

**ISCA CARES LIMITED**  
(Co. Reg. No. 201532966C)

**FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2021**

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## **ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

### **DIRECTORS' STATEMENT**

The directors hereby present their statement to the member together with the audited financial statements of the Company for the financial year ended 31 December 2021.

In the opinion of the directors:

- (i) the financial statements as set out on pages 5 to 17 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance, changes in accumulated fund and cash flows of the Company for the financial year then ended in accordance with the provisions of the Charities Act 1994 and other relevant regulations, the Companies Act 1967 and Financial Reporting Standards in Singapore; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### **Directors**

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

Max Loh Khum Whai  
Arumugam Ravinthran  
Noorhayati Binte Mohamed Kassim  
Abdul Jabbar Bin Karam Din  
Teo Woon Keng John  
Kor Wan Hoon (Appointed on 1 September 2021)

#### **Arrangements to enable directors to acquire benefits**

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

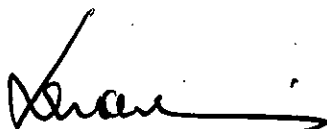
#### **Other matters**

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


#### **Independent auditor**

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



Max Loh Khum Whai  
Director



Teo Woon Keng John  
Director

15 March 2022

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

**Report on the Audit of the Financial Statements*****Opinion***

We have audited the accompanying financial statements of ISCA Cares Limited (the "Company") as set out on pages 5 to 17, which comprise the balance sheet as at 31 December 2021, and the statement of comprehensive income, statement of changes in accumulated fund 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 Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations"), the Companies Act 1967 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and of the financial performance, changes in accumulated fund and cash flows of the Company for the financial year ended on that date.

***Basis for Opinion***

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

***Other Information***

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on page 1 and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
ISCA CARES LIMITED (cont'd)**

(A public company limited by guarantee and not having share capital)

**Report on the Audit of the Financial Statements (cont'd)**

***Responsibilities of Management and Directors 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 Charities Act and Regulations, the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF  
ISCA CARES LIMITED (cont'd)**

(A public company limited by guarantee and not having share capital)

**Report on the Audit of the Financial Statements (cont'd)**

*Auditor's Responsibilities for the Audit of the Financial Statements (cont'd)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

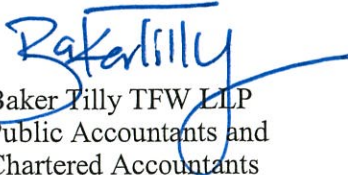
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

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

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



Baker Tilly TFW LLP  
Public Accountants and  
Chartered Accountants  
Singapore

15 March 2022

**ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

**STATEMENT OF COMPREHENSIVE INCOME****For the financial year ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Income</b>			
Donation income	4	322,974	210,139
Income from fund-raising activities		218,761	–
Interest income from fixed deposits		3,779	7,198
Other income	5	467,750	75
Sponsorship-in-kind		63,528	–
		<hr/>	<hr/>
		1,076,792	217,412
<b>Less expenditure</b>			
Auditor's remuneration		6,000	5,000
Other expenses	6	249,607	183,026
		<hr/>	<hr/>
		255,607	188,026
		<hr/>	<hr/>
<b>Net surplus and total comprehensive income for the financial year</b>		<b>821,185</b>	<b>29,386</b>

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

**ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

**BALANCE SHEET**

At 31 December 2021

	Note	2021 \$	2020 \$
<b>Non-current assets</b>			
Intangible asset	7	6,709	11,524
		<hr/>	<hr/>
<b>Current assets</b>			
Cash and cash equivalents	8	1,432,502	798,849
Receivables	9	47,337	51,240
Prepayments		—	11,941
Inventories	10	938	1,986
		<hr/>	<hr/>
<b>Total current assets</b>		1,480,777	864,016
		<hr/>	<hr/>
<b>Total assets</b>		1,487,486	875,540
		<hr/>	<hr/>
<b>Current liabilities</b>			
Accrued expenses		5,209	6,448
Donations received in advance	11	—	208,000
		<hr/>	<hr/>
<b>Total current liabilities</b>		5,209	214,448
		<hr/>	<hr/>
<b>Net assets</b>		1,482,277	661,092
		<hr/>	<hr/>
<b>Accumulated Fund</b>		1,482,277	661,092
		<hr/>	<hr/>

