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**2021**

# **ANNUAL REPORT**



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## MISSION

# An Oasis of Hope

HopeHouse believes that every person is unique and capable of change for the better. We believe in this.

## VISION

# Giving youths hope for a new beginning

Giving youths (aged 14 & above) the hope, care and support that can make a difference to help and guide them back to meaningful lives.

Providing a home environment that is conducive for their emotional, social, and educational developments and to enable them to grow their full potential.

Facilitate their reintegration back into their families and to society; to nurture them to become responsible adults.

# VISION & MISSION

# BOARD MEMBERS

## **MR. RUPERT GWEE CHWEE KEE**

Appointed chairman and director on 15/08/2016

Occupation: Director HR Transformation

Ministry of Home Affairs

rupert@hopehouse.sg

## **MR. CHIA BOON KHIANG**

Appointed director on 15/08/2016

Occupation: Head of Strategic Partnership and  
Branding, Director SATA CommHealth

bkchia@hopehouse.sg

## **BR. NICHOLAS SEET PEE HOCK**

Appointed director on 15/08/2016

Occupation: Religious Brother & Educator,  
La Salle Brothers

nicholas@hopehouse.sg

## **BR. COLLIN WEE KIM CHYE**

Appointed Director on 11/05/2010

Occupation: Religious Brother & Home Mentor

collin@hopehouse.sg

# KEY APPOINTMENT

## **MR PEH PENG KHIEN**

Appointed Head of Home on 01/05/2020

ben@hopehouse.sg

*HopeHouse is incorporated as a Company Limited by Guarantee (Company Regn. 201010093H) and is a Registered Charity. HopeHouse is also an approved Institution of a Public Character (IPC No. 000728).*



# THE BROTHERS' MESSAGE



Br. Nicholas Seet  
La Salle Brothers Representative  
Singapore

***"When helping the young person, the family of the person is also being helped."***

**"To touch the hearts of the young is the greatest miracle you can perform"**  
**(Med 139.3)**

are the words of St John Baptist de La Salle. HopeHouse has performed many miracles for more than 110 youth since its inception and touched the hearts of so many. HopeHouse aims to be a home for the youth where they can experience the care and love of supportive adults and learn from this to bring wholeness into their own lives. When helping the young person, the family of the person is also being helped.

In this 10th year of the Lasallian East Asia District and the 169th year of the Brothers' presence in Asia, may the Lord continue to guide the staff of HopeHouse to accomplish their God-given mission of reaching out to youth regardless of their backgrounds and helping them to contribute to a better society too.

# CHAIRMAN'S MESSAGE

**This year marks the 10th year since HopeHouse was first established.**

I am privileged to serve alongside the Lasalle Brothers, directors, staff, founders and supporters of HopeHouse Ltd in continuing the mission of providing a “home within” environment and launching our residents stronger!

Over the past year, the staff have worked very hard dealing with Covid-19 restrictions and in helping us attain formal licensed status as a Children and Young Persons Home under the Children and Young Persons Act, Cap 38, which is a higher certification than our previous Voluntary Welfare Organisation (VWO) status.

This is an important milestone and a crucial step for our plans to expand and to move to larger purpose-built facility in the near future. We believe that our model of creating a firm and caring “home within!” environment, rather than a regimented institution, is a good model.

We thank all supporters and donors who have contributed towards our success and hope that you will continue to support and to pray for the well-being and growth of our residents!

Yours in service!



Mr Rupert Gwee  
Chairman

***"We thank all supporters and donors who have contributed towards our success and hope that you will continue to support and to pray for the well-being and growth of our residents!"***

# NEVER GIVE UP

Ricky\* was in a traumatised state when he was first referred to HopeHouse by MSF at a tender age of 16. He had witnessed enough violence that most people would not have seen throughout their lives.

Over the years, journeying with HopeHouse and other caring individuals, Ricky persevered through his many obstacles and grew stronger, becoming more confident with each challenge. His rite of passage into national service was celebrated and he marked his 21st birthday with HopeHouse.

Ricky did well for a place in university. With the support of well wishes and benefactors, he took his opportunity and studied hard. He brought great joy to everyone recently by graduating with honors! What great future awaits him now, a far cry from the 16 year old we first knew.



## Vulnerable

Youth like Ricky are vulnerable and are in a critical age group as it is the final stage before they enter adulthood and the working world.



## Support

Family pressures and societal challenges have added new dimensions to the problems of families at risk.

\*not his real name

# MANAGEMENT DISCLOSURE

## 5 Board Meetings

There were 5 board Meetings during the year. All members of the board were present.

## 1 Board Member

Bro Collin Wee received a monthly token of \$1,800 and CPF contribution. This is for his role as Home Mentor. Cash component are put to the La Salle St Patrick's Community Fund.

## CONFLICT OF INTEREST POLICY

All board members and staff are required to comply with the home's conflict-of-interest policy.

The board has put in place documented procedures for Board members and staff to declare or potential conflicts of interest on a need to basis.

Board members also abstain and do not participate indecision-making on matters where they have a conflict of interest.

**Financial Auditor :** Robert Yam & Co PAC

**Banker:** DBS Bank

# RESIDENT'S PROFILE

The residents admitted were due to trouble with the law and or difficult family relationships issues

Due to the pandemic, our intake was drastically lower. The duration of stay of our residents ranged from 7 weeks to 23 months.

**8**

## **Residents Discharged**

Among these, 7 residents were under probation in which 5 successfully completed their term, the other two were breeched and had their orders revoked. The last resident was a referral from MSF, he was eventually reintegrated with his family.

