
2023

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

"Where is my brother or sister who is in need?" and "How can I continue to help serve them?"

We are in the Advent season, a time of spiritual preparation for Christmas as I write this simple sharing. I am pleasantly surprised to see in the advertisement by Uniqlo of their Uniqlo Advent Calendar. It is the first time that I read about a popular secular commercial company using the word "Advent." I guess that they are in the run up to Christmas with regard to the sale of Christmas gifts.

For us Lasallians, Advent is a reminder to us that as we make preparations, both spiritual and secular, for Christmas that the message is God-is-with us, Emmanuel (Matthew 1:23). The troubled world we live in, looks forward and wants to see and needs to see God-with-us to help us to struggle for a world of peace and humanity.

HopeHouse is our Lasallian effort to bring Emmanuel to our daily lives and to work for peace and for a little humanity in the lives of our staff and residents. HopeHouse is our Lasallian leavening project with its catch phrase "Where is my brother or sister who is in need?", not so much as to "Who is my brother or sister?" The Leavening project is the 46th General Chapter of the La Salle Brothers and partners' call to move forward in serving others. (<https://www.lasalle.org/en/the-leavening-project/>)

It is my hope that the residents and staff of HopeHouse will experience this God of love whom we serve when we see each other as our brother and sister who is in need. That we continue to constantly ask "Where is my brother or sister who is in need?" and "How can I continue to help serve them?"

When we serve then, Emmanuel becomes present to us and our world becomes a little more human and a lot more peaceful.

CHAIRMAN'S MESSAGE

We thank God for His continued protection and blessings upon **HopeHouse** this past year!

It was a busy year for the staff as we took the opportunity to review-and improve our policies, processes, and practices in preparing for the renewal of children and young persons' home license conducted by the **Ministry of Social and Family Development** (MSF). We have successfully renewed our license, thanks to the hard work of our care, therapeutic and corporate personnel!

HopeHouse continued to challenge ourselves by admitting more residents with special needs as well as those on enhanced care and protection orders. Our goal is to ***"launch them stronger!"*** - better prepared and ready! - by imparting skills, preparing and encouraging them to live independently once they are ready to exit the system.

In line with this, we have also piloted an aftercare programme where discharged residents who face challenges when they rejoin mainstream society, can approach **HopeHouse** for assistance such as counselling, temporary alternative accommodation, if they face unexpected setbacks.

We have been placing greater focus on the training and professional development of our staff. All the staff have obtained the Certificate of Residential Care and first aid training. Case staff were enrolled for specialised training to enhance their counselling and programming skills. We plan to grow our staff headcount in the coming months in anticipation of the increased numbers of residents that MSF has informed us that they will be sending us. It is affirmation of the quality of care and support we provide and our aim that **HopeHouse** is truly ***"a home within"***,

We would like to say a very big thank you to our many generous donors, volunteers, partners and stakeholders who have worked together with us this past year to nurture each child and youth in our care.

May God continue to bless you! as well as our staff for the work that they do for the youths in **HopeHouse**!

Yours in service,



Mr Rupert Gwee
Chairman

"A very big thank you to our many generous donors, volunteers, partners and stakeholders who have worked together with us this past year to nurture each child and youth in our care."

NEVER GIVE UP

Jack* experienced a lack of stability in his caregiving after the passing of both parents. As the extended family was unable to provide consistent, long-term care, it resulted in him with feelings of rejection and abandonment.

Due to the precarious nature of the provision of care for him and concerns of neglect by the caregivers, Jack was referred to the Child Protection Services. He was subsequently placed at HopeHouse, where he worked on enhancing his independent living skills and building a more robust support network.

Upon his arrival at HopeHouse, Jack formed positive relationships with both the staff and fellow residents. He made progress in improving his social skills and also started to contribute back to society. He volunteered for various events, such as the National Day Parade, and demonstrated increased independence by sharing his feelings and thoughts with the staff, all while maintaining a strong connection with the relatives.

Jack is dedicated to focus on his studies to pursue his dream of a career in the social service sector.



Vulnerable

At a critical stage before stepping into adulthood and the professional sphere, young individuals like Jack are particularly vulnerable.



