
2022

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.

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

"The Good Shepherd goes out of his way to look for the lost sheep and finding it, he puts it on his shoulder and carries it back to the flock."

"This kind of love and relationship can only come from the God who loves each of us as the Good Shepherd (John's Gospel, chapter 10))"

Building new pathways to transform lives" is the theme of the La Salle Brothers at our 46th General Chapter held in Rome in May 2022 with representatives from all the corners of the Lasallian world. The 46th General Chapter sets the orientation of the Lasallian mission for the next 7 years for the worldwide Lasallian community. Indeed, HopeHouse continues to make that 46th General Chapter theme a reality in the day-to-day care that is shown to the residents.

I continue to be amazed by the strength of character that HopeHouse staff show each day as they interact and build a relationship of trust with the residents. The resident must know that he is loved by the staff in spite of the many challenges he faces from society, and at times, from his own family. This kind of love and relationship can only come from the God who loves each of us as the Good Shepherd (John's Gospel, chapter 10). The Good Shepherd goes out of his way to look for the lost sheep and finding it, he puts it on his shoulder and carries it back to the flock. This is the image of the theme of "building new pathways to transform lives".

I wish to affirm the HopeHouse staff and residents that the God who strengthens us allows us to build that relationship of trust and warmth with the residents, while meeting the challenges that life throws at them. Only in this way, can lives be transformed as we witness this again and again in HopeHouse.

We look forward to the new premises in 2023 so that much good can be done for more young people with God's blessings.

CHAIRMAN'S MESSAGE

Dear friend and supporters, Greetings!

We have turned the corner with the progressive easing of Covid-19 restrictions since April 2022. Everyone is glad and we have been able to resume group activities and outings for our **HopeHouse** boys!

We have also attained recertification as a licensed Children and Young Persons Home under the Children and Young Persons Act, Cap 38 by the Ministry of Social and Family Development (MSF). The staff have worked hard to comply with the onerous checklists and requirements, while ensuring that we maintain our warm, firm and caring "**Home Within**" setting.

Renovations of **La Salle House**, a five-storey building built in 1974 to formerly house foreign students on the grounds of St Patrick's School at East Coast Road has resumed at a faster pace. We hope to obtain Temporary Occupation Permit (TOP) in March 2023. The De La Salle Brothers have very generously designated the 5th level as the new premises for **HopeHouse**.

We are excited and planning to shift into our new premises in June 2023!

This is a huge blessing as our current space is insufficient due to the permanent spacing requirements imposed by the authorities arising from the Covid-19 pandemic. With the additional space, modern but modest facilities, more boys can be offered places in a **caring home** as we work to **launch them stronger in life!**

We greatly thank all our supporters and donors who have contributed their time, effort and money towards our mission. We 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

Homelessness can have detrimental effects and has a range of causes. Samuel* was brought up in a dysfunctional family. His parents and other family members didn't offer him much assistance. Instead of providing the children with emotional assistance at difficult times, the parents gaslighted them for years. He became depressed after years of suffering in silence. Samuel was forced to leave his home and spend his evenings on the stairs of HDB structures. He was homeless when he was first sent to HopeHouse by another social service agency..

He is receiving therapy for his depression. The 20-year-old Samuel has been channeling his energies into other endeavors despite the absence of family support and catastrophic life circumstances. He is currently enrolled in Year 2 of his diploma program in fine arts and works part-time as a service staff to support himself. Samuel persisted through numerous challenges. He used this chance to focus on his studies with the help of well-wishers and generous people. Samuel* is succeeding academically and is optimistic about the future.



Vulnerable

Youth like Samuel 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

3

Board Meetings

There were 3 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: Helmi Talib LLP

Banker: DBS
Bank

RESIDENT'S PROFILE

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

The duration of stay of our residents ranged from 3 months to 34 months.

8

Residents Discharged

4 of these residents were taken in on the basis of compassion, and they were all integrated with their families.

1 resident completed his term successfully under PCRS.

2 resident were under probation; 1 resident breached and had his order revoked, while the other one had successfully finished his term.

1 resident under MSF referred was successfully integrated with his family.

8

Clients Admitted

3 residents were admitted under Care and Protection Order. Another 2 residents were admitted under MSF Referred. 1 resident was admitted on the basis of compassion. 1 resident under probation case.

Sharing

Packing of necessities for migrant workers and low-income households in our area, including Marine Parade.



Encouraging

Iftar dinner with corporate employees of the sponsor and partner to foster connection and emotional adjustment in response to the environment and for the youth to learn emotional.



Bonding

By watching movies together to establish closer relationships, promote togetherness, and to relieve stress.