**3**

## **Clients Admitted**

2 were admitted under probation order and the third under PCRS.

Our monthly soup-kitchen project at a local church was suspended, fortunately we had other opportunities to serve

## Sharing

Distribution of essentials to low income household at Marine Parade and migrant workers working in our vicinity.



## Encouraging

Sharing goodies and words of encouragements to healthcare frontline at CGH.



## Bonding

Bonding and learning to support each other over rock climbing.



We held individual tuition for some residents wanting to gain entry for The Work Place Literacy (WPL) and Workplace Numeracy (WPN).

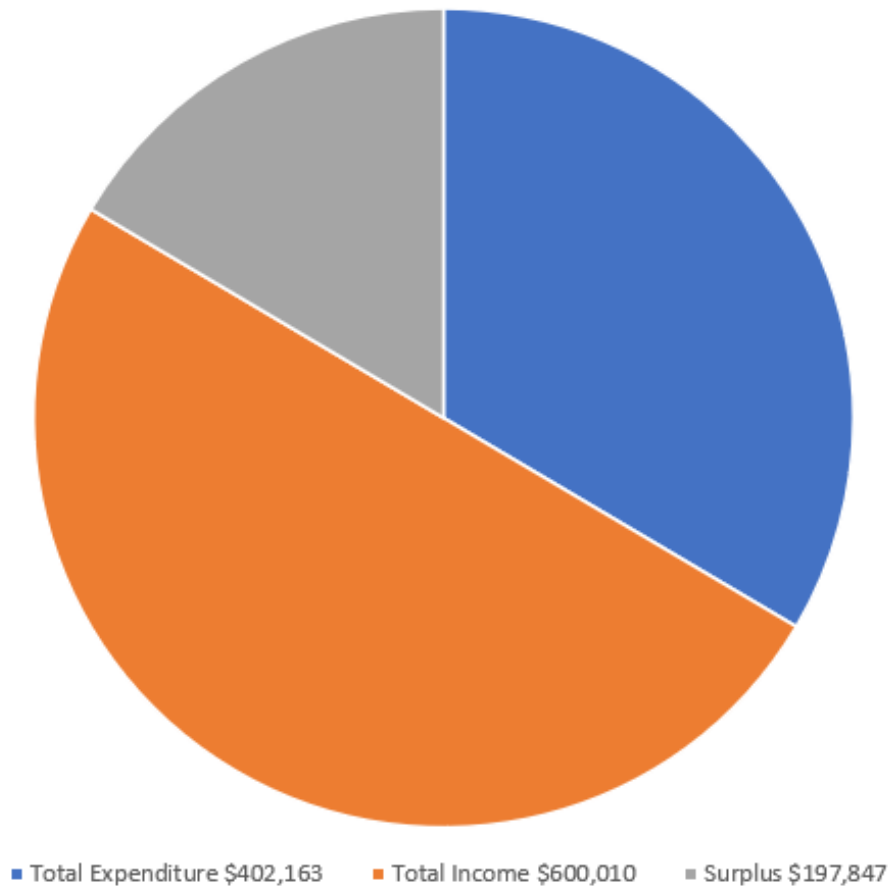
There were also low key events to mark major festivities like birthdays, Deepavali, Hari Raya Haji and Chinese New Year to keep the spirit and community abuzz.

We continued with our One-on-One dialogue sessions and personal counselling with all residents to help them align their goals.

Our fulfilment is to see our residents successfully make concrete decisions to be resilient and be united with their family.