Support

Family pressures and societal challenges have introduced additional complexities to the issues faced by vulnerable families.

*not his real name

MANAGEMENT DISCLOSURE

2

Board Meetings

There were 2 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 with CPF contribution. This is for his role as a Home Mentor. Cash component is deposited 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 in decision-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 1 to 20 months.

10

Residents Discharged

2 of our residents admitted on compassionate ground were successfully integrated with their families.

Of the 4 residents under MSF-referred (Child Protective Services), 3 were successfully integrated back to their family while 1 was transferred to another residential care facility.

Of the 4 probationers who resided with us, 2 successfully completed his stay with HopeHouse while the other 2 had their probation order revoked.

70% completion rate

8

Clients Admitted

2 residents were admitted on compassion ground.

3 residents were referred by Child Protective Services

3 probationers were admitted

Sharing

Packing of necessities for migrant workers.

Allowing young individuals to connect, seek advice, gain perspective, and feel validated in their emotions and experiences.



Encouraging

Supporting them in their endeavors, providing positive reinforcement, and instilling confidence in their abilities



Bonding

Creating strong connections built on trust, understanding and mutual respect. Fostering a safe and nurturing environment where they feel valued and understood.



Education and Employment Support

Residents seek assistance in their application for work and/or school. Residents were guided in their resume writing and interviewing skills.

Festive Celebrations

Celebrations were held to honor significant festivals including Chinese Yew Year, Hari Raya Puasa, Deepavali, Christmas to facilitate understanding of different racial and religious practices and beliefs.

Birthdays were celebrated to let the residents know that we care and to promote the community spirit.

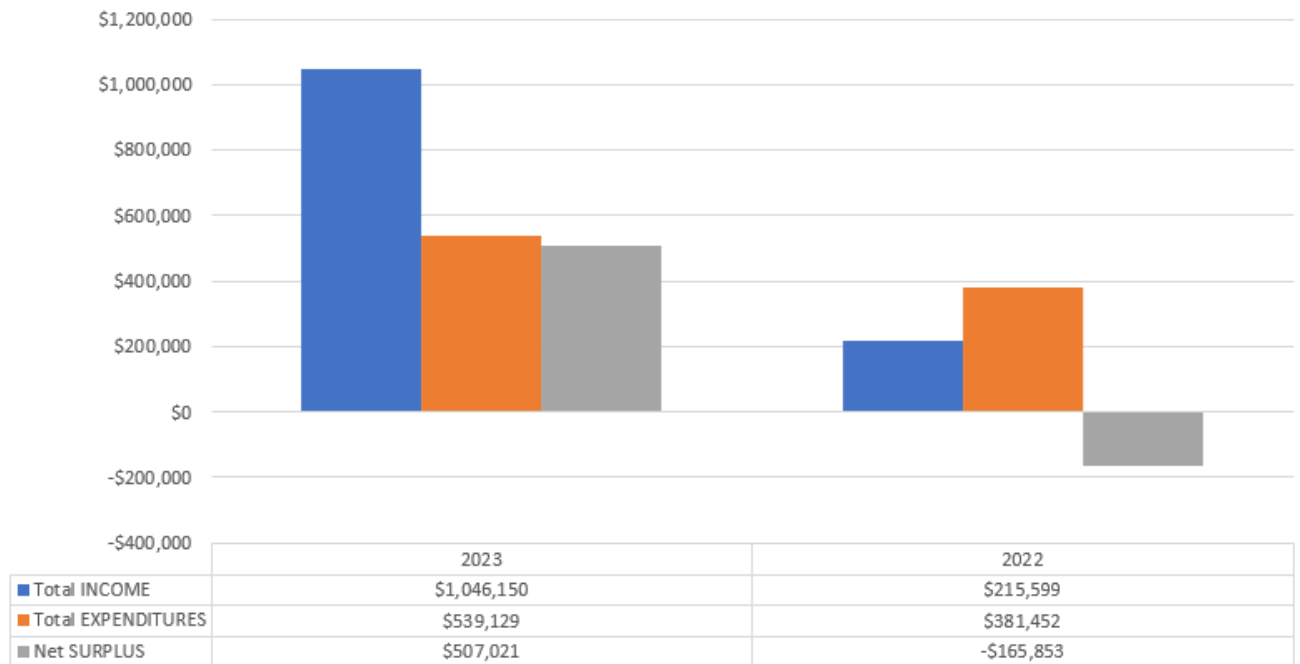
Individualised Care Plans

Individual dialogue sessions and counselling sessions with the residents help them to establish and accomplish their goals as well as overcome the challenges they encountered.