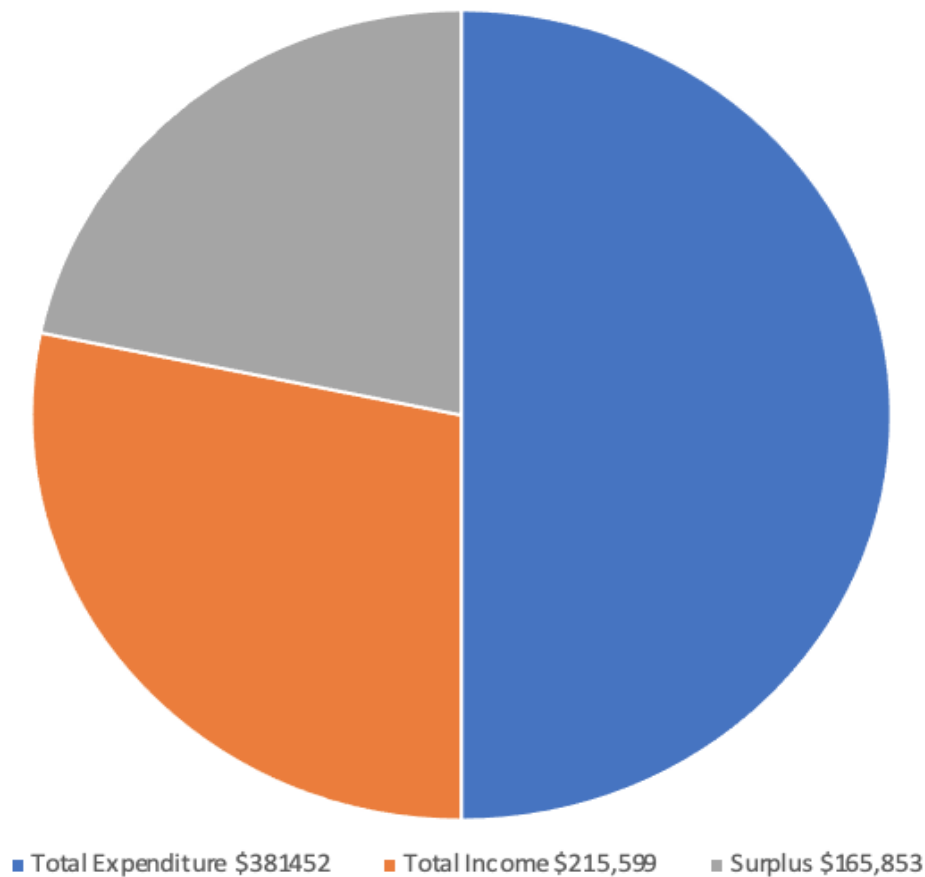
Residents who wanted to enroll in the Workplace Literacy (WPL) and Workplace Numeracy programs, we provided private lessons (WPN). Additionally, low-key celebrations were held to honor significant holidays including Chinese New Year, Hari Raya Puasa, Deepavali, Christmas and individual's birthday, in order to keep the community and spirit alive.

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

FY21/22 INCOME & EXPENDITURE



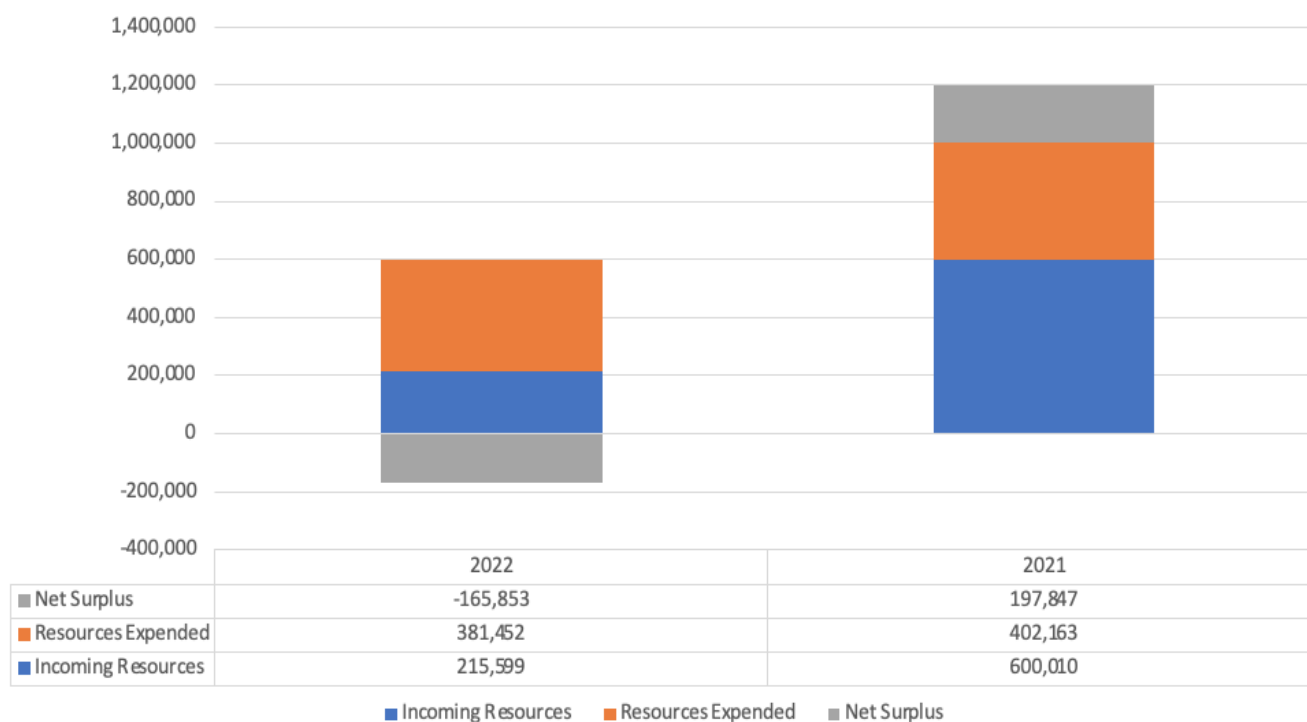
a) Expenditure on charitable activities = **\$664,944**
(b) Total Expenditure = **\$381,452**

