

FAITHACTS

(REGISTERED IN THE REPUBLIC OF SINGAPORE, UEN T04SS0050J)

FINANCIAL STATEMENTS

31 JULY 2023

**LAW & LAW ASSURANCE & ADVISORY SERVICES
PUBLIC ACCOUNTANTS
AND
CHARTERED ACCOUNTANTS
SINGAPORE**

FAITHACTS

(REGISTERED IN THE REPUBLIC OF SINGAPORE, UEN T04SS0050J)

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FAITHACTS

(REGISTERED IN THE REPUBLIC OF SINGAPORE, UEN T04SS0050J)

**STATEMENT BY THE MANAGEMENT COMMITTEE
FOR THE FINANCIAL YEAR ENDED 31 JULY 2023**

In the opinion of the Management Committee,

- a) The financial statements of **FAITHACTS** (the “Society”) are drawn up in accordance with the provisions of the Societies Act 1966 (the “Societies Act”), the Charities Act 1994 and other relevant regulations (the “Charities Act and Regulations”) and Financial Reporting Standards in Singapore (“FRSs”) so as to give a true and fair view of the state of affairs of the Society as at 31 July 2023 and of the results, changes in funds and cash flows of the Society for the financial year ended on that date;
- 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;
- c) The accounting and other records of the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations;
- d) The use of the donation money is in accordance with the objective of the Society as required under Regulation 11 (Use of donations) of the Charities (Institution of Public Character) Regulations;
- e) The fundraising appeals conducted by the Society during the financial year ended 31 July 2023 have been carried out in accordance with Regulation 6 (Fund-raising appeal records) of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fundraising appeals; and
- f) The Society has complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institution of Public Character) Regulations.

On behalf of the Management Committee,



Dr Lee Wee Leong
Chairman



Ms Cindy Koh Yean Leng
Honorary Treasurer

Singapore

Dated : **23 OCT 2023**

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FAITHACTS

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FAITHACTS (the "Society"), which comprise the statement of financial position as at 31 July 2023, the statement of comprehensive income, statement of changes in funds and statement of cash flows 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 Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 July 2023 and the results, changes in funds and cash flows of the Society for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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

The Management Committee is responsible for the other information. The other information comprises the Statement by the Management Committee 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.

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

Responsibilities of Management and Management Committee for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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 Management Committee are 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 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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

We communicate with the Management Committee 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.

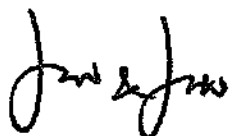
Report on Other Legal and Regulatory Requirements

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 and the Charities Act and Regulations; and
- b) the fund-raising appeals conducted by the Society during the financial year ended 31 July 2023 has been carried out in accordance with Regulation 6 (Fund-raising appeal records) of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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

- a) the Society has not used the donation monies in accordance with its objectives as required under Regulation 11 (Use of donations) of the Charities (Institution of a Public Character) Regulations; and
- b) the Society has not complied with the requirement of Regulation 15 (Fund-raising expenses) of the Charities (Institution of a Public Character) Regulations.



LAW & LAW ASSURANCE & ADVISORY SERVICES
Public Accountants and
Chartered Accountants
Singapore

Dated : 23 October 2023

FAITHACTS
(Registered in the Republic of Singapore, UEN T04SS0050J)

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2023

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
ASSETS			
Non-current assets			
Plant and equipment	3	13,376	23,180
Current assets			
Other receivables	4	70,383	1,677
Fixed deposits	5	1,508,446	908,446
Cash and bank balances		1,339,513	1,770,161
		2,918,342	2,680,284
TOTAL ASSETS		2,931,718	2,703,464
LIABILITIES			
Current liabilities			
Other payables	6	4,000	4,000
TOTAL LIABILITIES		4,000	4,000
NET CURRENT ASSETS		2,914,342	2,676,284
NET ASSETS		2,927,718	2,699,464
FUNDS			
Unrestricted fund			
Accumulated fund		2,857,420	2,657,804
Restricted funds			
SG Cares Volunteer Centre (VC) Programme Fund	7	36,317	22,228
Ibasho Project Fund	8	19,026	19,432
Ministry of Health Eldercare Centre Service Model (Transition Grant) – Block 50 Commonwealth Drive	9	14,955	-
		70,298	41,660
TOTAL FUNDS		2,927,718	2,699,464

The notes set out on pages 11 to 23
form part of these audited financial statements

