,995	0	0	0	0	0	0	0	0	5,995
- Grant from Care & Share		0	0	0	0	0	0	0	0	0	0
- Grant from Caritas		180,000	0	0	0	0	0	0	0	0	180,000
- Grant from CST		0	0	0	0	0	76,397	0	0	76,397	76,397
- Grant from MOH		0	0	308,616	234,825	634,460	0	0	0	1,177,901	1,177,901
- Grant from NCSS		762	0	0	0	0	0	0	0	0	762
		<u>398,499</u>	<u>0</u>	<u>308,616</u>	<u>234,825</u>	<u>634,460</u>	<u>76,397</u>	<u>0</u>	<u>0</u>	<u>1,254,298</u>	<u>1,652,797</u>
<b><u>Income from charitable activities</u></b>											
Counselling fees		4,870	0	35,810	24,520	61,260	0	0	0	121,590	126,460
Placement admin fee revenue		600	0	0	0	0	0	0	0	0	600
Psycho-education sessions		2,820	0	0	0	0	0	0	0	0	2,820
Clinical supervision fee		0	0	0	0	0	0	0	0	0	0
		<u>8,290</u>	<u>0</u>	<u>35,810</u>	<u>24,520</u>	<u>61,260</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>121,590</u>	<u>129,880</u>
<b><u>Other income</u></b>											
Government-paid childcare leave		2,660	0	0	0	0	0	0	0	0	2,660
Government job growth incentive (JGI)		91,082	0	0	0	0	0	0	0	0	91,082
Government paid maternity leave		9,569	0	0	0	0	0	0	0	0	9,569
Interest income		7,876	0	0	0	0	0	0	0	0	7,876
COVID-19 healthcare award (CHA)		1,264	0	0	0	0	0	0	0	0	1,264
COVID-19 related rent concessions		1,081	0	0	0	0	0	0	0	0	1,081
SingTel Sponsorship Scheme (NCSS)		540	0	0	0	0	0	0	0	0	540
Special Employment Credit (MOM)		743	0	0	0	0	0	0	0	0	743
Wage Credit Scheme (IRAS)		11,132	0	0	0	0	0	0	0	0	11,132
		<u>125,947</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>125,947</u>
<b>TOTAL INCOME</b>		<u>532,736</u>	<u>0</u>	<u>344,426</u>	<u>259,345</u>	<u>695,720</u>	<u>76,397</u>	<u>0</u>	<u>0</u>	<u>1,375,888</u>	<u>1,908,624</u>

## 4. Detailed statement of financial activities (Cont'd)

	Note	Unrestricted fund	Restricted funds							Total Restricted funds S\$	Total Funds S\$
		General fund S\$	Better and Happier Youth S\$	Comit@ North S\$	Comit@ Central S\$	Comit (Combined) S\$	Community Silver Trust S\$	Community Chest Charity Support Fund S\$	Pledge It Forward Campaign S\$		
<b>2022 (Cont'd)</b>											
<b>EXPENDITURE</b>											
<b>Cost of charitable activities</b>											
Contractor fee		0	0	2,220	0	3,923	0	0	0	6,143	6,143
CFS YES!		0	966	0	0	0	0	0	0	966	966
Maternal Mental Health		421	0	0	0	0	0	0	0	0	421
Provision for unutilised leaves		(13,843)	0	0	0	0	0	0	0	0	(13,843)
Staff costs	8	96,767	0	294,643	147,993	343,198	76,397	26,041	449	888,721	985,488
		<u>83,345</u>	<u>966</u>	<u>296,863</u>	<u>147,993</u>	<u>347,121</u>	<u>76,397</u>	<u>26,041</u>	<u>449</u>	<u>895,830</u>	<u>979,175</u>
<b>Governance and other administrative costs</b>											
Advertising		1,264	1,011	0	0	0	0	0	0	1,011	2,275
Accounting/Payroll System Subscription		0	0	2,314	0	1,048	0	0	0	3,362	3,362
Anniversary event		0	0	0	0	0	0	0	0	0	0
Audit fee		8,453	0	0	0	0	0	0	0	0	8,453
Bank charge		318	0	0	0	0	0	0	0	0	318
Depreciation of property, plant and equipment		9,022	0	1,772	4,393	5,846	0	13,270	0	25,281	34,303
Fund-raising expenses		33,624	0	0	0	0	0	0	0	0	33,624
Insurance		168	0	0	0	226	0	0	0	226	394
Internet		595	0	514	0	475	0	0	0	989	1,584
Interest expense on lease liabilities		0	0	110	161	205	0	0	0	476	476
Local transport		422	160	0	0	77	0	0	0	237	659
Membership		125	0	0	0	0	0	0	0	0	125
Office supplies		1,157	0	0	0	0	0	0	0	0	1,157
Postage and courier		421	0	0	0	0	0	0	0	0	421
Printing		(969)	0	71	0	0	0	0	0	71	(898)
Property insurance		449	0	0	0	0	0	0	0	0	449
Recruitment expenses		50	0	0	0	100	0	0	0	100	150
Rental of premises		0	0	6,484	0	6,484	0	0	0	12,968	12,968
Repairs and maintenance		0	0	412	0	1,413	0	2,252	0	4,077	4,077
Secretarial fee		2,170	0	0	0	0	0	0	0	0	2,170
Service & conservancy charges		0	0	90	0	90	0	0	0	180	180
Software subscriptions		0	455	1,902	0	1,544	0	0	0	3,901	3,901
SGgives transaction fee		442	0	0	0	0	0	0	0	0	442
Staff costs	8	308,090	0	47,919	12,189	84,189	0	2,628	0	146,925	455,015
Staff Supervision fee		11,620	0	7,253	5,185	12,662	0	0	0	25,100	36,720
Telephone		2,168	0	2,094	0	1,510	0	0	0	3,604	5,772
Utilities		0	0	961	0	2,107	0	0	0	3,068	3,068
Website/IT fee		14	0	1,585	0	1,061	0	600	0	3,246	3,260
		<u>379,603</u>	<u>1,626</u>	<u>73,481</u>	<u>21,928</u>	<u>119,037</u>	<u>0</u>	<u>18,750</u>	<u>0</u>	<u>234,822</u>	<u>614,425</u>
<b>TOTAL EXPENDITURE</b>		<u>462,948</u>	<u>2,592</u>	<u>370,344</u>	<u>169,921</u>	<u>466,158</u>	<u>76,397</u>	<u>44,791</u>	<u>449</u>	<u>1,130,652</u>	<u>1,593,600</u>
<b>(DEFICIT) / SURPLUS FOR THE FINANCIAL YEAR</b>		<u>69,788</u>	<u>(2,592)</u>	<u>(25,918)</u>	<u>89,424</u>	<u>229,562</u>	<u>0</u>	<u>(44,791)</u>	<u>(449)</u>	<u>245,235</u>	<u>315,024</u>