Charitable Commitment** = (a) / (b) = **1.74**

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

KEY FINANCIALS

FY21/22 NET SURPLUS



(a) Expenditure on charitable activities = **\$664,944**

(b) Total Expenditure = **\$381,452**

Charitable Commitment**= (a) / (b) = **1.74**

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

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

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



S/N	Code guideline	Code ID	Response (select whichever is applicable)	Explanation (if Code guideline is not complied with)
Board Governance				
1	Induction and orientation are provided to incoming governing board members upon joining the Board.	1.1.2	Complied	
	Are there governing board members holding staff¹ appointments? (skip items 2 and 3 if "No")		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 not chair the Board and does not comprise more than one third 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) can only serve a maximum of 4 consecutive years . 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	Complied	
5	All governing board members must submit themselves for re-nomination and re-appointment , at least once every 3 years.	1.1.8	Complied	
6	There are documented terms of reference for the Board and each of its committees.	1.2.1	Complied	
Conflict of Interest				
7	There are documented procedures for governing board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity.	2.1	Complied	
8	Governing board members do not vote or participate in decision making on matters where they have a conflict of interest.	2.4	Complied	
Strategic Planning				
9	The Board periodically reviews and approves the strategic plan for the charity to ensure that the charity's activities are in line with the charity's objectives.	3.2.2	Complied	
Human Resource and Volunteer² Management				
10	The Board approves documented human resource policies for staff.	5.1	Complied	
11	There is a documented Code of Conduct 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	
Financial Management and Internal Controls				
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 internal controls for financial matters in key areas are in place with documented procedures .	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 identify, and regularly monitor and review the charity's key risks .	6.1.4	Complied	
17	The Board approves an annual budget for the charity's plans and regularly monitors the charity's expenditure.	6.2.1	Complied	
	Does the charity invest its reserves (e.g. in fixed deposits)? (skip item 18 if "No")		Yes	
18	The charity has a documented investment policy approved by the Board.	6.4.3	Complied	
Fundraising Practices				
	Did the charity receive cash donations (solicited or unsolicited) during the financial year? (skip item 19 if "No")		Yes	
19	All collections received (solicited or unsolicited) are properly accounted for and promptly deposited by the charity.	7.2.2	Complied	
	Did the charity receive donations in kind during the financial year? (skip item 20 if "No")		Yes	
20	All donations in kind received are properly recorded and accounted for by the charity.	7.2.3	Complied	

Disclosure and Transparency				
21	The charity discloses in its annual report — (a) the number of Board meetings in the financial year; and (b) the attendance of every governing board member at those meetings.	8.2	Complied	
	Are governing board members remunerated for their services to the Board? (skip items 22 and 23 if "No")		Yes	A monthly token of \$1,800 and CPF contributions are made to Brother Collin only. Cash component were put into the La Salle St Patrick's Community Fund. Other board members do not receive any remuneration.
22	No governing board member is involved in setting his own remuneration.	2.2	Complied	
23	The charity discloses the exact remuneration and benefits received by each governing board member in its annual report. <u>OR</u> The charity discloses that no governing board member is remunerated.	8.3	Complied	
	Does the charity employ paid staff? (skip items 24 and 25 if "No")			
24	No staff is involved in setting his own remuneration.	2.2	Complied	
25	The charity discloses in its annual report — (a) the total annual remuneration for each of its 3 highest paid staff who each has received remuneration (including remuneration received from the charity's subsidiaries) exceeding \$100,000 during the financial year; and (b) whether any of the 3 highest paid staff also serves as a governing board member of the charity. The information relating to the remuneration of the staff must be presented in bands of \$100,000. <u>OR</u> The charity discloses that none of its paid staff receives more than \$100,000 each in annual remuneration.	8.4	Complied	

HOPEHOUSE LTD.

Company Registration Number: 201010093H

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2022

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HOPEHOUSE LTD.

Company Registration No.: 201010093H

DIRECTORS' STATEMENT

For the financial year ended 30 June 2022

The directors present their statement to the members together with the audited financial statements of Hopehouse Ltd. (the "Charity") for the financial year ended 30 June 2022.

1 OPINION OF THE DIRECTORS

In the opinion of the directors,

- (i) 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 2022 and the financial performance, changes in funds and cash flows of the Charity for the financial year then ended; and
- (ii) 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.

2 DIRECTORS

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

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

3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

The Charity is limited by guarantee and has no share capital. As such, none of the directors holding office at the end of the financial year are a party to any arrangement whose object was 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.

4 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The Charity is limited by guarantee and has no share capital. None of the directors holding office at the end of the financial year had any interest in the share capital of the Charity that is required to be reported pursuant to Section 201(6)(g) of the Singapore Companies Act 1967.


5 SHARE OPTIONS

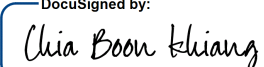
As the Charity is limited by guarantee and does not have a share capital, matters relating to the issue of shares or share options are not applicable.

6 AUDITOR

Helmi Talib LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

DocuSigned by:

603EF29C58B94A7...
GWEE CHWEE KEE RUPERT
Director

DocuSigned by:

8566A0BETC524DA...
CHIA BOON KHIANG
Director

Date: 21 December 2022

Helmi Talib LLP

Registration No. (UEN): T20LL1986E
Chartered Accountants of Singapore
An Independent Member Firm of IAPA

- 133 Cecil Street Keck Seng Tower,
#15-02 Singapore 069535
- Tel : (65) 6339 2776
- Fax : (65) 6339 6716
- E-mail : enquiry@helmitalib.com.sg
- Website : www.helmitalib.com

INDEPENDENT AUDITOR'S REPORT 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 2022, and the statement of financial activities, 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 1967 (the "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 2022 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 Matter

The financial statements of the Charity for the financial year ended 30 June 2021 were audited by another firm of auditors who expressed an unmodified opinion on those financial statements on 28 October 2021.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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.



Helmi Talib LLP

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 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 are responsible for 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 judgment 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.
- 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.


Helmi Talib LLP

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 Act and the Charities Act and Regulations.