FAITHACTS

(Registered in the Republic of Singapore, UEN T04SS0050J)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 JULY 2023**

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
Income			
Donations			
- Fund-raising events	12	671,370	499,244
- General		465,417	452,902
Grants and funding			
- National Council of Social Services (NCSS)			
- SHARE As One		-	136
- President Challenge		30,333	24,022
- Tech & Go		-	2,968
- Singtel Sponsorship Scheme		-	540
- National Heritage Board - Speak Good English Movement		3,000	3,000
- The Community Foundation of Singapore - Early Learning Programme		24,950	19,011
- Tote Board – Enhanced Fund-raising Programme grant		150,000	343,452
Programme fees		71,744	51,597
Fixed deposit interest income		27,287	-
Subscription Fees		-	1
		<u>1,444,101</u>	<u>1,396,873</u>
Less expenditure			
Employee benefits expenses	10	833,664	788,325
Depreciation of plant and equipment	3	9,804	15,469
Rent of building, equipment and others short term or low value leases		15,166	12,796
Programme cost	13	196,524	165,649
Other operating expenses		189,327	58,515
		<u>1,244,485</u>	<u>1,040,754</u>
Surplus of Accumulated fund		<u>199,616</u>	<u>356,119</u>
Net surplus/(deficit) transferred from restricted funds			
SG Cares Volunteer Centre (VC) programme fund	7	14,089	22,228
Ibasho Project fund	8	(406)	19,432
Ministry of Health Eldercare Centre Service Model (Transition Grant) – Block 50 Commonwealth Drive	9	14,955	-
Surplus representing total comprehensive income for the financial year		<u>228,254</u>	<u>397,779</u>

The notes set out on pages 11 to 23
form part of these audited financial statements

FAITHACTS

(Registered in the Republic of Singapore, UEN T04SS0050J)

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2023**

	Unrestricted fund	Restricted funds			Total
	Accumulated fund	SG Cares Volunteer Centre (VC) programme fund	Ibasho Project fund	Ministry of Health Active Aging Centre fund	
	S\$	S\$	S\$		S\$
Balance as at 1.8.2021	2,301,685	-	-	-	2,301,685
Total comprehensive income/(loss) for the year	356,119	22,228	19,432	-	397,779
Balance as at 31.7.2022	2,657,804	22,228	19,432	-	2,699,464
Total comprehensive income/(loss) for the year	199,616	14,089	(406)	14,955	228,254
Balance as at 31.7.2023	2,857,420	36,317	19,026	14,955	2,927,718

The notes set out on pages 11 to 23
form part of these audited financial statements

FAITHACTS
(Registered in the Republic of Singapore, UEN T04SS0050J)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 JULY 2023

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
Cash flows from operating activities			
Surplus for the year		228,254	397,779
Adjustments for :-			
Depreciation of plant and equipment	3	<u>9,804</u>	<u>15,469</u>
Operating cash flows before working capital changes		238,058	413,248
Other receivables		(68,706)	-
Deferred income		<u>-</u>	<u>(57,800)</u>
Net cash flows from operating activities		<u>169,352</u>	<u>355,448</u>
Cash flows from investing activities			
Placement of fixed deposits		<u>(600,000)</u>	<u>-</u>
Net cash flows from investing activities		<u>(600,000)</u>	<u>-</u>
Net (decrease)/increase in cash and cash equivalents		(430,648)	355,448
Cash and cash equivalents at beginning of the year		<u>1,770,161</u>	<u>1,414,713</u>
Cash and cash equivalents at end of the year		<u>1,339,513</u>	<u>1,770,161</u>
 Cash and cash equivalents consist of:			
		<u>2023</u> S\$	<u>2022</u> S\$
Cash at bank		1,337,743	1,768,461
Cash on hand		<u>1,770</u>	<u>1,700</u>
		<u>1,339,513</u>	<u>1,770,161</u>

The notes set out on pages 11 to 23
form part of these audited financial statements

FAITHACTS
(Registered in the Republic of Singapore, UEN T04SS0050J)

NOTES TO FINANCIAL STATEMENTS – 31 JULY 2023

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

1. General

FAITHACTS (the “Society”), (Registration No: T04SS0050J) is a society registered in Singapore. The registered and principal place of business of the Society is located at Block 50, Commonwealth Drive #01-506, Singapore 142050.

The Society’s centres at Block 118 Commonwealth Crescent #01-23, Singapore 140118 and Block 13, Dover Close East #01-212, Singapore 130013 aim to serve residents living around the respective vicinities.