# KEY FINANCIALS

## FY20/21 INCOME & EXPENDITURE

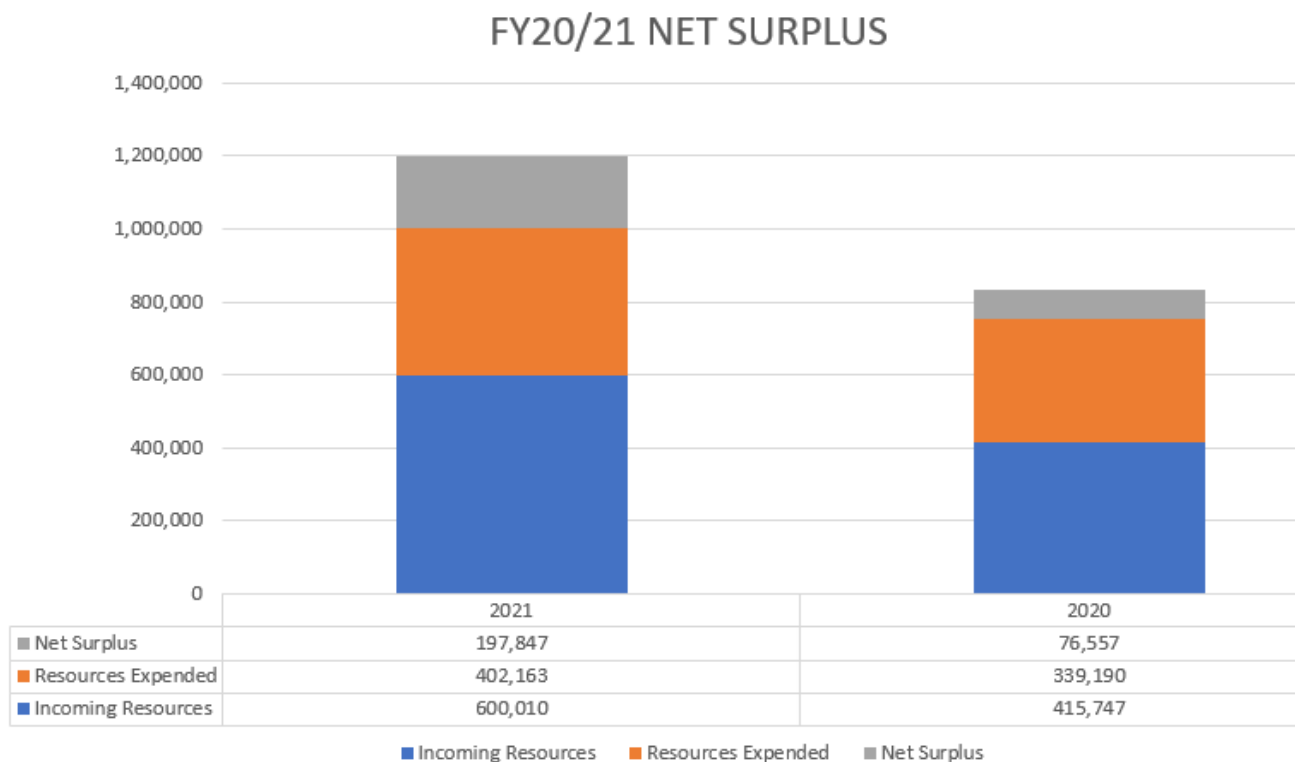


|  |             |
|--|-------------|
| Expenditure on charitable activities (a) | = \$391,033 |
| Total Expenditure (b)                    | = \$402,163 |
| Charitable commitment** (a) / (b)        | = 0.97      |

\*\* The ratio indicates the amount spent on charitable purposes for every dollar spent on overheads, fund raising, administration and management.



# KEY FINANCIALS



Financial Assets less Liabilities (a)                      = \$797,410  
 Total Expenditure (b)    = \$402,163  
 Reserves Ratio\*\* (a) / (b)                                      = 1.98

\*\* The ratio indicates the total accumulated reserves over annual operating expense and the current ratio is equivalent to about 19 months. The organisation has set a reserves ratio target of 3, which is equivalent to 36 months.

No staff in the organisation earns more than \$100,000 in annual remuneration

# THE JOURNEY SO FAR



HopeHouse started its journey in 2010 and since then more than 100 youths have shared that journey together. With the help of our friends, donors and partners, many of the youths have graduated from the Home a better person, some have reintegrated back with their families, some have achieved a better education, several have managed to secure stable jobs and a few have even started their own families.

Made a difference for them today!

## Contact

HOPEHOUSE LTD  
490 East Coast Road  
Singapore 429058

[www.hopehouse.sg](http://www.hopehouse.sg)

*HopeHouse is the social mission of the  
La Salle Brothers in Singapore*



## GOVERNANCE EVALUATION CHECKLIST

This Submission is for the Evaluation Period 01/07/2020 to 30/06/2021

| S/N | Code Description  | Code ID | Compliance   | Explanation (if the Code guideline is not complied to or not applicable)                                      |
|-----|---|---------|--------------|---|
|     | <b>Board Governance</b>   |         |              |   |
| 1   | <b>Induction and orientation</b> are provided to incoming governing board members upon joining the Board.   | 1.1.2   | Complied     |   |
|     | <b>Are there Board members holding staff appointments?</b>  |         | Yes          | Founding member is a Board member who holds the position of Home Mentor to keep the spirit of the home alive. |
| 2   | Staff does <b>not chair</b> the Board and does <b>not comprise more than one third</b> of the Board.  | 1.1.3   | Complied     |   |
| 3   | There are written job descriptions for the staff's executive functions and operational duties, which are distinct from the staff's Board role.  | 1.1.5   | Complied     |   |
| 4   | The Treasurer of the charity (or any person holding an equivalent position in the charity, e.g. Finance Committee Chairman or a governing board member responsible for overseeing the finances of the charity) <b>can only serve a maximum of 4 consecutive years</b> .<br><br>If the charity has not appointed any governing board member to oversee its finances, it will be presumed that the Chairman oversees the finances of the charity. | 1.1.7   | Not Complied | This will be ratified at the next board meeting   |
| 5   | All governing board members must submit themselves for <b>re-nomination and re-appointment</b> , at least once every 3 years.   | 1.1.8   | Complied     |   |
| 6   | There are <b>documented terms of reference</b> for the Board and each of its committees.  | 1.2.1   | Complied     |   |
|     | <b>Conflict of Interest</b>   |         |              |   |
| 7   | There are documented procedures for governing board members and staff to declare actual or potential <b>conflicts of interest</b> to the Board at the earliest opportunity.   | 2.1     | Complied     |   |