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

**ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

**STATEMENT OF CHANGES IN ACCUMULATED FUND**

**For the financial year ended 31 December 2021**

	\$
Balance at 1 January 2020	631,706
Net surplus and total comprehensive income for the financial year	29,386
Balance at 31 December 2020	<u>661,092</u>
Net surplus and total comprehensive income for the financial year	821,185
<b>Balance at 31 December 2021</b>	<b><u>1,482,277</u></b>

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



**ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

**STATEMENT OF CASH FLOWS****For the financial year ended 31 December 2021**

	Note	2021 \$	2020 \$
<b>Cash flows from operating activities</b>			
Net surplus for the financial year		821,185	29,386
Adjustments for:			
Amortisation of intangible asset	6	4,815	4,815
Interest income		(3,779)	(7,198)
Operating surplus before working capital changes		822,221	27,003
Donations received in advance		(208,000)	128,000
Receivables		16,413	(27,502)
Accrued expenses		(1,239)	(59)
Inventories		1,048	34
Cash generated from operations		630,443	127,476
Interest received		3,210	7,258
<b>Net cash generated from operating activities</b>		633,653	134,734
<b>Net increase in cash and cash equivalents</b>		633,653	134,734
Cash and cash equivalents at beginning of the financial year		798,849	664,115
<b>Cash and cash equivalents at end of the financial year</b>	8	1,432,502	798,849

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

## **ISCA CARES LIMITED**

(A public company limited by guarantee and not having share capital)

### **NOTES TO THE FINANCIAL STATEMENTS For the financial year ended 31 December 2021**

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

#### **1 Corporate information**

The Company (Co. Reg. No. 201532966C) is incorporated and domiciled in Singapore. The registered office and principal place of operations is at 60 Cecil Street, ISCA House, Singapore 049709.

The principal activities of the Company are:

- (a) To provide needy Singapore youths with academic potential, access to quality accountancy education through pecuniary and non-pecuniary assistance, so that they can maximise their potential.
- (b) To harness the knowledge, skills and expertise of the accountancy community and through collaborative programmes with appropriate partners, develop the community.

The Company is limited by its member's guarantee to contribute to the assets of the Company of up to \$1 per member in the event of it being wound up.

The Company is an approved Institution of a Public Character.

The member of the Company is the trustee of the Institute of Singapore Chartered Accountants ("ISCA"). Accordingly, the Company is a wholly-owned subsidiary of ISCA.

#### **2 Summary of significant accounting policies**

##### **(a) Basis of preparation**

The financial statements are presented in Singapore dollar ("S") which is the Company's functional currency. The financial statements have been prepared in accordance with the provisions of the Charities Act 1994 and other relevant regulations, the Companies Act 1967 and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires management to exercise its judgement in the process of applying the Company's accounting policies. It also requires the use of accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of income and expenditure during the financial year.

##### *Use of estimates and judgements*

These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The areas involving a higher degree of judgement or complexity or areas where assumptions significant to the financial statements are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, current receivables and current payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

## **2 Summary of significant accounting policies (cont'd)**

### **(a) Basis of preparation (cont'd)**

#### *New and revised standards*

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial statements.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2021 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

### **(b) Income**

Revenue is recognised to the extent that the Company becomes entitled to the income, when it is probable that the income will be received; and when the amount of the income can be measured with sufficient reliability.

Donations are recognised as and when they are received. Income from fund-raising events is recognised when the event has occurred.

During the previous financial year, the Company changed its accounting policy for recognition of income from fund-raising events, from upon receipt to upon the occurrence of the event. This change in accounting policy has been accounted for retrospectively.

Income from sale of notebooks and pouches is recognised when the control of the products has been transferred upon the delivery of the products to the customer. No element of financing is deemed present as the sales are made on cash on delivery terms, which is consistent with market practice. A receivable is recognised when the products are delivered, as this is the point in time that the consideration is unconditional.