The Society’s new centre at Block 40 Margaret Drive #01-07 Singapore 140040 was approved for its operation and is pending for Additions and Alteration (A&A) work to be carried out.

The Society is registered as a charity under the Charities Act since 13 October 2004 with registration number 01824/000582.

The Society has obtained the status of Institution of Public Character (IPC) for the period from 1 October 2021 to 31 March 2024.

The principal activities of the Society are those related to community, counselling and mentoring services.

The financial statements of the Society for the financial year ended 31 July 2023 were authorised for issue by the Management Committee on the date as stated in the Statement by the Management Committee.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Society have been prepared in accordance with the Financial Reporting Standards in Singapore (“FRSs”). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (“S\$”) which is the Society’s functional currency. All financial information presented in Singapore Dollar has been rounded to the nearest dollar, unless otherwise indicated.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Society has adopted all the new and amended standards that are effective for annual financial periods beginning on or after 1 August 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Society.

Standards issued but not yet effective

The Society has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i> : Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 <i>Income Taxes</i> : Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 116 <i>Leases</i> : Lease liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Management Committee expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.3 Plant and equipment

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 plant and equipment includes its purchase price and any costs 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.

Subsequent expenditure relating to plant and equipment 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 entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in income and expenditure when incurred.

Depreciation is charged so as to write off the cost of the assets over their estimated useful lives, using the straight line method, as follows :-

Computers	-	3 years
Renovation	-	3 years
Motor vehicles	-	10 years

Assets acquired or disposed during the financial period are charged with depreciation proportionally from the date of initial recognition or till the date of disposal respectively. Fully depreciated assets are retained in the financial statements until they are no longer in use.

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

The residual values, useful lives and depreciation method are reviewed at each reporting period and adjusted prospectively, if appropriate. The effect of any revision is recognised in income and expenditure when the changes arise.

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

2.4 Impairment of non-financial assets

The Society reviews the carrying amounts of its assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in income and expenditure unless it reverses a previous revaluation in which case it is charged to equity.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in income and expenditure unless it relates to a reversal of an impairment loss on a revalued asset. Such reversal of impairment loss is credited directly to equity under the heading revaluation reserve. However, to the extent that an impairment loss on the same revalued asset was previously recognised as an expense in the income and expenditure, a reversal of that impairment loss is recognised as income in the income and expenditure.

2.5 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when the Society becomes a party to the contractual provisions of the instrument.

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

Subsequent measurement

Debts instruments

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

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

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in income and expenditure.

(b) **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

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

Derecognition

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

2.6 Impairment of financial assets

The Society assesses on a forward-looking basis the expected credit loss (ECL) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The Society considers a financial asset to be in default when contractual payments are 60 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Society's cash management.

2.8 Funds

Unrestricted fund is expendable at the discretion of the Society's Management Committee in furtherance of the Society's objects. Designated fund is part of unrestricted fund earmarked for a particular project that is approved by the Management Committee. The designation is for administrative purpose only and does not restrict the Management Committee's discretion to apply the fund.

Restricted funds are funds subject to specific restrictions which may be declared by the donor(s) with their authority or created through legal process, but still within the wider objects of the Society. The funds can be used for future operating deficits of the programmes but are not transferrable to any other programmes for other purposes.

2.9 Income recognition

Income is recognised when the effect of a transaction or other event results in an increase in the Society's net assets. The following factors must also be met before income is recognised:

- a) Entitlement
The Society has control over the rights or other access to the resource, enabling the Society to determine its future application;
- b) Certainty
It is probable the income will be received; and
- c) Measurement
The amount of the income can be measured by the Society with sufficient reliability.

The following specific recognition criteria must also be met before income is recognised:

- a) Donations
Donations are recognised when received. Such income is only deferred when the donor specifies that the grant or donation must only be used in future accounting periods or the donor has imposed conditions which must be met before the Society has unconditional entitlement.
- b) Grants and funding
Grants and funding are recognised in accordance with accounting policy in Note 2.11.
- c) Programme fees
Programme fees are recognised over the period of provisions of services.

2.10 Employee benefits

Defined contribution plans

The Society makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Short-term employee benefits

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

2.11 Government grant

Grants and subsidies from government are recognised at their fair value where there is a reasonable assurance that the grant or subsidy will be received and all attaching conditions will be complied with. When the grant or subsidy relates to an expense item, it is recognised as income over the periods necessary to match them on a systematic basis to the costs which it is intended to compensate. Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to income and expenditure over the expected useful life of the relevant asset by equal annual instalments.