|    |   |       |          |  |
|----|---|-------|----------|--|
| 8  | Governing board members <b>do not vote or participate</b> in decision making on matters where they have a conflict of interest.   | 2.4   | Complied |  |
|    | <b>Strategic Planning</b>   |       |          |  |
| 9  | The Board <b>periodically reviews and approves the strategic plan</b> for the charity to ensure that the charity's activities are in line with the charity's objectives.                                    | 3.2.2 | Complied |  |
|    | <b>Human Resource and Volunteer Management</b>  |       |          |  |
| 10 | The Board approves <b>documented human resource policies</b> for staff.   | 5.1   | Complied |  |
| 11 | There is a <b>documented Code of Conduct</b> for governing board members, staff and volunteers (where applicable) which is approved by the Board.   | 5.3   | Complied |  |
| 12 | There are processes for regular supervision, appraisal and professional development of staff.   | 5.5   | Complied |  |
|    | <b>Financial Management and Internal Controls</b>   |       |          |  |
| 13 | There is a documented policy to seek the Board's approval for any loans, donations, grants or financial assistance provided by the charity, which are not part of the charity's core charitable programmes. | 6.1.1 | Complied |  |
| 14 | The Board ensures that <b>internal controls for financial matters</b> in key areas are in place with <b>documented procedures</b> .   | 6.1.2 | Complied |  |
| 15 | The Board ensures that reviews on the charity's internal controls, processes, key programmes and events are regularly conducted.  | 6.1.3 | Complied |  |
| 16 | The Board ensures that there is a process to <b>identify, and regularly monitor and review</b> the charity's <b>key risks</b> .   | 6.1.4 | Complied |  |
| 17 | The Board approves an <b>annual budget</b> for the charity's plans and regularly monitors the charity's expenditure.  | 6.2.1 | Complied |  |
|    | <b>Does the charity invest its reserves (e.g. in fixed deposits)? (skip item 18 if "No")</b>  |       | No       | To date, funds are raised for operating purposes. Will invest reserves when the organisation has significant funds |

|    |   |       |          |  |
|----|---|-------|----------|--|
|    | <b>Fundraising Practices</b>  |       |          |  |
|    | <b>Did the charity receive cash donations (solicited or unsolicited) during the financial year? (skip item 19 if "No")</b>  |       | Yes      |  |
| 19 | All collections received (solicited or unsolicited) are <b>properly accounted for</b> and <b>promptly deposited</b> by the charity.   | 7.2.2 | Yes      |  |
|    | <b>Did the charity receive donations in kind during the financial year? (skip item 20 if "No")</b>  |       | No       |  |
|    | <b>Disclosure and Transparency</b>  |       |          |  |
| 21 | The charity discloses in its annual report —<br>(a) the number of Board meetings in the financial year; and<br><br>(b) the attendance of every governing board member at those meetings.                            | 8.2   | Complied |  |
|    | <b>Are governing board members remunerated for their services to the Board? (skip items 22 and 23 if "No")</b>  |       | Yes      | A token monthly \$1,800 and CPF contributions are made to Brother Collin only. And the cash component is put into the La Salle St Patrick's Community fund. Other Board members do not receive any remuneration. |
| 22 | <b>No</b> governing board member is involved in setting his own remuneration.   | 2.2   | Complied |  |
| 23 | The charity discloses the <b>exact</b> remuneration and benefits received by each governing board member in its annual report.<br><u>OR</u><br>The charity discloses that no governing board member is remunerated. | 8.3   | Complied |  |

**HOPEHOUSE LTD.**  
**(UEN: 201010093H)**  
**(Incorporated in the Republic of Singapore)**

**AUDITED FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED**  
**30 JUNE 2021**

**HOPEHOUSE LTD.**

**(UEN: 201010093H)**

**(Incorporated in the Republic of Singapore)**

**FINANCIAL STATEMENTS - 30 JUNE 2021**

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## **HOPEHOUSE LTD.**

### **Directors' Statement**

**1**

The directors are pleased present their statement to the members together with the audited financial statements of Hopehouse Ltd. (the "Charity") for the financial year ended 30 June 2021.

#### **Opinion of the directors**

In the opinion of the directors:

- (a) the financial statements of the Charity are drawn up so as to give a true and fair view of the financial position of the Charity as at 30 June 2021 and the financial performance, changes in funds and cash flows of the Charity for the financial year then ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Charity will be able to pay its debts as and when they fall due.

#### **Directors**

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

Collin Wee Kim Chye  
Gwee Chwee Kee Rupert  
Seet Pee Hock Nicholas  
Chia Boon Khiang

#### **Arrangements to enable directors to acquire shares and debentures**

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

#### **Directors' interests in shares and debentures**

The Company is limited by guarantee. There were no shares or debentures in issue in the Company at the end of financial year.

#### **Share options**

The Charity is limited by guarantee. As such, there are no options granted to subscribe for unissued shares of the Charity or shares issued by virtue of the exercise of options to take up unissued shares of the Charity during the year and there were no unissued shares of the Charity under option at the end of the financial year.



**HOPEHOUSE LTD.**

**Directors' Statement**

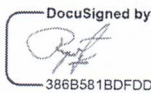
**2**

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**Independent auditor**

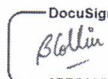
The auditors, Robert Yam & Co PAC, have expressed their willingness to accept re-appointment.

On Behalf of the Board of Directors:

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**Gwee Chwee Kee Rupert**  
Director

DocuSigned by:  
  
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**Collin Wee Kim Chye**  
Director

28 OCT 2021

## HOPEHOUSE LTD.

### Independent Auditor's Report For the Financial Year Ended 30 June 2021

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To the members of Hopehouse Ltd.

#### Report on the Audit of the Financial Statements

##### *Opinion*

We have audited the financial statements of Hopehouse Ltd. (the "Charity"), which comprise the statement of financial position as at 30 June 2021, and the statement of profit or loss and other 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 Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Charity as at 30 June 2021 and of the financial performance, changes in funds and cash flows of the Charity 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 Charity in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### *Other Information*

Management is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.



## HOPEHOUSE LTD.

### Independent Auditor's Report For the Financial Year Ended 30 June 2021

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#### To the members of Hopehouse Ltd. (cont'd)

##### *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 Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprise the directors. Their responsibilities include overseeing the Charity'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 Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## HOPEHOUSE LTD.