## 4. Detailed statement of financial activities (Cont'd)

	Note	Unrestricted fund	Restricted Funds									Total Restricted funds S\$	Total Funds S\$
		General fund S\$	Better and Happier Youth S\$	Comit@ North S\$	Comit@ Central S\$	Community Silver Trust S\$	Community Chest Charity Support Fund S\$	Community Care Day Celebration Fund S\$	Pristine Fund S\$	NCSS Comchest COVID-19 S\$	# Stronger together Staff Appreciation Fund S\$		
<b>2021 INCOME</b>													
<b>Income from generating funds</b>													
Donations													
- Tax exempt	6	75,089	0	0	0	0	0	0	0	0	0	0	75,089
- Non-tax exempt		15,903	0	0	0	0	0	0	0	0	0	0	15,903
Grants													
- Grant from AIC		9,198	0	0	0	0	0	1,000	300	0	2,000	3,300	12,498
- Grant from Caritas		100,000	0	0	0	0	0	0	0	0	0	0	100,000
- Grant from CST		0	0	0	0	93,958	0	0	0	0	0	93,958	93,958
- Grant from Comchest		0	0	0	0	0	50,000	0	0	0	0	50,000	50,000
- Grant from MOH		0	0	663,367	104,615	0	0	0	0	0	0	767,982	767,982
- Grant from BCF		400,000	0	0	0	0	0	0	0	0	0	0	400,000
		<u>600,190</u>	<u>0</u>	<u>663,367</u>	<u>104,615</u>	<u>93,958</u>	<u>50,000</u>	<u>1,000</u>	<u>300</u>	<u>0</u>	<u>2,000</u>	<u>915,240</u>	<u>1,515,430</u>
<b>Income from charitable activities</b>													
Counselling fees		5,620	0	74,870	3,400	0	0	0	0	0	0	78,270	83,890
Placement admin fee revenue		600	0	0	0	0	0	0	0	0	0	0	600
Psycho-education sessions		10,810	0	0	0	0	0	0	0	0	0	0	10,810
Clinical supervision fee		7,425	0	0	0	0	0	0	0	0	0	0	7,425
		<u>24,455</u>	<u>0</u>	<u>74,870</u>	<u>3,400</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>78,270</u>	<u>102,725</u>
<b>Other income</b>													
Government-paid childcare leave		1,029	0	0	0	0	0	0	0	0	0	0	1,029
Government job growth incentive (JGI)		31,821	0	0	0	0	0	0	0	0	0	0	31,821
Interest income		2,233	0	0	0	0	0	0	0	0	0	0	2,233
Job Support Scheme		97,264	0	0	0	0	0	0	0	0	0	0	97,264
Parental paid leave		2,498	0	0	0	0	0	0	0	0	0	0	2,498
COVID-19 related rent concessions		2,161	0	0	0	0	0	0	0	0	0	0	2,161
SingTel Sponsorship Scheme (NCSS)		540	0	0	0	0	0	0	0	0	0	0	540
Special Employment Credit (MOM)		417	0	0	0	0	0	0	0	0	0	0	417
Wage Credit Scheme (IRAS)		19,458	0	0	0	0	0	0	0	0	0	0	19,458
		<u>157,421</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>157,421</u>
<b>TOTAL INCOME</b>		<u>782,066</u>	<u>0</u>	<u>738,237</u>	<u>108,015</u>	<u>93,958</u>	<u>50,000</u>	<u>1,000</u>	<u>300</u>	<u>0</u>	<u>2,000</u>	<u>993,510</u>	<u>1,775,576</u>