2.12 Provisions

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, and 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. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of time value is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligations.

2.13 Leases

The Society has operating leases on its premises as lessee that have no fixed lease term. These leases could be ended by either party of the lease by serving one month's notice. Hence, these leases are accounted as short-term leases. The Society also has a finance lease on a copier that is considered to be low value. Recognition exemption is applied on these short-term and low-value leases. Lease payments (net of any incentives received from the lessors) are recognised as an expense in the income and expenditure on a straight-line basis over the lease term.

3. Plant and equipment

	<u>Computer</u>	<u>Renovation</u>	<u>Motor</u> <u>vehicles</u>	<u>Total</u>
	S\$	S\$	S\$	S\$
Cost				
As at 1.8.2021, 31.7.2022 and 31.7.2023	27,392	189,535	229,351	446,278
Accumulated depreciation				
As at 1.8.2021	27,392	183,870	196,367	407,629
Charge for the year	-	5,665	9,804	15,469
As at 31.7.2022	27,392	189,535	206,171	423,098
Charge for the year	-	-	9,804	9,804
As at 31.7.2023	27,392	189,535	215,975	432,902
Net carrying amount				
As at 31.7.2022	-	-	23,180	23,180
As at 31.7.2023	-	-	13,376	13,376

4. Other receivables

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Deposit	7,044	1,677
Grant receivable	36,052	-
Fixed deposit interest receivable	27,287	-
	<u>70,383</u>	<u>1,677</u>

Grant receivable pertains to amount estimated to receive from MOH for operating the Active Aging Centre as disclosed in Note 9.

5. Fixed deposits

Fixed deposits are placed with bank with tenure periods ranging from 9 to 12 months (2022: 9 to 12 months). The fixed deposits earn interest of 2.85% to 3.2% (2022: nil) per annum.

6. Other payables

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Accrued expenses	<u>4,000</u>	<u>4,000</u>

7. SG Cares Volunteer Centre (VC) programme fund

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Balance at beginning of the year	22,228	-
Income for the year		
Grants received from MCCY	164,434	80,000
Less: expenditure		
Employee benefits expenses	(140,413)	(53,430)
Other operating expenses	(9,932)	(4,342)
Surplus for the year	<u>14,089</u>	<u>22,228</u>
Balance at end of the year	<u>36,317</u>	<u>22,228</u>

Ministry of Culture, Community and Youth (MCCY) appointed FaithActs as a Volunteer Centre (VC) for Queenstown Town on 1 January 2022. The funding covers 80% of the total cost of the amount of funds provided.

A new agreement was signed for the period from 1 January 2023 to 31 December 2024 to continue its role as SG Cares Volunteer Centre. For the new agreement, the funding covers 86% of the total cost of the amount of fund granted.

A VC is based on the town level and serves to co-ordinate and drive volunteerism efforts within the assigned town.

8. Ibasho Project Fund

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Balance at beginning of the year	19,432	-
Income for the year		
Donation	-	20,000
Less: expenditure		
Other operating expenses	(406)	(568)
(Deficit)/Surplus for the year	<u>(406)</u>	<u>19,432</u>
Balance at end of the year	<u>19,026</u>	<u>19,432</u>

Ibasho is a project where communities come together to design and create common space that everyone constitute, values and owns.

9. Ministry of Health – Eldercare Centre Service Model (Transition Grant) – Block 50 Commonwealth Drive

	<u>2023</u> S\$	<u>2022</u> S\$
Balance at beginning of the year	-	-
Income for the year	62,478	-
Grant receivable	<u>36,052</u>	<u>-</u>
	98,530	-
Less: expenditure		
Staff cost	(34,077)	-
Other operating expenses	<u>(49,498)</u>	<u>-</u>
Surplus for the year	<u>14,955</u>	<u>-</u>
Balance at end of the year	<u>14,955</u>	<u>-</u>

Ministry of Health, Singapore (MOH) appointed FaithActs as an Active Aging Centre (AAC) to operate from 1 October 2022 to 30 September 2024.

The AAC provided opportunities for seniors to build social connections, engage in recreational activities, have access to health services and a chance to contribute back to the community. The AAC also plays the role of befriending and caring for seniors who lives alone and are not active in the community.