Our fulfilment is to see our residents successfully make concrete decisions to be resilient and be integrated successfully back into the society.

KEY FINANCIALS

FY22/23 NET SURPLUS (LOSS)



KEY FINANCIALS

Charitable Commitment

(a) Expenditure on charitable activities	= \$483,888
(b) Total Expenditure	= \$539,129

$$\text{Charitable Commitment}^{**} = (a) / (b) = 0.92$$

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

Reserves Ratio

(a) Financial Assets less Liabilities	= \$1,171,965
(b) Total Expenditure	= \$539,129

$$\text{Reserves Ratio}^{***} = (a) / (b) = 2.06$$

*** 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

Staff Annual Remuneration

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.

Make 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")		
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")		Yes
24	No staff is involved in setting his own remuneration.	2.2	
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 2023

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HOPEHOUSE LTD.

Company Registration No.: 201010093H

DIRECTORS' STATEMENT

For the financial year ended 30 June 2023

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 2023.

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 2023 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

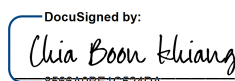
Helmi Talib LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

DocuSigned by:

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GWEE CHWEE KEE RUPERT
Director

DocuSigned by:

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CHIA BOON KHIANG
Director

Date: 21 December 2023

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
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- 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 2023, 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 2023 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 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.

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.



Helmi Talib LLP

Responsibilities of Management and Those Charged with Governance for the Financial Statements (Continued)

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:

Helmi Talib LLP

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HELMI TALIB LLP
Public Accountants and
Chartered Accountants

Singapore

Date: 21 December 2023

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

HOPEHOUSE LTD.*Company Registration No.: 201010093H***STATEMENT OF FINANCIAL ACTIVITIES***For the financial year ended 30 June 2023*

	Note	<u>2023</u> \$	<u>2022</u> \$
<u>INCOME</u>			
Income from generated funds			
Voluntary income			
- Building fund		345,927	-
- Donations and offerings		299,862	85,204
- Grants from Ministry of Social and Family Development ("MSF")		237,859	122,852
- Grants from Caritas Singapore		150,000	-
Activities for generating funds		<u>12,502</u>	<u>7,543</u>
TOTAL INCOME		<u>1,046,150</u>	<u>215,599</u>
<u>EXPENDITURES</u>			
Cost of generating funds	5	523,569	372,548
Governance costs	5	14,095	8,649
Others	5	<u>1,465</u>	<u>255</u>
TOTAL EXPENDITURES		<u>539,129</u>	<u>381,452</u>
NET INCOME/(LOSS) FOR THE FINANCIAL YEAR		<u>507,021</u>	<u>(165,853)</u>
<u>RECONCILIATION OF FUNDS</u>			
Total funds brought forward		664,944	830,797
Net income/(loss) for the financial year		<u>507,021</u>	<u>(165,853)</u>
		<u>1,171,965</u>	<u>664,944</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 2023*

	Note	<u>2023</u> \$	<u>2022</u> \$
ASSETS			
<u>Current assets</u>			
Cash and cash equivalents	6	978,567	1,157,570
Receivables	7	-	333
Other current assets	8	700,000	-
Total current assets		<u>1,678,567</u>	<u>1,157,903</u>
<u>Non-current asset</u>			
Plant and equipment	9	8,737	21,062
Total non-current asset		<u>8,737</u>	<u>21,062</u>
Total assets		<u>1,687,304</u>	<u>1,178,965</u>
LIABILITIES AND FUNDS			
<u>Current liabilities</u>			
Payables	10	15,239	13,921
Contract liabilities	11	400,100	400,100
Total current liabilities		<u>415,339</u>	<u>414,021</u>
<u>Non-current liability</u>			
Loans and borrowings	12	100,000	100,000
Total non-current liability		<u>100,000</u>	<u>100,000</u>
Total liabilities		<u>515,339</u>	<u>514,021</u>
FUNDS			
<u>Unrestricted fund</u>			
Accumulated funds	13	1,543,875	1,282,157
<u>Restricted funds</u>			
Grants from MSF	13	(713,242)	(617,213)
Building fund	13	341,332	-
		<u>(371,910)</u>	<u>(617,213)</u>
Total funds		<u>1,171,965</u>	<u>664,944</u>
Total liabilities and funds		<u>1,687,304</u>	<u>1,178,965</u>