Interest income is recognised as the interest accrues based on the effective interest method.

### **(c) Intangible assets**

Computer software is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of the computer software over their estimated useful lives of 5 years.

The amortisation period and amortisation method of intangible assets are reviewed at least at each balance sheet date. The effects of any revision are recognised in income and expenditure when the changes arise.

### **(d) Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents comprise cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

### **(e) Inventories**

Inventories, comprising mainly notebooks and pouches, are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

## 2 Summary of significant accounting policies (cont'd)

### (f) Financial assets

#### *Recognition and derecognition*

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Trade receivables without a significant financing component is initially measured at transaction prices.

#### *Classification and measurement*

All financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

The Company classifies its financial assets in the amortised cost measurement category.

The classification is based on the entity's business model for managing the financial asset and the contractual cash flow characteristics of the financial assets.

The Company reclassifies financial assets when and only when its business model for managing those assets changes.

#### *Subsequent measurement*

Debt instruments include cash and cash equivalents and receivables. The subsequent measurement category depends on the Company's business model for managing the asset and cash flow characteristics of the asset:

#### *Amortised cost*

The Company measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Interest income from these financial assets is included in interest income using the EIR method.

#### *Impairment*

The Company recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

## 2 Summary of significant accounting policies (cont'd)

### (f) Financial assets (cont'd)

#### *Impairment (cont'd)*

The impairment methodology applied depends on whether there has been a significant increase in credit risk. 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a "lifetime ECL").

For trade receivables that do not have a significant financing component, the Company applies a simplified approach to recognise a loss allowance based on lifetime ECLs at balance sheet date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment.

If the Company has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

The Company recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

### (g) Financial liabilities

Financial liabilities which comprise accrued operating expenses are initially recognised at fair value plus directly attributable transaction costs, and subsequently measured at amortised cost, using the effective interest method.

Financial liabilities are recognised on the balance sheet when, and only when, the Company becomes a party to the contractual provisions of the financial instruments.

A financial liability is derecognised when the obligation under the liability is extinguished.

### (h) Taxation

The Company has been registered as a Charity under the Singapore Charities Act and is exempted from income tax under the provisions of the Income Tax Act, Chapter 134.

### (i) Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

### 3 Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amount of asset within the next financial year, are discussed below.

#### *Amortisation of intangible asset*

The Company reviews the useful life of intangible asset at the balance sheet date in accordance with the accounting policy in Note 2(c). Changes in circumstances, such as technological or other types of obsolescence, could result in the actual useful life differing from the management's current estimates. The net carrying amount of intangible asset at 31 December 2021 and the annual amortisation charge for the financial year ended 31 December 2021 are disclosed in Note 7. Any changes in the expected useful life of the asset would affect the net carrying amount of intangible asset, and the amortisation charge for the financial year.

### 4 Donation income

Donations received are both tax and non-tax deductible.

	2021 \$	2020 \$
Tax deductible receipts	318,077	208,644
Non-tax deductible receipts	4,897	1,495
	<u>322,974</u>	<u>210,139</u>

### 5 Other income

	2021 \$	2020 \$
Income from sales of pouches	45	75
Government grants	467,705	–
	<u>467,750</u>	<u>75</u>

Government grant income of \$203,000 and \$264,705 were recognised during the financial year under Tote Board Enhanced Fund-Raising (“EFR”) Programme and Bicentennial Community Fund (“BCF”) matching grant respectively. Tote Board EFR Programme provides a matching grant of one dollar for every donation dollar raised in fund-raising projects on physical platforms and/or on approved digital fund-raising platforms with start or end dates that fall within 1 April 2020 to 31 March 2021. BCF is a one-off initiative that provides dollar-for-dollar matching for donations to Institutions of a Public Character.