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

- (a) the use of donation money was not in accordance with the objectives of the Charity as required under Regulation 11 (Use of donations) of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Charity has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

DocuSigned by:

6D28772272E8419...
HELMI TALIB LLP
Public Accountants and
Chartered Accountants

Singapore

Date: 21 December 2022

Partner-in-charge : Mari Jane Tiburcio
PAB No. : 01780

HOPEHOUSE LTD.*Company Registration No.: 201010093H***STATEMENT OF FINANCIAL ACTIVITIES***For the financial year ended 30 June 2022*

	Note	<u>2022</u> \$	<u>2021</u> \$
<u>INCOME</u>			
Income from generated funds			
Voluntary income			
- Grants from Ministry of Social and Family Development ("MSF")		122,852	202,072
- Donations and offerings		85,204	367,894
Activities for generating funds		<u>7,543</u>	<u>30,044</u>
TOTAL INCOME		<u>215,599</u>	<u>600,010</u>
<u>EXPENDITURES</u>			
Cost of generating funds	5	372,548	391,033
Governance costs	5	8,649	10,945
Others	5	<u>255</u>	<u>185</u>
TOTAL EXPENDITURES		<u>381,452</u>	<u>402,163</u>
NET INCOME FOR THE FINANCIAL YEAR		<u>(165,853)</u>	<u>197,847</u>
<u>RECONCILIATION OF FUNDS</u>			
Total funds brought forward		830,797	632,950
Net income for the financial year		<u>(165,853)</u>	<u>197,847</u>
		<u>664,944</u>	<u>830,797</u>

The accompanying accounting policies and explanatory notes
form an integral part of these financial statements.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***STATEMENT OF FINANCIAL POSITION***As at 30 June 2022*

		<u>30 June 2022</u>	<u>30 June 2021</u> (As restated)	<u>1 July 2020</u> (As restated)
	Note	\$	\$	\$
ASSETS				
<u>Current assets</u>				
Cash and cash equivalents	6	1,157,570	662,730	687,241
Receivables	7	333	254,862	14,664
Total current assets		1,157,903	917,592	701,905
<u>Non-current asset</u>				
Plant and equipment	8	21,062	33,387	45,325
Total non-current asset		21,062	33,387	45,325
Total assets		1,178,965	950,979	747,230
LIABILITIES AND FUNDS				
<u>Current liabilities</u>				
Payables	9	13,921	20,182	14,280
Contract liabilities	10	400,100	-	-
Total current liabilities		414,021	20,182	14,280
<u>Non-current liability</u>				
Loans and borrowings	11	100,000	100,000	100,000
Total non-current liability		100,000	100,000	100,000
Total liabilities		514,021	120,182	114,280
FUNDS				
<u>Unrestricted fund</u>				
Accumulated funds	12	1,282,157	1,235,509	882,051
<u>Restricted funds</u>				
Grants from MSF	12	(617,213)	(404,712)	(249,101)
Total funds		664,944	830,797	632,950
Total liabilities and funds		1,178,965	950,979	747,230

The accompanying accounting policies and explanatory notes
form an integral part of these financial statements.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***STATEMENT OF CHANGES IN FUNDS***For the financial year ended 30 June 2022*

	<u>Unrestricted funds</u> <u>Accumulated</u> <u>funds</u> \$	<u>Restricted funds</u> <u>Grants from MSF</u> \$	<u>Total funds</u> \$
As at 1 July 2020 (as previously stated)	632,950	-	632,950
Restatement (Note 18)	249,101	(249,101)	-
As at 1 July 2020 (as restated)	882,051	(249,101)	632,950
Net income/(loss) for the financial year	353,458	(155,611)	197,847
As at 30 June 2021	1,235,509	(404,712)	830,797
As at 30 June 2021 (as previously stated)	830,797	-	830,797
Restatement (Note 18)	404,712	(404,712)	-
As at 30 June 2021 (as restated)	1,235,509	(404,712)	830,797
Net income/(loss) for the financial year	46,648	(212,501)	(165,853)
As at 30 June 2022	1,282,157	(617,213)	664,944

The accompanying accounting policies and explanatory notes
form an integral part of these financial statements.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***STATEMENT OF CASH FLOWS***For the financial year ended 30 June 2022*

	Note	<u>2022</u> \$	<u>2021</u> \$
Cash flows from operating activities			
Net (loss)/income for the financial year		(165,853)	197,847
Adjustment for:			
Depreciation of plant and equipment	8	<u>12,325</u>	<u>13,971</u>
Total adjustment		<u>12,325</u>	<u>13,971</u>
Total operating cash flows before changes in working capital		(153,528)	211,818
Changes in working capital			
Decrease/(increase) in receivables		254,529	(240,198)
(Decrease)/increase in payables		(6,261)	5,902
Increase in contract liabilities	10	<u>400,100</u>	<u>-</u>
Total changes in working capital		<u>648,368</u>	<u>(234,296)</u>
Cash flows from/(used in) operations, representing net cash flows from/(used in) operating activities		<u>494,840</u>	<u>(22,478)</u>
Cash flows from investing activities			
Purchase of plant and equipment, representing net cash flows used in investing activities	8	<u>-</u>	<u>(2,033)</u>
Net increase/(decrease) in cash and cash equivalents		494,840	(24,511)
Cash and cash equivalents at the beginning of financial year	6	<u>662,730</u>	<u>687,241</u>
Cash and cash equivalents at the end of financial year	6	<u>1,157,570</u>	<u>662,730</u>

The accompanying accounting policies and explanatory notes
form an integral part of these financial statements.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022*

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

1 CORPORATE INFORMATION

Hopehouse Ltd. (the "Charity"), a company limited by guarantee, is domiciled and incorporated in Singapore on 19 October 2010, with its registered office and principal place of operations located at 490 East Coast Road, Singapore 429058.

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 it being wound up during the time he is a member, or within one year afterwards, for payment of the debts and liabilities of the Charity contracted before he ceases to be member, and the costs, charges and expenses of winding-up, and for adjusting the rights of the contributors amongst themselves, such amount as may be required, not exceeding the sum of \$10 only.

The Charity is a registered charity under the Charities Act, Chapter 37 since 19 October 2010 and has been accorded the status of an Institution of Public Character ("IPC"). The Charity renewed its IPC status and has the current license run from 1 November 2021 to 31 January 2024.

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

There have been no significant changes in the nature of these activities during the financial year.

The financial statements of the Charity for the financial year 30 June 2022 were authorised for issue in accordance with a resolution by the directors as at date of Directors' Statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1 Basis of preparation**

The financial statements of the Charity have been drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), the Charities Act and other relevant regulations (the "Charities Act and Regulations") and 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 ("SGD" or "\$"), which is the functional currency of the Charity.