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 2023*

	Unrestricted funds	Restricted funds	Restricted funds	Total funds
	Accumulated funds	Grants from MSF	Building fund	
	\$	\$	\$	\$
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
Net income/(loss) for the financial year	261,718	(96,029)	341,332	507,021
As at 30 June 2023	1,543,875	(713,242)	341,332	1,171,965

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 2023*

	Note	<u>2023</u> \$	<u>2022</u> \$
Cash flows from operating activities			
Net income/(loss) for the financial year		507,021	(165,853)
Adjustment for:			
Depreciation of plant and equipment, representing total adjustment	9	<u>12,325</u>	<u>12,325</u>
Total operating cash flows before changes in working capital		519,346	(153,528)
Changes in working capital			
Decrease in receivables		333	254,529
Increase/(decrease) in payables		1,318	(6,261)
Increase in other current assets	8	(700,000)	-
Increase in contract liabilities	11	<u>-</u>	<u>400,100</u>
Total changes in working capital		<u>(698,349)</u>	<u>648,368</u>
Cash flows (used in)/from operations, representing net cash flows (used in)/from operating activities		<u>(179,003)</u>	<u>494,840</u>
Net (decrease)/increase in cash and cash equivalents		(179,003)	494,840
Cash and cash equivalents at the beginning of financial year	6	<u>1,157,570</u>	<u>662,730</u>
Cash and cash equivalents at the end of financial year	6	<u>978,567</u>	<u>1,157,570</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 2023*

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 2023 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 2022. 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 2023***2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.3 Standards issued but not yet effective**

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

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

	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
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
Amendments to FRS 1	: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116	: Supplier Finance Arrangements	1 January 2024

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 2023***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 2023***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 2023***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 2023***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.

An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund.

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
- Grants from Caritas Singapore

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.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2023***2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.13 Income recognition (Continued)****(d) Grants from Caritas Singapore**

Cash grants received from the government in relation to Caritas Singapore grants are recognised as income upon receipt.

(e) Interest income

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

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 2023

4 SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year.

Compensation of key management personnel

	<u>2023</u> \$	<u>2022</u> \$
Salary and bonus	24,300	21,600
Employer's CPF contribution	2,058	2,265
	<u>26,358</u>	<u>23,865</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 2023 and 30 June 2022.

5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds	Restricted funds	Restricted funds	Total Funds
	Accumulated funds	Grants from MSF	Building fund	
<u>2023</u>	\$	\$	\$	\$
INCOME				
Income from generated funds				
<u>Voluntary income</u>				
Donations	299,862	-	-	299,862
Grants				
- Ministry of Social and Family Development	-	237,859	-	237,859
- Caritas Singapore	-	150,000	-	150,000
- Building fund	-	-	345,927	345,927
	<u>299,862</u>	<u>387,859</u>	<u>345,927</u>	<u>1,033,648</u>
Activities for generating funds				
Interest income	3,215	-	-	3,215
Other income	9,247	-	-	9,247
Transformity project on carousell	40	-	-	40
	<u>12,502</u>	<u>-</u>	<u>-</u>	<u>12,502</u>
TOTAL INCOME	<u>312,364</u>	<u>387,859</u>	<u>345,927</u>	<u>1,046,150</u>

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)