## 4. Detailed statement of financial activities (Cont'd)

	Note	Unrestricted fund	Restricted Funds									Total Restricted funds S\$	Total Funds S\$	
		General fund S\$	Better and Happier Youth S\$	Comit@ North S\$	Comit@ Central S\$	Community Silver Trust S\$	Community Chest Charity Support Fund S\$	Community Care Day Celebration Fund S\$	Pristine Fund S\$	NCSS Comchest COVID-19 S\$	# Stronger together Staff Appreciation Fund S\$			
<b>2021 (Cont'd)</b>														
<b>EXPENDITURE</b>														
<b>Cost of charitable activities</b>														
Conference fee		0	2,350	0	0	0	0	0	0	0	0	0	2,350	2,350
Contractor fee		0	0	5,958	0	0	0	0	0	0	0	0	5,958	5,958
C&S - Psychoeducation		2,207	0	0	0	0	0	0	0	0	0	0	0	2,207
CFS YES!		0	1,782	0	0	0	0	0	0	0	0	0	1,782	1,782
Provision for unutilised leaves		14,111	0	0	0	0	0	0	0	0	0	0	0	14,111
Psycho-education session expenses		303	0	0	0	0	0	0	0	0	0	0	0	303
Staff costs	8	124,023	0	547,124	57,441	64,745	0	0	0	0	0	0	669,310	793,333
		140,644	4,132	553,082	57,441	64,745	0	0	0	0	0	0	679,400	820,044
<b>Governance and other administrative costs</b>														
Advertising		914	474	0	0	0	0	0	0	0	0	0	474	1,388
Accounting/Payroll System Subscription		0	0	2,623	0	0	0	0	0	0	0	0	2,623	2,623
Anniversary event		1,981	0	0	0	0	0	0	0	0	0	0	0	1,981
Audit fee		8,881	0	0	0	0	0	0	0	0	0	0	0	8,881
Bank charge		253	0	0	0	0	0	0	0	0	0	0	0	253
Depreciation of property, plant and equipment		14,393	0	10,471	2,196	0	13,270	0	0	0	0	0	25,937	40,330
Internet		0	0	2,655	0	0	0	0	0	0	0	0	2,655	2,655
Interest expense on lease liabilities		69	0	845	127	0	0	0	0	0	0	0	972	1,041
Local transport		207	0	0	0	0	0	0	0	0	0	0	0	207
Membership		42	0	0	0	0	0	0	0	0	0	0	0	42
Office supplies		843	0	628	0	0	0	0	300	0	0	0	928	1,771
Pantry supplies/refreshments		15	0	0	0	0	0	0	0	0	0	0	0	15
Periodicals and subscriptions		360	0	0	0	0	0	0	0	0	0	0	0	360
Postage and courier		161	0	0	0	0	0	0	0	0	0	0	0	161
Printing		250	0	168	0	0	0	0	0	0	0	0	168	418
Property insurance		2,572	0	0	0	0	0	0	0	0	0	0	0	2,572
Recruitment expenses		100	0	100	230	0	0	0	0	0	0	0	330	430
Reinstatement cost		6,375	0	0	0	0	0	0	0	0	0	0	0	6,375
Rental of premises		0	0	12,968	0	0	0	0	0	0	0	0	12,968	12,968
Repairs and maintenance		0	0	1,236	0	0	0	0	0	0	0	0	1,236	1,236
Secretarial fee		1,875	0	0	0	0	0	0	0	0	0	0	0	1,875
Service & conservancy charges		0	0	178	0	0	0	0	0	0	0	0	178	178
Software subscriptions		0	69	3,061	0	0	0	0	0	0	0	0	3,130	3,130
Staff costs	8	254,449	0	131,007	0	29,213	0	1,000	0	1,554	1,040	0	163,814	418,263
Staff Supervision fee		7,997	0	15,283	1,650	0	0	0	0	0	0	0	16,933	24,930
Telephone		820	0	5,921	0	0	0	0	0	0	0	0	5,921	6,741
Utilities		80	0	2,543	0	0	0	0	0	0	0	0	2,543	2,623
Website/IT fee		0	0	0	0	0	0	0	0	0	0	0	0	0
		302,637	543	189,687	4,203	29,213	13,270	1,000	300	1,554	1,040	0	240,810	543,447
<b>TOTAL EXPENDITURE</b>		<b>443,281</b>	<b>4,675</b>	<b>742,769</b>	<b>61,644</b>	<b>93,958</b>	<b>13,270</b>	<b>1,000</b>	<b>300</b>	<b>1,554</b>	<b>1,040</b>	<b>0</b>	<b>920,210</b>	<b>1,363,491</b>
<b>(DEFICIT) / SURPLUS FOR THE FINANCIAL YEAR</b>		<b>338,785</b>	<b>(4,675)</b>	<b>(4,532)</b>	<b>46,371</b>	<b>0</b>	<b>36,730</b>	<b>0</b>	<b>0</b>	<b>(1,554)</b>	<b>960</b>	<b>0</b>	<b>73,300</b>	<b>412,085</b>