2.2 Adoption of new and amended standards and interpretations

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 amended standards which are relevant to the Charity and are effective for annual financial periods beginning on or after 1 July 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Charity.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.3 Standards issued but not yet effective**

The Charity has not adopted the following standards applicable to the Charity that have been issued but not yet effective:

<u>Description</u>		Effective for annual periods beginning on or after
Amendments to FRS 1	: Presentation of Financial Statements (Classification of Liabilities as Current or Non-current)	1 January 2023
Amendments to FRS 1	: Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8	: Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023

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

2.4 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. The cost 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. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

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

Renovation	-	3 years
Office equipment	-	3 years
Motor vehicle	-	10 years

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, 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.

2.5 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, where applicable, when an annual impairment testing for an asset is required), the Charity makes an estimate of the asset's recoverable amount.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.5 Impairment of non-financial assets (Continued)**

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 group 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.

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.

2.6 Financial instruments**(a) Financial assets****Initial recognition and measurement**

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Charity 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 profit or loss.

Receivables are measured at the amount of consideration to which the Charity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the receivables do not contain a significant financing component at initial recognition.

Subsequent measurement***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 profit or loss 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 profit or loss.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.6 Financial instruments (Continued)****(b) Financial liabilities**Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Charity becomes a party to the contractual provisions of the financial instrument. The Charity 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 profit or loss 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 profit or loss.

2.7 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 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.

The Charity considers a financial asset in default when contractual payments are 90 days past due. However, 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.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.8 Cash and cash equivalents**

Cash and cash equivalents comprise cash at bank, short-term fixed deposits and cash on hand, which are subject to an insignificant risk of changes in value.

2.9 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.

2.10 Leases

The Charity assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Charity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. During the financial year, the Charity's short-term leases and leases of contracts are of low value asset.

Short-term leases and leases of low-value assets

The Charity applies the short-term lease recognition exemption to its short-term leases of office 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). It also applies the lease of low-value assets recognition exemption to leases of photocopier machine that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

2.11 Employee benefits**(a) Defined contribution plans**

The Charity makes contributions to the Central Provident Fund ("CPF") 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.

(b) 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 Charity 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.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.12 Funds****(a) Unrestricted fund**

The accumulated funds are used for the general purposes of the Charity as set out in its governing document. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separate fund (known as 'Designated Fund'). The designation has an administrative purpose only and does not legally restrict the Board of Management's discretion to apply the fund.

(b) Restricted fund

Restricted funds are funds subject to specific funded programmes by government, charity bodies and donors, but still within the wider objects of the Charity.

Restricted funds may only be utilised in accordance with the purposes established by the sources of such funds and are in contrast with unrestricted funds over which the Board of Management retains full control to use in achieving its institutional purposes.

The Charity respects the donors' intended use of the funds and will endeavour to request for donors' permission should a change of use be deemed necessary.

The Charity classifies the following funds as restricted funds:

- Grants from MSF
- Grants from BCF

2.13 Income recognition

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

Income is recognised when the Charity satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

(a) Donations

Donations are recognised when received with unconditional entitlement to the receipts.

(b) Grants from MSF

Cash grants received from the government in relation to Ministry of Social and Family Development ("MSF") grants are recognised as income upon receipt.

(c) Grants from BCF

Cash grants received from the government in relation to Bicentennial Community Fund ("BCF") grants are recognised as income upon receipt.

(d) Interest income

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

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.14 Expenditures**

Expenditures are recognised in the statement of financial activities once the services have been received unless the expenditure qualifies for capitalisation as assets such as plant and equipment. Expenditure on performance-related grants are recognised to the extent the specified service has been provided. Expenditures in the statement of financial activities are classified under the costs of generating funds, charitable activities' expenses and governance costs.

(a) Costs of generating funds

All costs associated with generating income from all sources other than from undertaking charitable activities are included under cost of generating funds.

(b) Governance costs

These costs include costs of preparation and examination of the Company's accounts, costs of governing board meetings and cost of any legal advice on governance or constitutional matters.

2.15 Taxes

As a registered charity under the Charities Act, Cap 37, the Charity is exempted from income tax under Section 13 (1)(zm) of the Income Tax Act, Cap 134.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Charity's 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. 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.

3.1 Judgments made in applying accounting policies

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

3.2 Key sources of estimation uncertainty

Management is of the opinion that there are no key sources of estimation uncertainty at the end of the financial year that has a significant effect on the amounts of assets and liabilities within the next financial year.

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

4 SIGNIFICANT RELATED PARTY TRANSACTIONS

Compensation of key management personnel

	<u>2022</u>	<u>2021</u>
	\$	\$
Salary and bonus	21,600	27,200
Employer's CPF contribution	2,265	2,358
	<u>23,865</u>	<u>29,558</u>

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Charity. The directors and chief executive officer of the Charity are considered key management personnel.

None of the Charity's employees, including the key management personnel, received a remuneration exceeding \$100,000 during the financial years ended 30 June 2022 and 30 June 2021.