	Unrestricted funds	Restricted funds	Restricted funds	Total Funds
	Accumulated funds	Grants from MSF	Building fund	
2023	\$	\$	\$	\$
EXPENDITURE				
Cost of generating funds:				
<u>Voluntary income</u>				
Employer's contributions to CPF	-	36,981	-	36,981
Depreciation (Note 8)	12,325	-	-	12,325
Food and refreshment	-	22,854	-	22,854
Insurance	5,347	-	-	5,347
Licence	24	-	-	24
Medical fee	746	944	-	1,690
Printing and stationary	936	-	-	936
Pocket money	-	733	-	733
Programme for residents	626	-	-	626
Rental expense	-	24,000	-	24,000
Repair and maintenance	2,753	-	4,554	7,307
Seminar and training	4,250	-	-	4,250
Staff salaries and bonuses	-	252,586	-	252,586
Staff and resident welfare expense	241	-	-	241
Study fee	-	145,025	-	145,025
Subscription	2,170	-	-	2,170
Sundries	1,005	-	-	1,005
Telecommunications	2,131	-	-	2,131
Transport and travelling	364	765	-	1,129
Upkeep of motor vehicle	2,209	-	-	2,209
	<u>35,127</u>	<u>483,888</u>	<u>4,554</u>	<u>523,569</u>
<u>Governance costs</u>				
Accounting fees	2,200	-	-	2,200
Audit fees	10,860	-	-	10,860
General expenses	135	-	-	135
Secretarial fees	900	-	-	900
	<u>14,095</u>	<u>-</u>	<u>-</u>	<u>14,095</u>
<u>Others</u>				
Bank charges	1,424	-	41	1,465
TOTAL EXPENDITURES	<u>50,646</u>	<u>483,888</u>	<u>4,595</u>	<u>539,129</u>
Net income/(loss)	<u>261,718</u>	<u>(96,029)</u>	<u>341,332</u>	<u>507,021</u>

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)

	Unrestricted funds	Restricted funds	Total Funds
	Accumulated funds	Grants from MSF	
2022	\$	\$	\$
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>
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
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
Repair and maintenance	1,663	-	1,663
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>

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)

	Unrestricted funds	Restricted funds	Total Funds
	Accumulated funds	Grants from MSF	
<u>2022</u>	\$	\$	\$
EXPENDITURE			
<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>46,099</u>	<u>335,353</u>	<u>381,452</u>
TOTAL EXPENDITURES			
	<u>46,648</u>	<u>(212,501)</u>	<u>(165,853)</u>
Net income/(loss)			

6 CASH AND CASH EQUIVALENTS

	<u>2023</u>	<u>2022</u>
	\$	\$
Cash at bank	620,843	803,255
Fixed deposits	357,260	354,045
Cash on hand	464	270
	<u>978,567</u>	<u>1,157,570</u>

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

Fixed deposits carry effective interest rates of 2.65%, 2.80% and 3.40% (2022: 1.00%, 0.10% and Nil) per annum. The maturity dates of these fixed deposits are from 3 October 2023, 3 October 2023 and 4 May 2024 (2022: 4 May 2023, 3 October 2022 and 3 October 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.

7 RECEIVABLES

	<u>2023</u>	<u>2022</u>
	\$	\$
Prepayments	-	333
	<u>-</u>	<u>333</u>
Total receivables (excluding prepayments), representing total financial assets carried at amortised cost	<u>-</u>	<u>-</u>

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

7 RECEIVABLES (Continued)

Receivables are denominated in Singapore Dollar.

8 OTHER CURRENT ASSETS

	<u>2023</u> \$	<u>2022</u> \$
Other current assets	700,000	-

Other current assets pertain to the building fund to be used for the maintenance and renovations of the Charity's registered office.

Other current assets are denominated in Singapore Dollar.

9 PLANT AND EQUIPMENT

	<u>Office equipment</u> \$	<u>Motor vehicle</u> \$	<u>Total</u> \$
<u>Cost</u>			
At 30 June 2022 and 30 June 2023	4,878	116,478	121,356
<u>Accumulated depreciation</u>			
At 30 June 2021	3,522	84,447	87,969
Charge for the financial year	677	11,648	12,325
At 30 June 2022	4,199	96,095	100,294
Charge for the financial year	679	11,646	12,325
At 30 June 2023	4,878	107,741	112,619
<u>Net carrying amount</u>			
At 30 June 2022	679	20,383	21,062
At 30 June 2023	-	8,737	8,737

10 PAYABLES

	<u>2023</u> \$	<u>2022</u> \$
Accrued operating expenses, representing total financial liability carried at amortised cost	15,239	13,921

Payables are denominated in Singapore Dollar.