10. Employee benefits expenses

	<u>2023</u> S\$	<u>2022</u> S\$
Charged to Accumulated fund:-		
Salaries and bonus	728,869	690,367
CPF contributions	<u>104,795</u>	<u>97,958</u>
	833,664	788,325
Add: Amount included in SG Cares Volunteer Centre (VC) programme cost		
	<u>27,585</u>	<u>13,358</u>
	<u>861,249</u>	<u>801,683</u>
Charged to SG Cares Volunteer Centre (VC) programme fund:-		
Salaries and bonus	119,631	45,602
CPF contributions	<u>20,782</u>	<u>7,828</u>
	<u>140,413</u>	<u>53,430</u>
Charged to Ministry of Health Active Aging Centre (AAC) transition fund:-		
Salaries and bonus	29,200	-
CPF contributions	<u>4,877</u>	<u>-</u>
	<u>34,077</u>	<u>-</u>
Total employee benefit expenses	<u>1,035,739</u>	<u>855,113</u>

As at the end of the reporting period, the Society has received employment credit from Ministry of Manpower amounting to nil (2022: S\$306), Jobs Growth Incentive (JGI) amounting to S\$13,036 (2022: S\$17,997) and CPF Transition Offset (CTO) amounting to S\$1,166 (2022: nil) and Progressive Wage Credit Scheme payout from the Inland Revenue Authority of Singapore amounting to S\$10,255 (2022: nil) that are offset against the salaries and bonus.

11. Key management personnel compensation

Key management personnel comprise the Executive Director and the heads of departments which are essential to running the Society.

Remuneration band is as follows:

	<u>2023</u> S\$	<u>2022</u> S\$
<u>Number of staff</u>		
Between \$100,000 - \$200,000	1	1
Below \$100,000	5	5

12. Donations

	<u>2023</u> S\$	<u>2022</u> S\$
Tax deductible donations	824,437	800,519
Non-tax-deductible donations	312,350	151,627
	<u>1,136,787</u>	<u>952,146</u>
Donations from fund-raising appeals	<u>671,370</u>	<u>499,244</u>
Fund raising expenses	<u>120,875</u>	<u>3,739</u>

13. Programme cost

	<u>2023</u> S\$	<u>2022</u> S\$
Programme Expenses - Youths	37,406	27,300
Programme Expenses - Seniors	34,602	34,253
Early Learning Programme	11,573	8,690
Bursary/scholarship/financial assistance	70,805	79,657
Community outreach	9,552	764
Volunteer management	32,586	14,985
	<u>196,524</u>	<u>165,649</u>

14. Income tax

The Society is registered as a charity organisation under the Charities Act 1994. As an approved charity, it is exempted from income tax under Section 13(1) of the Income Tax Act 1947.

15. Financial risk management

The Society is exposed to financial risks such as credit risk, liquidity risk and interest rate risk. The Society's overall risk management approach is to minimise the effects of such volatility on its financial performance. The Management Committee reviews and agrees policies for managing each of these risks and they are summarised below. It does not hold derivative financial instruments for trading purposes.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society. The Society's maximum exposure to credit risk in the event the counterparties fail to perform their obligations in relation to each class of financial assets is the carrying amount of those assets indicated on the statement of financial position.

The Society's major class of financial assets are cash at bank and fixed deposits. Cash at bank is placed with reputable financial institution. Other receivables are monitored closely by the Society, which has not revealed any recoverability issues.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds. Due to the dynamic of the operation, the Society aims at maintaining flexibility in funding by maintaining the available fund. The Society manages its liquid funds to be able to finance working capital requirements

As at the reporting date, all financial liabilities of the Society are current.

(c) Interest rate risk

The Society's income and operating cash flows are substantially independent of changes in market interest rates. The Society has no interest-bearing assets and liabilities, except for fixed deposits that are subject to fixed interest rates.

The Society's policy is to obtain the most favourable interest rates. Surplus funds are placed with reputable banks.

16. Fund management

The primary objective of the Society when managing its fund is to safeguard the Society's ability as a going concern and to maintain an optimal capital structure so as to continue the Society's principal activities of community, counselling and mentoring services.

The Society monitors fund by reviewing the level of total assets and total liabilities. The review of the Society's fund management policy and objective is conducted by the Management Committee. As part of the review, the Society makes use of the annual budgeting process and takes into consideration the projected operating cash flows and projected fund expenditure. To maintain or adjust the fund structure, the Society may take certain actions like fund raising activities. The Society's approach to fund management remains unchanged from the previous year.

The Society is not subject to externally imposed fund requirements.