5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Total Funds
	Accumulated funds	Grants from MSF	
<u>30 June 2022</u>	\$	\$	\$
INCOME			
Income from generated funds			
<u>Voluntary income</u>			
Donations	85,204	-	85,204
Grants			
- Ministry of Social and Family Development	-	122,852	122,852
	<u>85,204</u>	<u>122,852</u>	<u>208,056</u>
Activities for generating funds			
Interest income	26	-	26
Other income	7,402	-	7,402
Transformity project on carousell	115	-	115
	<u>7,543</u>	<u>-</u>	<u>7,543</u>
TOTAL INCOME	<u>92,747</u>	<u>122,852</u>	<u>215,599</u>

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HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)

	Unrestricted funds	Restricted funds	Total Funds
	Accumulated funds	Grants from MSF	
	\$	\$	\$
30 June 2022			
EXPENDITURE			
<u>Cost of generating funds: Voluntary income</u>			
Employer's contributions to CPF	-	35,977	35,977
Depreciation (Note 8)	12,325	-	12,325
Fixed assets expensed off	-	-	-
Food and refreshment	-	19,603	19,603
Insurance	5,384	-	5,384
Medical fee	668	294	962
Printing and stationary	1,979	-	1,979
Postage and courier	56	-	56
Pocket money	-	6,775	6,775
Rental expense	-	24,000	24,000
Repair and maintenance	1,663	-	1,663
Seminar and training	4,641	-	4,641
Staff salaries and bonuses	-	248,604	248,604
Staff and resident welfare expense	1,521	-	1,521
Study fee	-	-	-
Subscription	995	-	995
Sundries	1,018	-	1,018
Telecommunications	3,677	-	3,677
Transport and travelling	150	100	250
Upkeep of motor vehicle	3,118	-	3,118
	<u>37,195</u>	<u>335,353</u>	<u>372,548</u>
<u>Governance costs</u>			
Accounting fees	1,600	-	1,600
Audit fees	6,099	-	6,099
Professional fees	950	-	950
	<u>8,649</u>	<u>-</u>	<u>8,649</u>
<u>Others</u>			
Bank charges	255	-	255
	<u>255</u>	<u>-</u>	<u>255</u>
TOTAL EXPENDITURES	<u>46,099</u>	<u>335,353</u>	<u>381,452</u>
Net income/(loss)	<u>46,648</u>	<u>(212,501)</u>	<u>(165,853)</u>

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)

	Unrestricted funds	Restricted funds	Total Funds
	Accumulated funds	Grants from MSF	
	(As restated)	(As restated)	
30 June 2021	\$	\$	\$
INCOME			
Income from generated funds			
<u>Voluntary income</u>			
Donations	367,894	-	367,894
Grants			
- Ministry of Social and Family Development	-	202,072	202,072
	<u>367,894</u>	<u>202,072</u>	<u>569,966</u>
Activities for generating funds			
Interest Income	773	-	773
Other Income	29,271	-	29,271
Transformity project on carousell	-	-	-
	<u>30,044</u>	<u>-</u>	<u>30,044</u>
TOTAL INCOME	<u>397,938</u>	<u>202,072</u>	<u>600,010</u>
EXPENDITURE			
<u>Cost of generating funds: Voluntary income</u>			
Employer's contributions to CPF	-	35,623	35,623
Depreciation (Note 8)	13,971	-	13,971
Fixed assets expensed off	840	-	840
Food and refreshment	-	20,537	20,537
Insurance	3,955	-	3,955
Medical fee	368	1,743	2,111
Printing and stationary	3,518	-	3,518
Postage and courier	23	-	23
Pocket money	-	15,000	15,000
Rental expense	-	24,000	24,000
Repair and maintenance	3,416	-	3,416
Seminar and training	378	-	378
Staff salaries and bonuses	-	252,989	252,989
Staff and resident welfare expense	731	1,720	2,451
Study fee	-	4,967	4,967
Subscription	975	-	975
Sundries	1,517	-	1,517
Telecommunications	3,165	-	3,165
Transport and travelling	56	1,104	1,160
Upkeep of motor vehicle	437	-	437
	<u>33,350</u>	<u>357,683</u>	<u>391,033</u>

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)

	Unrestricted funds	Restricted funds	Total Funds
	Accumulated funds	Grants from MSF	
30 June 2021	\$	\$	\$
EXPENDITURE (Continued)			
<u>Governance costs</u>			
Accounting fees	1,600	-	1,600
Audit fees	8,774	-	8,774
Professional fees	571	-	571
	<u>10,945</u>	<u>-</u>	<u>10,945</u>
<u>Others</u>			
Bank charges	185	-	185
	<u>44,480</u>	<u>357,683</u>	<u>402,163</u>
TOTAL EXPENDITURES			
	<u>353,458</u>	<u>(155,611)</u>	<u>197,847</u>
Net income/(loss)			

6 CASH AND CASH EQUIVALENTS

	30 June 2022	30 June 2021	1 July 2020
	\$	\$	\$
Cash at bank	803,255	561,110	586,102
Fixed deposits	354,045	101,601	100,828
Cash on hand	270	19	311
	<u>1,157,570</u>	<u>662,730</u>	<u>687,241</u>

Cash at bank is held in non-interest bearing account.

Fixed deposits carry effective interest rates of 1.00%, 0.10% and Nil (2021: Nil, Nil and Nil) per annum. The maturity dates of these fixed deposits are from 4 May 2023, 3 October 2022 and 3 October 2022 (2021: Nil, 1 October 2021 and 3 October 2021 to 1 April 2022).

Fixed deposits are included as cash and cash equivalents as these can be readily converted into cash without incurring any significant penalty.

Cash and cash equivalents are denominated in Singapore Dollar.

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

7 RECEIVABLES

	<u>30 June 2022</u>	<u>30 June 2021</u>	<u>1 July 2020</u>
	\$	\$	\$
Prepayments	333	2,012	14,664
Grant receivables	-	252,850	-
	<u>333</u>	<u>254,862</u>	<u>14,664</u>
Total receivables (excluding prepayments)	-	252,850	-
Add: Cash and cash equivalents (Note 6)	<u>1,157,570</u>	<u>662,730</u>	<u>687,241</u>
Total financial assets carried at amortised cost	<u>1,157,570</u>	<u>915,580</u>	<u>687,241</u>

Receivables are denominated in Singapore Dollar.