## 5. Revenue from contracts with customers

Disaggregation of revenue from contracts with customer:

	Note	2022 S\$	2021 S\$
<u>Revenue from</u>			
Donations		211,742	90,992
Counselling fees		126,460	83,890
Placement admin fee revenue		600	600
Psycho-education sessions		2,820	10,810
Clinical supervision fee		0	7,425
Other incoming resources		1,621	2,701
		<u>343,243</u>	<u>196,418</u>
 <u>Timing of transfer of services :</u>			
At a point in time		<u>343,243</u>	<u>196,418</u>

## 6. Tax deductible donations

During the financial year, the Company issued tax-deductible receipts for donations totalling S\$173,262 (2021: S\$75,089) pursuant to its Institution of a Public Character ("IPC") status. They are presented as follows:

	2022 S\$	2021 S\$
<u>Statement of financial activities</u>		
General fund:		
- Donations - tax exempt	<u>173,262</u>	<u>75,089</u>

## 7. Income tax

The Company is registered as a charity under the Charities Act since 3 December 2010. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act 1947.

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**8. Staff costs**

	Note	2022 S\$	2021 S\$
- Salaries		1,066,417	945,625
- Annual leave pay		9,693	0
- AWS/Bonus		104,217	65,536
- Employer CPF		193,347	161,928
- SDF		2,596	2,241
- Medical		7,981	8,114
- Dental		854	879
- Staff insurance		11,800	6,853
- Staff welfare		5,873	7,095
- Training and development		37,725	13,325
		<u>1,440,503</u>	<u>1,211,596</u>

Staff costs were allocated into the following:

Cost of charitable activities

- General Fund		96,767	124,023
- Comit @ North		294,643	547,124
- Comit @ Central		147,993	57,441
- Comit (Combined)		343,198	0
- Community Silver Trust		76,397	64,745
- Pledge It Forward Campaign		449	0
- Community Chest Charity Support Fund		26,041	0
	4	<u>985,488</u>	<u>793,333</u>

Governance and other administrative costs

- General Fund		308,090	254,449
- Comit @ North		47,919	131,007
- Comit @ Central		12,189	0
- Comit (Combined)		84,189	0
- Community Silver Trust		0	29,213
- Stay Strong Together #2		0	1,040
- Community Care Day Fund 2019		0	1,000
- Community Chest Charity Support Fund		2,628	0
- NCSS Comchest COVID-19		0	1,554
	4	<u>455,015</u>	<u>418,263</u>
		<u>1,440,503</u>	<u>1,211,596</u>

**9. Cash and bank balances**

	2022 S\$	2021 S\$
Cash on hand	770	770
Cash at banks	1,002,464	328,909
Fixed deposit	1,799,882	2,384,170
	<u>2,803,116</u>	<u>2,713,849</u>

**9. Cash and bank balances (Cont'd)**

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2022 S\$	2021 S\$
Cash and bank balances (as above)	2,803,116	2,713,849
Less: fixed deposits with maturity over 3 months	<u>(299,882)</u>	<u>(1,000,000)</u>
	<u>2,503,234</u>	<u>1,713,849</u>

Fixed deposits at the reporting date had maturity dates ranging from 3 to 6 months as at 30 September 2022 (2021: 1 month to 6 months) and had a weighted average effective interest rate of 0.69% (2021: 0.15%) per annum.

At the reporting date, the carrying amounts of cash and bank balances approximate their fair values.

**10. Trade and other receivables**

	2022 S\$	2021 S\$
Fee receivables	0	450
Other receivables		
- Deposits	3,762	3,912
- Interest receivables	4,524	223
- Prepayments	20,980	10,851
- Grant receivables - AIC	634,460	430,611
- Other debtors	<u>7,649</u>	<u>3,891</u>
	<u>671,375</u>	<u>449,938</u>

Fee receivables are unsecured and non-interest bearing of the Company.