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

11 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>2023</u> \$	<u>2022</u> \$
Contract liabilities	<u>400,100</u>	<u>400,100</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 2023 and 2022 as these performance obligations all have an original expected duration of one year or less.

12 LOANS AND BORROWINGS

	<u>2023</u> \$	<u>2022</u> \$
Short-term loan	<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.

13 FUNDS***Unrestricted funds – Accumulated funds***

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

	At beginning of <u>financial year</u> \$	<u>Income</u> \$	<u>Expenditure</u> \$	At end of <u>financial year</u> \$
<u>2023</u>				
Unrestricted funds				
Accumulated Funds	<u>1,282,157</u>	<u>312,364</u>	<u>(50,646)</u>	<u>1,543,875</u>
<u>2022</u>				
Unrestricted funds				
Accumulated Funds	<u>1,235,509</u>	<u>92,747</u>	<u>(46,099)</u>	<u>1,282,157</u>

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

13 FUNDS (Continued)***Restricted funds -******Building Fund***

Funds raised under Building Fund are meant to cover the cost of re-building and re-furnishing of the new premises.

Ministry of Social and Family Development

Grants from MSF are used to provide the per capita grant payable for each client admitted to the Charity. It is strictly for use for matters related directly to the beneficiaries such as manpower, operational, education, transport, medical, therapeutic and others.

Grants from MSF resulted to deficit balances as at 30 June 2023 and 2022 due to the Charity having to operate on reduced residents' capacity due to safe distancing measures put in place due to COVID while maintaining a full staff strength to ensure that operations are not affected.

The Charity plans to address the deficit by applying for additional grants and seeking donations.

	At beginning of <u>financial year</u>	<u>Income</u>	<u>Expenditure</u>	At end of <u>financial year</u>
	\$	\$	\$	\$
<u>2023</u>				
Restricted funds				
Grants from MSF	(281,887)	387,859	(483,888)	(377,916)
Building Fund	-	345,927	(4,595)	341,332
	<u>(281,887)</u>	<u>733,786</u>	<u>(488,483)</u>	<u>(36,584)</u>
<u>2022</u>				
Restricted funds				
Grants from MSF	(69,386)	122,852	(335,353)	(281,887)
Building Fund	-	-	-	-
	<u>(69,386)</u>	<u>122,852</u>	<u>(335,353)</u>	<u>(281,887)</u>

14 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.

15 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 \$336,725 (2022: \$88,475).

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2023***16 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.

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.

HOPEHOUSE LTD.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2023***16 FINANCIAL RISK MANAGEMENT (Continued)*****Credit risk*** (Continued)

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.

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.

HOPEHOUSE LTD.

Company Registration No.: 201010093H

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2023

16 FINANCIAL RISK MANAGEMENT (Continued)**Liquidity risk (Continued)*****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.

	2023			
	<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)	978,567	978,567	978,567	-
Receivables (excluding prepayments) (Note 7)	-	-	-	-
Total undiscounted financial assets	978,567	978,567	978,567	-
<u>Financial liability</u>				
Payables (Note 10)	15,239	15,239	15,239	-
Total undiscounted liability	15,239	15,239	15,239	-
Total net undiscounted financial assets	963,328	963,328	963,328	-
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 10)	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.*Company Registration No.: 201010093H***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 30 June 2023***17 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 (2022: Nil) fair value measurement recognised in the statement of financial position as at the end of the reporting period.

18 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 2023***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 2023 and 2022 is as follows:

	<u>2023</u>	<u>2022</u>
	\$	\$
A Unrestricted fund		
- Accumulated funds	1,543,875	1,282,157
B Restricted funds		
- Restricted funds	(36,584)	(281,887)
C Total funds	1,507,291	1,000,270
D Total annual operating expenditure	539,129	381,452
E Ratio of funds to annual operating expenditure (C/D)	2.80	2.62
F Ratio of restricted funds to annual operating expenditure (A/D)	2.86	3.36

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.