8 PLANT AND EQUIPMENT

	<u>Renovation</u>	<u>Office equipment</u>	<u>Motor vehicle</u>	<u>Total</u>
	\$	\$	\$	\$
<u>Cost</u>				
At 1 July 2020	145,680	2,845	116,478	265,003
Additions	-	2,033	-	2,033
At 30 June 2021 and 30 June 2022	<u>145,680</u>	<u>4,878</u>	<u>116,478</u>	<u>267,036</u>
<u>Accumulated depreciation</u>				
At 1 July 2020	144,033	2,845	72,800	219,678
Charge for the financial year	<u>1,647</u>	<u>677</u>	<u>11,647</u>	<u>13,971</u>
At 30 June 2021	145,680	3,522	84,447	233,649
Charge for the financial year	-	677	11,648	12,325
At 30 June 2022	<u>145,680</u>	<u>4,199</u>	<u>96,095</u>	<u>245,974</u>
<u>Net carrying amount</u>				
At 30 June 2021	-	1,356	32,031	33,387
At 30 June 2022	-	<u>679</u>	<u>20,383</u>	<u>21,062</u>

9 PAYABLES

	<u>30 June 2022</u>	<u>30 June 2021</u>	<u>1 July 2020</u>
	\$	\$	\$
Accrued operating expenses, representing total financial liability carried at amortised cost	<u>13,921</u>	<u>20,182</u>	<u>14,280</u>

Payables are denominated in Singapore Dollar.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***10 CONTRACT LIABILITIES**

Contract liabilities primarily relate to the Charity's obligation to incur expenses for which the Charity has received the funding for. Contract liabilities are recognised as revenue over the period the obligations are being satisfied.

Information about contract liabilities from contracts with customers is disclosed as follows:

	<u>30 June 2022</u>	<u>30 June 2021</u>	<u>1 July 2020</u>
	\$	\$	\$
Contract liabilities	<u>400,100</u>	<u>-</u>	<u>-</u>

Transaction price allocated to remaining performance obligations

As allowed by FRS 115 *Revenue from Contracts with Customers*, no information is provided about the remaining performance obligations as at 30 June 2022 and 2021 as these performance obligations all have an original expected duration of one year or less.

11 LOANS AND BORROWINGS

	<u>30 June 2022</u>	<u>30 June 2021</u>	<u>1 July 2020</u>
	\$	\$	\$
Short-term loan	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>

The loan of \$100,000 was provided by the Brothers of 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.

Loans and borrowings are denominated in Singapore Dollar.

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HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***12 FUNDS*****Unrestricted funds – Accumulated funds***

Accumulated funds are expendable at the discretion of the Board in furtherance of the Charity's objectives and purposes.

	<u>At beginning of financial year</u> \$	<u>Income</u> \$	<u>Expenditure</u> \$	<u>At end of financial year</u> \$
<u>30 June 2022</u>				
Unrestricted funds				
Accumulated Funds	<u>730,780</u>	<u>92,747</u>	<u>(46,099)</u>	<u>777,428</u>
<u>30 June 2021</u>				
Unrestricted funds				
Accumulated Funds (as previously stated)	632,950	30,044	(1,600)	661,394
Restatement (Note 18)	<u>69,386</u>	<u>-</u>	<u>-</u>	<u>69,386</u>
Accumulated Funds (as restated)	<u>702,336</u>	<u>30,044</u>	<u>(1,600)</u>	<u>730,780</u>
<u>1 July 2020</u>				
Unrestricted funds				
Accumulated Funds (as previously stated)	556,393	415,747	(339,190)	632,950
Restatement (Note 18)	<u>-</u>	<u>(220,074)</u>	<u>289,460</u>	<u>69,386</u>
Accumulated Funds (as restated)	<u>556,393</u>	<u>195,673</u>	<u>(49,730)</u>	<u>702,336</u>

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HOPEHOUSE LTD.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

12 FUNDS (Continued)***Restricted funds – Ministry of Society and Family Development***

Grants from MSF is used to provide the per capita grant payable for each client admitted to the Home.

	At beginning of <u>financial year</u> \$	<u>Income</u> \$	<u>Expenditure</u> \$	At end of <u>financial year</u> \$
<u>30 June 2022</u>				
Restricted funds				
Grants from MSF	<u>(69,386)</u>	<u>122,852</u>	<u>(335,353)</u>	<u>(281,887)</u>
<u>30 June 2021</u>				
Restricted funds				
Grants from MSF (as previously stated)	-	-	-	-
Restatement (Note 18)	<u>(69,386)</u>	<u>202,072</u>	<u>(357,683)</u>	<u>(224,997)</u>
Grants from MSF (as restated)	<u>(69,386)</u>	<u>-</u>	<u>-</u>	<u>(69,386)</u>
<u>1 July 2020</u>				
Restricted funds				
Grants from MSF (as previously stated)	-	-	-	-
Restatement (Note 18)	<u>-</u>	<u>220,074</u>	<u>(289,460)</u>	<u>(69,386)</u>
Grants from MSF (as restated)	<u>-</u>	<u>220,074</u>	<u>(289,460)</u>	<u>(69,386)</u>

13 INCOME TAX

The Charity is registered as a charity organisation under the Charities Act, Chapter 37. As an approved charity, it is exempted from income tax under Section 13(1) of the Income Tax Act, Chapter 134.

14 TAX DEDUCTIBLE RECEIPTS

Tax deductible receipts issued by the Charity for donations received during the financial year, pursuant to its Institutions of Public Character ("IPC") status, are \$88,085 (2021: \$71,688).

15 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 Charity reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. 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.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***15 FINANCIAL RISK MANAGEMENT (Continued)**

The following sections provide details regarding the Charity's exposure to the abovementioned 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 risks.

Credit risk

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

The Charity has adopted a policy of only dealing with creditworthy counterparties. The Charity performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Charity considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Charity has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Charity has developed and maintained the Charity's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Charity's own trading records to rate its major customers and other debtors. The Charity considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor;
- Significant increases in credit risk on other financial instruments of the same debtor; or
- Significant changes in the expected performance and behavior of the debtor, including changes in the payment status of borrowers in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Charity determined that its financial assets are credit-impaired when:

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

The Charity categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

15 FINANCIAL RISK MANAGEMENT (Continued)***Credit risk*** (Continued)*Receivables*

The Charity's receivables comprise mainly of government funding receivables. These receivables are considered to be low credit risk as these have low risk of default and the counterparty has a strong capacity to meet its contractual cash flow obligation if demanded in the near term.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Charity's performance to developments affecting a particular industry.