### Independent Auditor's Report For the Financial Year Ended 30 June 2021

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#### To the members of Hopehouse Ltd. (cont'd)

#### *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 Charity'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 Charity 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 Charity have been properly kept in accordance with the provisions of the Companies Act and the Charities Act and Regulations.

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

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



Robert Yam & Co PAC  
Public Accountants and  
Chartered Accountants  
Singapore

28 October 2021



**HOPEHOUSE LTD.****Statement of Financial Position  
As at 30 June 2021****6**

|                                    | Note | 2021<br>S\$ | 2020<br>S\$ |
|------------------------------------|------|-------------|-------------|
| <b>ASSETS</b>                      |      |             |             |
| <b>Non-current assets</b>          |      |             |             |
| Plant and equipment                | 6    | 33,387      | 45,325      |
| <b>Current assets</b>              |      |             |             |
| Other receivables                  | 7    | 252,850     | 14,664      |
| Prepayment                         |      | 2,012       | -           |
| Cash and cash equivalents          | 8    | 662,730     | 687,241     |
|                                    |      | 917,592     | 701,905     |
| <b>Total assets</b>                |      | 950,979     | 747,230     |
|                                    |      | =====       | =====       |
| <b>FUNDS AND LIABILITIES</b>       |      |             |             |
| <b>Funds</b>                       |      |             |             |
| Accumulated funds                  |      | 830,797     | 632,950     |
| <b>Total funds</b>                 |      | 830,797     | 632,950     |
| <b>Current liabilities</b>         |      |             |             |
| Accrued expenses                   |      | 20,182      | 14,280      |
| Loans and borrowings               | 9    | 100,000     | 100,000     |
|                                    |      | 120,182     | 114,280     |
| <b>Net current assets</b>          |      | 797,410     | 587,625     |
| <b>Total liabilities</b>           |      | 120,182     | 114,280     |
| <b>Net assets</b>                  |      | 830,797     | 632,950     |
| <b>Total funds and liabilities</b> |      | 950,979     | 747,230     |
|                                    |      | =====       | =====       |

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

**HOPEHOUSE LTD.****Statement of Profit or Loss and Other Comprehensive Income  
For the Financial Year Ended 30 June 2021****7**

|   | Note | 2021<br>S\$    | 2020<br>S\$    |
|---|------|----------------|----------------|
| <b><u>Unrestricted funds:</u></b>                                 |      |                |                |
| <b><u>Incoming resources</u></b>                                  |      |                |                |
| Incoming resources from generated fund:                           |      |                |                |
| - Voluntary income  | 10   | 569,966        | 354,498        |
| Other income  | 11   | 30,044         | 61,249         |
|   |      | <u>600,010</u> | <u>415,747</u> |
| <b><u>Resources expended</u></b>                                  |      |                |                |
| Costs of generating voluntary income                              | 12   | 391,033        | 329,129        |
| Governance costs  | 13   | 10,945         | 8,984          |
| Finance costs   | 14   | 185            | 1,077          |
|   |      | <u>402,163</u> | <u>339,190</u> |
| Total resources expended  |      |                |                |
|   |      | <u>402,163</u> | <u>339,190</u> |
| Net surplus, representing total comprehensive income for the year |      | <u>197,847</u> | <u>76,557</u>  |
|   |      | =====          | =====          |

**Statement of Changes in Funds  
For the Financial Year Ended 30 June 2021**

|   | Accumulated<br>funds<br>S\$ |
|---|-----------------------------|
| <b>Balance at 1 July 2019</b>                                     | 556,393                     |
| Net surplus, representing total comprehensive income for the year | 76,557                      |
| <b>Balance at 30 June 2020</b>                                    | <u>632,950</u>              |
| Net surplus, representing total comprehensive income for the year | 197,847                     |
| <b>Balance at 30 June 2021</b>                                    | <u>830,797</u>              |
|   | =====                       |

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

**HOPEHOUSE LTD.****Statement of Cash Flows  
For the Financial Year Ended 30 June 2021****8**

|  | Note | 2021<br>S\$       | 2020<br>S\$       |
|--|------|-------------------|-------------------|
| <b>Cash flows from operating activities</b>            |      |                   |                   |
| Net surplus for the year                               |      | 197,847           | 76,557            |
| <u>Adjustments for:</u>                                |      |                   |                   |
| Depreciation of plant and equipment                    | 6    | 13,971            | 13,294            |
|  |      | <u>          </u> | <u>          </u> |
| Operating cash flows before changes in working capital |      | 211,818           | 89,851            |
| <u>Changes in working capital:</u>                     |      |                   |                   |
| Other receivables                                      |      | (238,186)         | (14,664)          |
| Prepayment   |      | (2,012)           | -                 |
| Accrued expenses                                       |      | 5,902             | 4,400             |
|  |      | <u>          </u> | <u>          </u> |
| <b>Net cash (used in)/from operating activities</b>    |      | <u>(22,478)</u>   | <u>79,587</u>     |
| <b>Cash flows from investing activity:</b>             |      |                   |                   |
| Purchase of plant and equipment                        | 6    | (2,033)           | -                 |
|  |      | <u>          </u> | <u>          </u> |
| <b>Net cash used in investing activity</b>             |      | <u>(2,033)</u>    | <u>-</u>          |
|  |      | <u>          </u> | <u>          </u> |
| Net (decrease)/increase in cash and cash equivalents   |      | (24,511)          | 79,587            |
| Cash and cash equivalents at beginning of year         |      | 687,241           | 607,654           |
|  |      | <u>          </u> | <u>          </u> |
| <b>Cash and cash equivalents at end of year</b>        | 8    | <u>662,730</u>    | <u>687,241</u>    |
|  |      | =====             | =====             |

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



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

## **1. General information**

Hopehouse Ltd. (the "Charity"), a company limited by guarantee, is incorporated and domiciled in Singapore. It is also registered on 19 October 2010 as a Charity under the Charities Act, Cap 37 and is also an Institution of Public Character (IPC). Its present IPC status is for a period of three years effective from 1 February 2019 to 30 October 2021.