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

## 11. Property, plant and equipment

	Balance at 01.10.2021 S\$	Additions S\$	Disposal S\$	Balance at 30.09.2022 S\$
<b>2022</b>				
<b>At cost</b>				
Computers	87,974	14,774	0	102,748
Furniture	12,012	0	0	12,012
Fixtures and fittings	700	0	0	700
Office equipment	17,752	0	0	17,752
Renovation	256,929	0	0	256,929
Website development	0	7,300	0	7,300
Rights of use assets – Office units	35,142	18,966	(35,142)	18,966
Rights of use asset – Copier	7,811	0	0	7,811
	<u>418,320</u>	<u>41,040</u>	<u>(35,142)</u>	<u>424,218</u>
	Balance at 01.10.2021 S\$	Additions S\$	Disposal S\$	Balance at 30.09.2022 S\$
<b>Accumulated depreciation</b>				
Computers	87,935	6,518	0	94,453
Furniture	10,332	991	0	11,323
Fixtures and fittings	700	0	0	700
Office equipment	12,362	2,811	0	15,173
Renovation	233,828	11,550	0	245,378
Website development	0	2,028	0	2,028
Rights of use assets – Office units	27,089	8,843	(35,142)	790
Rights of use asset – Copier	3,385	1,562	0	4,947
	<u>375,631</u>	<u>34,303</u>	<u>(35,142)</u>	<u>374,792</u>
	Balance at 01.10.2021 S\$			Balance at 30.09.2022 S\$
<b>Carrying amount</b>				
Computers	39			8,295
Furniture	1,680			689
Fixtures and fittings	0			0
Office equipment	5,390			2,579
Renovation	23,101			11,551
Website development	0			5,272
Rights of use assets – Office units	8,053			18,176
Rights of use asset – Copier	4,426			2,864
	<u>42,689</u>			<u>49,426</u>

## 11. Property, plant and equipment (Cont'd)

	Balance at 01.10.2020	Additions	Disposal	Balance at 30.09.2021
	S\$	S\$	S\$	S\$
<b>2021</b>				
<b>At cost</b>				
Computers	78,817	9,157	0	87,974
Furniture	11,681	331	0	12,012
Fixtures and fittings	700	0	0	700
Office equipment	10,015	7,737	0	17,752
Renovation	222,277	34,652	0	256,929
Rights of use assets - Office units	54,199	0	(19,057)	35,142
Rights of use asset - Copier	7,811	0	0	7,811
	<u>385,500</u>	<u>51,877</u>	<u>(19,057)</u>	<u>418,320</u>
	Balance at 01.10.2020	Additions	Disposal	Balance at 30.09.2021
	S\$	S\$	S\$	S\$
<b>Accumulated depreciation</b>				
Computers	78,782	9,153	0	87,935
Furniture	9,272	1,060	0	10,332
Fixtures and fittings	466	234	0	700
Office equipment	8,955	3,407	0	12,362
Renovation	221,935	11,893	0	233,828
Rights of use assets - Office units	33,126	13,020	(19,057)	27,089
Rights of use asset - Copier	1,822	1,563	0	3,385
	<u>354,358</u>	<u>40,330</u>	<u>(19,057)</u>	<u>375,631</u>
	Balance at 01.10.2020			Balance at 30.09.2021
	S\$			S\$
<b>Carrying amount</b>				
Computers	35			39
Furniture	2,409			1,680
Fixtures and fittings	234			0
Office equipment	1,060			5,390
Renovation	342			23,101
Rights of use assets - Office units	21,073			8,053
Rights of use asset - Copier	5,989			4,426
	<u>31,142</u>			<u>42,689</u>

## 12. Leases – The Company as a lessee

### Nature of the Company's leasing activities

#### *Office unit*

The Company leases office units and copier for the purpose of office operation.

(a) Carrying amount

Right-of-use ("ROU") assets classified within Property, plant, and equipment

	2022 S\$	2021 S\$
Office units	18,176	8,053
Copier	2,864	4,426
	<u>21,040</u>	<u>12,479</u>

(b) Depreciation charged during the financial year

	2022 S\$	2021 S\$
Office units	8,843	13,020
Copier	1,562	1,563
	<u>10,405</u>	<u>14,583</u>

(c) Interest expense on lease liabilities

	2022 S\$	2021 S\$
Office units	276	761
Copier	200	280
	<u>476</u>	<u>1,041</u>

(d) Lease expense not capitalised in lease liabilities

	2022 S\$	2021 S\$
Lease expense – short term lease	<u>12,968</u>	<u>12,968</u>

(e) Total cash outflow for all the leases in 2022 was S\$24,706 (2021: S\$29,273).

(f) Total COVID-19 related concession received from short term leases in 2022 was S\$1,081 (2021: S\$2,161).



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**13. Other payables**

	2022 S\$	2021 S\$
Other payables		
- Outside parties	8,032	1,045
- Accruals	44,390	42,821
- Provision for unutilised leaves	31,594	45,437
	<u>84,016</u>	<u>89,303</u>

At the reporting date, the carrying amounts of other payables approximate their fair values.