Exposure to credit risk

The Charity has no significant concentration of credit risk other than those cash and cash equivalents with reputable established financial institution. No other financial assets carry a significant credit risk and no history of default.

Liquidity risk

Liquidity risk refers to the risk that the Charity will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Charity's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Charity monitors and maintains a level of cash and bank balances deemed adequate by the Management Committee to finance the Charity's operations and mitigate the effects of fluctuations in cash flows.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Charity's financial liabilities at the end of the reporting period based on contractual undiscounted payments.

	30 June 2022			
	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>One year or less</u>	<u>One to five years</u>
	\$	\$	\$	\$
<u>Financial assets</u>				
Cash and cash equivalents (Note 6)	1,157,570	1,157,570	1,157,570	-
Receivables (excluding prepayments) (Note 7)	-	-	-	-
Total undiscounted financial assets	1,157,570	1,157,570	1,157,570	-
<u>Financial liability</u>				
Payables (Note 9)	(13,921)	(13,921)	(13,921)	-
Total undiscounted liability	(13,921)	(13,921)	(13,921)	-
Total net undiscounted financial assets	1,143,649	1,143,649	1,143,649	-

HOPEHOUSE LTD.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

15 FINANCIAL RISK MANAGEMENT (Continued)**Liquidity risk (Continued)****Analysis of financial instruments by remaining contractual maturities (Continued)**

The table below summarises the maturity profile of the Charity's financial liabilities at the end of the reporting period based on contractual undiscounted payments. (Continued)

	30 June 2021			
	Carrying amount	Contractual cash flows	One year or less	One to five years
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents (Note 6)	662,730	662,730	662,730	-
Receivables (excluding prepayments) (Note 7)	252,850	252,850	252,850	-
Total undiscounted financial assets	915,580	915,580	915,580	-
Financial liability				
Payables (Note 9)	(20,182)	(20,182)	(20,182)	-
Total undiscounted liability	(20,182)	(20,182)	(20,182)	-
Total net undiscounted financial assets	895,398	895,398	895,398	-
1 July 2020				
	Carrying amount	Contractual cash flows	One year or less	One to five years
	\$	\$	\$	\$
Financial assets				
Cash and cash equivalents (Note 6)	687,241	687,241	687,241	-
Receivables (excluding prepayments) (Note 7)	-	-	-	-
Total undiscounted financial assets	687,241	687,241	687,241	-
Financial liability				
Payables (Note 9)	(14,280)	(14,280)	(14,280)	-
Total undiscounted liability	(14,280)	(14,280)	(14,280)	-
Total net undiscounted financial assets	672,961	672,961	672,961	-

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2022***16 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES**

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

(a) Fair value hierarchy

The Charity categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Charity can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and financial liabilities not measured at fair value

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, receivables, and payable

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Fixed deposits

The carrying amounts of fixed deposits approximates their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

Loans and borrowings

The fair value of loans and borrowings was estimated by discontinuing expected future cash flows at market incremental lending rate of similar types of borrowing at the end of financial year.

The Charity has no (2021: Nil) fair value measurement recognised in the statement of financial position as at the end of the reporting period.

17 FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets and financial liability carried at amortised cost were disclosed in Notes 7 and 9 to the financial statements, respectively.

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

18 RESTATEMENT

During the financial year, a restatement was made to the prior financial year's financial statements to categorise the grants received from the Ministry of Social and Family (the "MSF") Fund as a restricted fund from unrestricted fund, as these grants were earmarked for a specific purpose by the MSF.

The aforementioned restatement resulted to a change in the net assets in the statement of financial position, hence, management presented the statement of financial position as at 1 July 2020 in accordance with the requirements of FRS 8, *Accounting Policies, Changes in Accounting Estimate and Errors*.

The items related in the financial statements are as follows:

	30 June 2021		30 June 2020	
	As previously <u>stated</u>	<u>As restated</u>	As previously <u>stated</u>	<u>As restated</u>
	\$	\$	\$	\$
<u>Funds</u>				
Accumulated funds	661,394	-	632,950	-
<u>Funds</u>				
Unrestricted funds	-	730,780	-	702,336
Restricted funds	-	(69,386)	-	(69,386)

19 MANAGEMENT OF CONFLICT OF INTEREST

The Board of Directors is required to disclose any interest that they may have, whether directly or indirectly, that the Charity may enter into or in any organisations that the Charity has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Charity's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

20 RESERVE POSITION AND POLICY

The Charity's reserve position as at 30 June 2022, 30 June 2021 and 1 July 2020 is as follows:

	30 June 2022	30 June 2021	1 July 2020
	\$	\$	\$
A Unrestricted fund			
- Accumulated funds	777,428	730,780	702,336
B Restricted funds			
- Restricted funds	(281,887)	(69,386)	(69,386)
C Total funds	495,541	661,394	632,950
D Total annual operating expenditure	381,452	1,600	339,190
E Ratio of funds to annual operating expenditure (C/D)	1.30	413.37	1.87
F Ratio of restricted funds to annual operating expenditure (A/D)	2.04	456.74	2.07

HOPEHOUSE LTD.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2022

20 RESERVE POSITION AND POLICY (Continued)

Reference:

C – Total funds include unrestricted and restricted or designated funds.

D – Total annual operating expenditure includes expenses related to cost of generating funds, governance cost and others.

The reserve policy of the Charity is to build a minimum operating reserve fund equal to 12 months of average recurring operating costs. In addition to calculating the actual operating reserve at the fiscal year end, the minimum operating reserve fund will be reported to the Board of Directors and included in the regular financial reports.

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