The address of its registered office and principal place of activities is 490 East Coast Road, Singapore 429058.

The principal activities of the Charity are to provide rooms, boarding, care and counselling to boys aged 16 and above.

The financial statements for the financial year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 28 October 2021.

## **2. Basis of preparation**

### **2.1 Statement of compliance**

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") and the related interpretations to FRS ("INT FRSs") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50.

### **2.2 Accounting convention**

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

### **2.3 Functional and presentation currency**

The financial statements are presented in Singapore Dollars ("S\$"), which is the functional currency of the Charity.



### 3. Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Charity has adopted all the new and revised standards that are relevant to the Charity and are effective for annual periods beginning on or after 1 July 2020. The adoption of these standards did not have any material effect on the financial statements, unless otherwise indicated.

#### 3.1 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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

|                  | <u>Useful lives</u> |
|------------------|---------------------|
| Renovation       | 3 years             |
| Office equipment | 3 years             |
| Motor vehicle    | 10 years            |

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

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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 on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

#### 3.2 Impairment of non-financial assets

The Charity assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment test for an asset is required, the Charity makes an estimate of the asset's recoverable amount.

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

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.



**3. Significant accounting policies (cont'd)****3.2 Impairment of non-financial assets (cont'd)**

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

**3.3 Financial instruments****Recognition and derecognition of financial instruments:**

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition, the financial asset or financial liability is measured at its fair value plus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset or financial liability.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

**Classification and measurement of financial assets****Financial asset classified as measured at amortised cost**

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**Classification and measurement of financial liabilities**

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method, except for short-term balances when the effect of discounting is immaterial. Reclassification of any financial liability is not permitted.



**3. Significant accounting policies (cont'd)****3.4 Impairment of financial assets**

The Charity recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Charity 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).

For trade receivables, the Charity applies a simplified approach in calculating ECLs. Therefore, the Charity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Charity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

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

**3.5 Cash and cash equivalents**

Cash and cash equivalents comprise cash and bank balance and fixed deposits.

**3.6 Provisions**

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost. Changes in estimates are reflected in profit or loss in the financial year they occur.

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**3. Significant accounting policies (cont'd)**

**3.7 Government grants**

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

**3.8 Employee benefits**

**(a) 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 on a mandatory, contractual or voluntary basis. The Charity has no further payment obligations once the contributions have been paid.

**(b) Employee leave entitlement**

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The undiscounted liability for leave expected to be settled wholly within twelve months from the reporting date is recognised for annual leave as a result of services rendered by employees up to the end of the reporting period. The Charity allows employee leave entitlements to carry forward for a maximum of twelve months.

**3.9 Lease**

As lessee

The Charity applies the short-term lease recognition exemption to its short-term lease of the premise (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The lease payments continue to be recognised as expense on a straight-line basis over the lease term.



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**3. Significant accounting policies (cont'd)**

**3.10 Revenue recognition**

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

- (a) Donations in cash are recognised as income upon receipt.
- (b) Cash grants received from the government in relation to Ministry of Social and Family Development (MSF) grants are recognised as income upon receipt.
- (c) Cash grants received from the government in relation to Bicentennial Community Fund (BCF) grants are recognised as income upon receipt.
- (d) Donation in kind is included in the statement of financial position based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The donation is recognised when received.

**3.11 Income tax**

The Charity is exempt from income tax under Section 13(1)(zm) of the Singapore Income Tax Act.

**3.12 Foreign currency**

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date where the fair value was determined.

**4. Significant accounting judgements and estimates**

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

**5. Members' guarantee**

The Charity is a company limited by guarantee whereby every member of the Charity undertakes to contribute to the assets of the Charity, in the event of its being wound up while he is a member, or within one year afterwards, for payment of the debts and liabilities of the Charity contracted before he or she ceases to be member, and the costs, charges and expenses of winding-up, and for the adjustment of the rights of the contributions among themselves, such amount as may be required not exceeding the sum of S\$10 only.

As at 30 June 2021, the Charity has 4 (2020: 4) members.

**6. Plant and equipment**

|                                 | Renovation<br>S\$ | Office<br>equipment<br>S\$ | Motor<br>vehicle<br>S\$ | Total<br>S\$ |
|---------------------------------|-------------------|----------------------------|-------------------------|--------------|
| <b>2021</b>                     |                   |                            |                         |              |
| <b>Cost</b>                     |                   |                            |                         |              |
| At 1 July 2020                  | 145,680           | 2,845                      | 116,478                 | 265,003      |
| Addition                        | -                 | 2,033                      | -                       | 2,033        |
| At 30 June 2021                 | 145,680           | 4,878                      | 116,478                 | 267,036      |
| <b>Accumulated depreciation</b> |                   |                            |                         |              |
| At 1 July 2020                  | 144,033           | 2,845                      | 72,800                  | 219,678      |
| Charge during the year          | 1,647             | 677                        | 11,647                  | 13,971       |
| At 30 June 2021                 | 145,680           | 3,522                      | 84,447                  | 233,649      |
| <b>Net book value</b>           |                   |                            |                         |              |
| At 30 June 2021                 | -                 | 1,356                      | 32,031                  | 33,387       |
|                                 | =====             | =====                      | =====                   | =====        |