**14. Lease liabilities**

	2022 S\$	2021 S\$
Current	10,931	10,511
Non-current	10,388	3,104
	<u>21,319</u>	<u>13,615</u>

A reconciliation of liabilities arising from financing activities is as follows:

	01.10.2021 S\$	Addition S\$	Cash flows S\$	Non – cash change		30.09.2022 S\$
				Accretion of interest S\$	Other S\$	
Lease liabilities						
- Current	10,511	9,731	(11,738)	476	1,951	10,931
- Non-current	3,104	9,235	0	0	(1,951)	10,388
	<u>13,615</u>	<u>18,966</u>	<u>(11,738)</u>	<u>476</u>	<u>0</u>	<u>21,319</u>

	01.10.2020 S\$	Cash flows S\$	Non – cash change		30.09.2021 S\$
			Accretion of interest S\$	Other S\$	
Lease liabilities					
- Current	16,059	(16,305)	1,041	9,716	10,511
- Non-current	12,820	0	0	(9,716)	3,104
	<u>28,879</u>	<u>(16,305)</u>	<u>1,041</u>	<u>0</u>	<u>13,615</u>

**15. Unrestricted general fund**

This fund represents accumulated surplus and is for the purpose of meeting operating expenses incurred by the Company.

## 16. Restricted funds

Fund balances restricted by outside sources are 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 purpose 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 company purposes.

Restricted funds comprise:

### 16.1 Better and Happier Youth

This is a component of YES Initiative which seeks to transform philanthropy by being a trusted bridge to impact communities.

Movement of this fund is as follows:

	2022 S\$	2021 S\$
Balance at beginning of financial year	21,863	26,538
Add: Grants received	0	0
Less: Utilisation	<u>(2,592)</u>	<u>(4,675)</u>
Balance at end of financial year	<u>19,271</u>	<u>21,863</u>

### 16.2 Comit@Central

This project aims to develop a community-based Allied Health-led, Community Intervention Team to provide psycho-social therapies, rehabilitation, counselling and case management for clients with mental health issues. The project also supports the primary care physicians in managing clients with mental health needs in the community and provides education, training and support to the clients and their caregivers to equip and enable them to live well in the community.

Movement of this fund is as follows:

	Note	2022 S\$	2021 S\$
Balance at beginning of financial year		46,371	0
Add: Grants received		259,345	108,015
Less: Utilisation		(169,921)	(61,644)
Less: Transfer to Comit (Combined)	16.4	<u>(135,795)</u>	<u>0</u>
Balance at end of financial year		<u>0</u>	<u>46,371</u>

## 16. Restricted funds (Cont'd)

### 16.3 Comit@North

This project aims to develop a community-based Allied Health-led, Community Intervention Team to provide psycho-social therapies, rehabilitation, counselling and case management for clients with mental health issues. The project also supports the primary care physicians in managing clients with mental health needs in the community and provides education, training and support to the clients and their caregivers to equip and enable them to live well in the community.

Movement of this fund is as follows:

	Note	2022 S\$	2021 S\$
Balance at beginning of financial year		105,472	110,004
Add: Grants received		344,426	738,237
Less: Utilisation		(370,343)	(742,769)
Less: Transfer to Comit (Combined)	16.4	<u>(79,555)</u>	<u>0</u>
Balance at end of financial year		<u>0</u>	<u>105,472</u>

### 16.4 Comit (Combined)

This project is merged from Comit@North and Comit@Central, effective from 1 April 2022. The project aims to develop a community-based Allied Health-led, Community Intervention Team to provide psycho-social therapies, rehabilitation, counselling and case management for clients with mental health issues. The project also supports the primary care physicians in managing clients with mental health needs in the community and provides education, training and support to the clients and their caregivers to equip and enable them to live well in the community.

Movement of this fund is as follows:

	Note	2022 S\$	2021 S\$
Balance at beginning of financial year		0	0
Add: Grants received		695,720	0
Less: Utilisation		(466,159)	0
Add: Transfer from			
- Comit@Central	16.2	135,795	0
- Comit@North	16.3	<u>79,555</u>	<u>0</u>
Balance at end of financial year		<u>444,911</u>	<u>0</u>

## 16. Restricted funds (Cont'd)

### 16.5 Community Care Day Celebration Fund

This fund is offered by the Agency for Integrated Care (AIC) as part of the inaugural Community Care Day on 1<sup>st</sup> November 2019. This is a one-time Community Care Day Celebration Fund that Community Care organisations may tap on to celebrate the occasion with all colleagues in the organisation.

Movement of this fund is as follows:

	2022 S\$	2021 S\$
Balance at beginning of financial year	0	0
Add: Grants received	0	1,000
Less: Utilisation	0	(1,000)
Balance at end of financial year	<u>0</u>	<u>0</u>

### 16.6 Community Chest Charity Support Fund

Community Chest Fund is administered by NCSS - *Funding of Capital Expenditure for enhancement to premises.*

Movement of this fund is as follows:

	2022 S\$	2021 S\$
Balance at beginning of financial year	86,730	50,000
Add: Grants received	0	50,000
Less: Utilisation	(44,791)	(13,270)
Balance at end of financial year	<u>41,939</u>	<u>86,730</u>

### 16.7 Community Silver Trust

Trust managed by Ministry of Health (MOH) on behalf of the Board of Trustees - The objective of the CST is to encourage donations and provide additional resources for the service providers in the intermediate and long-term care ("ILTC") sector to enhance their capabilities, provide value-added services to achieve higher quality care, and enhance the affordability of step down care for service users and patients. The ILTC sector provides a variety of services that meet both medical and non-medical needs of people with chronic diseases or disability who cannot care for themselves for long periods of time.

Movement of this fund is as follows:

	2022 S\$	2021 S\$
Balance at beginning of financial year	0	0
Add: Grants received	76,397	93,958
Less: Utilisation	(76,397)	(93,958)
Balance at end of financial year	<u>0</u>	<u>0</u>

**16. Restricted funds (Cont'd)**

**16.8 NCSS Comchest COVID-19**

Comchest grant for expenses for include disinfection, cleaning, buying more personal protective equipment and safety equipment, and business continuity measures.

Movement of this fund is as follows:

	2022 S\$	2021 S\$
Balance at beginning of financial year	0	1,554
Add: Grants received	0	0
Less: Utilisation	0	(1,554)
Balance at end of financial year	<u>0</u>	<u>0</u>

**16.9 Pledge It Forward Campaign**

This campaign is led by The Social Co., a partner of Community Chest. The fund is designated for preventive interventions to strengthen families and individuals, for capital expenditure and for capability building for community engagements with the aim of unlocking resources for beneficiaries.

Movement of this fund is as follows:

	2022 S\$	2021 S\$
Balance at beginning of financial year	449	449
Add: Grants received	0	0
Less: Utilisation	(449)	0
Balance at end of financial year	<u>0</u>	<u>449</u>

**16.10 Pristine Fund**

This fund to support the centre-based providers, in turn benefitting seniors in the Community during the COVID-19 outbreak and heightened precautionary measures.

Movement of this fund is as follows:

	2022 S\$	2021 S\$
Balance at beginning of financial year	0	0
Add: Grants received	0	300
Less: Utilisation	0	(300)
Balance at end of financial year	<u>0</u>	<u>0</u>

## 16. Restricted funds (Cont'd)

### 16.11 #StrongerTogether Staff Appreciation Fund

The #StrongerTogether Staff Appreciation Fund is offered by AIC, in collaboration with sponsors, to partners within the community care sector. This fund may be use to appreciate and support the wellbeing of staff for their dedication in service amidst the COVID-19 situation.

Movement of this fund is as follows:

	2022 S\$	2021 S\$
Balance at beginning of financial year	0	(960)
Add: Grants received	0	2,000
Less: Utilisation	0	(1,040)
Balance at end of financial year	<u>0</u>	<u>0</u>

### 16.12 Net assets of the restricted funds

Net assets of the restricted funds are as follows:

	Cash and bank balance S\$	Trade and other receivables S\$	Property, plant and equipment S\$	Total S\$
<b>2022</b>				
Better and Happier Youth Comit (Combined)	19,271 (121,410)	0 634,460	0 8,263	19,271 521,313
Community Chest Charity Support Fund	28,669 (73,470)	0 634,460	13,270 21,533	41,939 582,523
<b>2021</b>				
Better and Happier Youth Comit@Central	21,863 (58,244)	0 104,615	0 0	21,863 46,371
Comit@North	(215,177)	320,641	8	105,472
Community Care Training Grant	(5,355)	5,355	0	0
Community Chest Charity Support Fund	60,191	0	26,539	86,730
Pledge It Forward Campaign	449	0	0	449
	<u>(196,273)</u>	<u>430,611</u>	<u>26,547</u>	<u>260,885</u>

## 17. Related party transactions

There were no related party transactions, except for those disclosed below for remuneration paid to key management personnel during the financial year 2022 and 2021.

The Company is governed by the Board of Directors who are volunteers and receive no monetary remuneration for their contributions.

The remuneration of key management personnel during the financial year are as follows:

	2022 S\$	2021 S\$
Salaries and other short-term benefits	106,991	98,250
Post-employment benefits – contribution to CPF	<u>11,875</u>	<u>12,773</u>
	2022 No. of key management personnel	2021 No. of key management personnel
Remuneration band (S\$)		
Below S\$100,000	0	2
Between S\$100,001 to S\$150,000	<u>1</u>	<u>0</u>

The remuneration of key management personnel is determined by the Board of Directors.

## 18. Jobs support scheme

During the financial year, the Company recognised income of S\$NIL (2021: S\$97,264) from Jobs Support Scheme (JSS). This amount is determined based on the number of eligible staff including those assigned to unrestricted fund and restricted funds. However, the Board is of the view that there is no obligation to allocate the JSS grant income to these funds. Having considered the financial position of the restricted funds, the Board decided to recognise the JSS grant income wholly under Unrestricted Fund and to apply it as it deemed appropriate in accordance with the Company's vision and mission.