**6. Plant and equipment (cont'd)**

|                                 | Renovation<br>S\$ | Office<br>equipment<br>S\$ | Motor<br>vehicle<br>S\$ | Total<br>S\$      |
|---------------------------------|-------------------|----------------------------|-------------------------|-------------------|
| <b><u>2020</u></b>              |                   |                            |                         |                   |
| <b>Cost</b>                     |                   |                            |                         |                   |
| At 30 June 2019 and 2020        | 145,680           | 2,845                      | 116,478                 | 265,003           |
|                                 | <u>          </u> | <u>          </u>          | <u>          </u>       | <u>          </u> |
| <b>Accumulated depreciation</b> |                   |                            |                         |                   |
| At 1 July 2019                  | 142,387           | 2,845                      | 61,152                  | 206,384           |
| Charge during the year          | 1,646             | -                          | 11,648                  | 13,294            |
|                                 | <u>          </u> | <u>          </u>          | <u>          </u>       | <u>          </u> |
| At 30 June 2020                 | 144,033           | 2,845                      | 72,800                  | 219,678           |
|                                 | <u>          </u> | <u>          </u>          | <u>          </u>       | <u>          </u> |
| <b>Net book value</b>           |                   |                            |                         |                   |
| At 30 June 2020                 | 1,647             | -                          | 43,678                  | 45,325            |
|                                 | <u>          </u> | <u>          </u>          | <u>          </u>       | <u>          </u> |

**7. Other receivables**

|                   | 2021<br>S\$       | 2020<br>S\$       |
|-------------------|-------------------|-------------------|
| Grant receivables | 252,850           | 14,594            |
| Others            | -                 | 70                |
|                   | <u>          </u> | <u>          </u> |
|                   | 252,850           | 14,664            |
|                   | <u>          </u> | <u>          </u> |

**8. Cash and cash equivalents**

|                        | 2021<br>S\$       | 2020<br>S\$       |
|------------------------|-------------------|-------------------|
| Cash and bank balances | 561,129           | 586,413           |
| Fixed deposits         | 101,601           | 100,828           |
|                        | <u>          </u> | <u>          </u> |
|                        | 662,730           | 687,241           |
|                        | <u>          </u> | <u>          </u> |

Fixed deposits are made for a varying period of 6 and 12 months, depending on the immediate cash requirements of the Charity and earn interests at the respective short-term deposit rates. The short-term deposit rates at the end of the reporting year was 0.20% (2020: 0.20%) per annum.

**9. Loans and borrowings**

The loan of S\$100,000 (2020: S\$100,000) is obtained from the Brothers of the Christian Schools (La Salle Brothers) Singapore as a contingency assistance fund. The loan is unsecured, non-interest bearing and has no fixed terms of repayment.

**10. Voluntary income**

|   | 2021<br>S\$    | 2020<br>S\$    |
|---|----------------|----------------|
| Donations   | 115,476        | 134,424        |
| Grants from the Ministry of Social and Family Development | 202,072        | 220,074        |
| Grants from the Bicentennial Community Fund (BCF)         | 252,418        | -              |
|   | <u>569,966</u> | <u>354,498</u> |
|   | =====          | =====          |

Tax-exempt receipts of S\$71,688 (2020: S\$95,882) have been issued for donations received.

**11. Other income**

|                           | 2021<br>S\$   | 2020<br>S\$   |
|---------------------------|---------------|---------------|
| Special Employment Credit | 5,270         | 6,604         |
| Jobs growth incentive     | 912           | -             |
| Jobs support scheme       | 19,712        | 46,841        |
| Wage Credit Scheme        | 3,377         | 7,302         |
| Interest income           | 773           | 502           |
|                           | <u>30,044</u> | <u>61,249</u> |
|                           | =====         | =====         |

In 2020, the Charity received wage support for local employees under the Jobs Support Scheme ("JSS") from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19. The Charity assessed that there is reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received. Grant income is recognised in profit or loss on a systematic basis over the period of uncertainty in which the related salary costs for which the grant is intended to compensate is recognised as expenses. Government grant income of \$19,712 was recognised during the year.



**HOPEHOUSE LTD.****Notes to the Financial Statements  
For the Financial Year Ended 30 June 2021****18****12. Costs of generating voluntary income**

|  | 2021<br>S\$    | 2020<br>S\$    |
|--|----------------|----------------|
| Depreciation of plant and equipment (Note 6) | 13,972         | 13,294         |
| Food and refreshment                         | 21,390         | 18,404         |
| Fixed assets expensed off                    | 840            | 913            |
| Insurance                                    | 3,955          | 6,303          |
| Medical expense                              | 2,079          | 254            |
| Pocket money                                 | 15,754         | 10,076         |
| Printing, postage and stationery             | 3,542          | 2,070          |
| Rental                                       | 24,000         | -              |
| Repair and maintenance                       | 3,417          | 8,947          |
| Staff costs (Note 15)                        | 289,938        | 254,026        |
| Seminar and training                         | 849            | 608            |
| Subscription fee                             | 974            | -              |
| Sundries                                     | 1,699          | 1,216          |
| Study fees                                   | 4,967          | 6,600          |
| Telecommunications                           | 3,165          | 4,130          |
| Transport and travelling                     | 55             | 100            |
| Upkeep of motor vehicle                      | 437            | 2,188          |
|  | <u>391,033</u> | <u>329,129</u> |
|  | =====          | =====          |