## 19. Management of conflict of interest

As part of the Management of Conflict-of-Interest policy of the Company, Members are required to disclose any real, potential or perceived conflicts of interest at the earliest opportunity to the relevant governing body/persons within Clarity.

Whenever a Board member is in any way, directly or indirectly, has an interest in a transaction or project or other matter to be discussed at a meeting, the member shall disclose the nature of this interest before the discussion on the matter begins.

The Board member concerned should not participate in the discussion or vote on the matter and should also offer to withdraw from the meeting and the Board of Directors shall decide if this should be accepted. The declaration will be recorded.

## 20. Financial instruments

The aggregate carrying amounts of financial assets and financial liabilities at amortised cost are as follows:

	2022 S\$	2021 S\$
<b>Financial assets, at amortised cost</b>		
Cash and bank balances	2,803,116	2,713,849
Trade and other receivables (excluding prepayments)	650,395	439,087
	<u>3,453,511</u>	<u>3,152,936</u>
<b>Financial liabilities, at amortised cost</b>		
Other payables	84,016	89,303
Lease liabilities	21,319	13,615
	<u>105,335</u>	<u>102,918</u>

## 21. Financial risk management

The Company's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Board of Directors of the Company on an informal basis.

### Credit risk

Credit risk refers to the risk that counterparties will default on its contractual obligation, resulting in deficits in funds.

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

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

For trade and other receivables, the Company manages its credit risks by ensuring that the counterparty has sufficient financial assets and other committed credit lines to settle its financial and contractual obligations to the Company, as and when they fall due.

### Liquidity risk

Liquidity risk refers to the risk that the Company will have insufficient resources to meet its financial liabilities as and when they fall due.

The Board of 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 table below summarises the profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted payments.



## 21. Financial risk management (Cont'd)

### Liquidity risk (Cont'd)

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2022</b>			
<b>Financial liabilities, at amortised cost</b>			
Other payables	84,016	0	84,016
Lease liabilities	11,823	10,729	22,552
	<u>95,839</u>	<u>10,729</u>	<u>106,568</u>
<b>2021</b>			
<b>Financial liabilities, at amortised cost</b>			
Other payables	89,303	0	89,303
Lease liabilities	11,305	3,392	14,697
	<u>100,608</u>	<u>3,392</u>	<u>104,000</u>

### 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 borrowings.

The Company does not expect any significant effect on the Company's income or expenditure 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:

	2022 S\$	2021 S\$
<b>Fixed rate instruments</b>		
<u>Financial assets</u>		
Fixed deposits	<u>1,799,882</u>	<u>2,384,170</u>
<u>Financial liabilities</u>		
Lease liabilities	<u>21,319</u>	<u>13,615</u>

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. 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 their short-term nature.

The fair values of non-current lease liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial liabilities.

## 23. Reserve policy and position

The Company's reserve position for financial year ended 30 September 2022 is as follows:

		2022	2021	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	Accumulated general funds	2,912	2,841	2
B	Restricted or Designated funds			
	Designated funds	0	0	0
	Restricted funds	506	263	92
C	Endowment funds	0	0	0
D	Total funds	3,418	3,104	10
E	Average past 2 years annual operating expenditure	1,309	1,178	11
F	Ratio of funds to average past 2 years' annual operating expenditure (A/E)	2.22	2.41	

Reference:

- C. An endowment fund consists of assets, funds or properties, which are held in perpetuity, which produce annual income flow for a company to spend as grants.
- D. Total funds include unrestricted, restricted / designated and endowment funds.
- E. Total annual operating expenditure includes expenses related to cost of charitable activities and governance and other administration expenditure.

The Company's Reserve Policy is as follows:

The reserves that we have set aside provide financial stability and the means for the development of our principal activities. We intend to establish our reserves at a level of 3 years of its past 2 years' average expenditure through increasing awareness of our activities, seeking more donors both private and corporate and fund raising efforts. The Board reviews yearly the amount of reserves that are required to ensure that they are adequate to fulfil our continuing obligations.

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**24. Impact of Coronavirus Disease 2019 (COVID-19)**

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 various governments. The nature of the Company's business is mainly in providing therapy and psychoeducation to persons in the community in need of assistance with their mental health. Since the outbreak of COVID-19, the Company has progressively adapted its operations to cater to the situation. Below is the summary of the impact of COVID-19 on the Company's financial performance reflected in the set of financial statements for the financial year ended 30 September 2022:

- i. The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Board of Directors is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the service disruption.
- ii. In 2022, the Company received rental rebates for its office rental. The effects of such rental concessions received are disclosed in Notes 4.

As the COVID-19 situation has improved and moved from pandemic to endemic, restrictions have been gradually released. Unless there is any new COVID-19 variant causing the government to restart the safe management measures, the Company can reasonably ascertain the COVID-19 disruptions on its operating and financial performance for the financial year ending 30 September 2023 would be marginal.

**25. Authorisation of financial statements**

The financial statements for the financial year ended 30 September 2022 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 22 February 2023.