**13. Governance costs**

|                   | 2021<br>S\$   | 2020<br>S\$  |
|-------------------|---------------|--------------|
| Audit fee         | 8,774         | 6,634        |
| Accounting fees   | 1,600         | 1,600        |
| Professional fees | 571           | 750          |
|                   | <u>10,945</u> | <u>8,984</u> |
|                   | =====         | =====        |

**14. Finance costs**

|              | 2021<br>S\$ | 2020<br>S\$  |
|--------------|-------------|--------------|
| Bank charges | <u>185</u>  | <u>1,077</u> |
|              | =====       | =====        |

# HOPEHOUSE LTD.

## Notes to the Financial Statements For the Financial Year Ended 30 June 2021

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### 15. Staff costs

|   | 2021<br>S\$ | 2020<br>S\$ |
|---|-------------|-------------|
| Salaries and bonus                                |             |             |
| - directors (Note 16)                             | 27,200      | 23,101      |
| - other employees                                 | 225,789     | 202,291     |
| Employer's contribution to Central Provident Fund |             |             |
| - directors (Note 16)                             | 2,358       | 2,140       |
| - other employees                                 | 33,265      | 22,733      |
| Other short-term benefits                         | 1,326       | 3,761       |
| Total staff cost (Note 12)                        | 289,938     | 254,026     |
|   | =====       | =====       |
| Average number of employees                       | 9           | 8           |
|   | =====       | =====       |

### 16. Related party transactions

#### Compensation of key management personnel

|                                     | 2021<br>S\$ | 2020<br>S\$ |
|-------------------------------------|-------------|-------------|
| Salaries and bonus (Note 15)        | 27,200      | 23,101      |
| Defined contribution plan (Note 15) | 2,358       | 2,140       |
|                                     | 29,558      | 25,241      |
|                                     | =====       | =====       |

Key management personnel refer to the directors of the Charity. During the year, a director donated S\$10,000 (2020: S\$24,980) in cash to the Charity.

### 17. Categories of financial assets and liabilities

The carrying amounts presented in the statement of financial position relate to the following categories of assets and liabilities:

|                                     | 2021<br>S\$ | 2020<br>S\$ |
|-------------------------------------|-------------|-------------|
| <u>Financial assets</u>             |             |             |
| Financial assets at amortised cost: |             |             |
| Other receivables                   | 252,850     | 14,664      |
| Cash and cash equivalents           | 662,730     | 687,241     |
|                                     | 915,580     | 701,905     |
|                                     | =====       | =====       |

**17. Categories of financial assets and liabilities (cont'd)**

|  | 2021<br>S\$    | 2020<br>S\$    |
|--|----------------|----------------|
| <u>Financial liabilities</u>             |                |                |
| Financial liabilities at amortised cost: |                |                |
| Accrued expenses                         | 20,182         | 14,280         |
| Loans and borrowings                     | 100,000        | 100,000        |
|  | <u>120,182</u> | <u>114,280</u> |
|  | =====          | =====          |

Further quantitative disclosures are included throughout these financial statements.

**18. Financial risk management**

The Charity's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk.

The board of directors reviews and agrees policies and procedures for managing each of these risks on an informal basis. It is, and has been, throughout the current and previous financial year, the Charity's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Charity's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Charity's exposure to these financial risks or the manner in which it manages and measures the risk.

**(a) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Charity. The major class of financial assets of the Charity is cash and cash equivalents. The Charity minimises credit risk by dealing only with high credit quality counterparties. At the end of the reporting period there is no significant concentration of credit risk apart from cash and cash equivalents being placed into a single bank.



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**18. Financial risk management (cont'd)**

**(a) Credit risk (cont'd)**

As the Charity does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

**(b) Liquidity risk**

Liquidity risk is the risk that the Charity will encounter difficulty in meeting financial obligations due to shortage of funds. The Charity managed its liquidity risk by maintaining an adequate level of cash and cash equivalents. The directors are satisfied that funds are available to finance the activities of the Charity.

The Charity's financial liabilities, which comprise accrued expenses, mature within 12 months from the end of the reporting period based on contractual undiscounted repayment obligations. Loans and borrowings have no fixed terms of repayment and will be repaid only when the Charity has sufficient funds.

**19. Fair values of assets and liabilities**

The carrying amounts of cash and cash equivalents, other receivables, loans and borrowings and accrued expenses are reasonable approximation of fair values due to their short-term nature.

**20. Capital management**

The Charity's objectives when managing capital are to safeguard the Charity's ability to continue as a going concern. In order to maintain or achieve an optimal capital structure, the Charity may appeal for donation from the general public. The Charity's overall strategy remained unchanged from 2020.

The capital structure of the Charity comprises its accumulated funds as shown in the statement of financial position.

The Charity is not subject to any externally imposed capital requirements for the financial years ended 30 June 2021 and 2020.

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**21. Changes and adoption of financial reporting standards**

For the current reporting year certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. None of these were applicable to the Company.

**22. New standards and interpretations not yet adopted**

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. None of these are applicable to the Charity based on the Charity's current operations.

**23. Events occurring after reporting period**

After the outbreak of Coronavirus Disease 2019 ("COVID-19 outbreak") in early 2020, a series of precautionary and control measures have been and continued to be implemented across the various countries and regions. Management will pay close attention to the development of the COVID-19 outbreak and evaluate its impact on the financial position and operating results of the Charity. As at the date on which this set of financial statements were authorised for issue, management was not aware of any significant effects on the financial statements that would require any adjustments as a result of the COVID-19 outbreak.