**6 Other expenses**

	2021	2020
	\$	\$
ISCA Cares Awards through Polytechnics	73,200	82,000
ISCA Cares Awards through Universities	60,000	82,000
Awareness and promotion outreach	–	4,360
Amortisation of intangible asset (Note 7)	4,815	4,815
Expenses on fund-raising activities	103,237	–
Cost of pouches	21	34
Others	8,334	9,817
	<u>249,607</u>	<u>183,026</u>

**7 Intangible asset**

	Computer software \$
<b>Cost</b>	
At 1 January 2020, 31 December 2020 and 31 December 2021	<u>24,075</u>
<b>Accumulated amortisation</b>	
At 1 January 2020	7,736
Amortisation charge for the financial year	4,815
At 31 December 2020	<u>12,551</u>
Amortisation charge for the financial year	4,815
At 31 December 2021	<u>17,366</u>
<b>Carrying amount</b>	
At 31 December 2020	<u>11,524</u>
At 31 December 2021	<u>6,709</u>

**8 Cash and cash equivalents**

Cash and cash equivalents comprise cash in hand, bank balance and fixed deposit.

	2021	2020
	\$	\$
Interest-bearing accounts	1,432,452	798,799
Non-interest bearing account	50	50
	<u>1,432,502</u>	<u>798,849</u>

Included in interest-bearing accounts of the Company is fixed deposit amounting to \$1,220,406 (2020: \$617,315) which is placed with a bank and matures within 12 months (2020: 6 to 12 months) from year end, and earn interest of 0.35% to 0.5% (2020: 0.5%) per annum.

**9 Receivables**

	2021	2020
	\$	\$
Donation receivables		
- Third party	11,620	5,470
- Holding entity	34,557	45,179
Interest receivable		
- Financial institution	1,160	591
	<u>47,337</u>	<u>51,240</u>

Donation receivables from third party relates to online donation via Giving.sg.

Donation receivable from holding entity relates to donation moneys received on behalf by the holding entity. Interest receivable relates to interest receivable from fixed deposits placed with a financial institution.

**10 Inventories**

	2021	2020
	\$	\$
Notebooks	75	75
Pouches	863	1,911
	<u>938</u>	<u>1,986</u>

**11 Donations received in advance**

Donations received in advance included donations received for the fund-raising event "ISCA Cares Charity Golf" which was held in March 2021.

**12 Significant related party transactions**

In addition to information disclosed elsewhere in the financial statements, the following significant transactions took place between the Company and the holding entity, during the financial year on terms agreed by the parties concerned:

	2021	2020
	\$	\$
Donations and collections received on behalf	191,122	212,720
Other income	-	75
Payment of expenses on behalf by the holding entity	4,354	5,267
	<u>195,476</u>	<u>218,062</u>

The holding entity as part of supporting the Company contributed 1,970 hours (2020: 2,179 hours) to support the administration of the Charity for the financial year ended 31 December 2021.



### 13 Financial instruments

#### (a) Categories of financial instruments

Financial instruments at their carrying amounts as of the balance sheet date are as follows:

	2021 \$	2020 \$
<i>Financial assets</i>		
At amortised cost	1,479,839	850,089
	<hr/>	<hr/>
<i>Financial liabilities</i>		
At amortised cost	5,209	6,448
	<hr/>	<hr/>

#### (b) Financial risk management

The Company's overall risk management is determined and carried out by the board of directors.

##### *Credit risk*

The Company's exposure to credit risk arises from the failure of a customer or counterparty to settle its financial and contractual obligations to the Company, as and when they fall due.

The Company places its cash and fixed deposit with established financial institutions in Singapore.

At balance sheet date, there is no significant concentration of credit risk, except for cash and cash equivalents. The maximum exposure to credit risk is represented by the carrying amount of each class of financial instruments on the balance sheet.

The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposures.

##### *Donation receivables from third party and holding entity*

The Company assessed the latest performance and financial position of the counterparties and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

##### *Financial assets at amortised cost*

Financial assets at amortised cost include receivables and cash and cash equivalents.

Credit risk exposure in relation to financial assets at amortised costs as at 31 December 2021 and 31 December 2020 is insignificant, and accordingly no credit loss allowance is recognised as at 31 December 2021 and 31 December 2020.

### **13 Financial instruments (cont'd)**

#### **(b) Financial risk management (cont'd)**

##### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flow of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's income and operating cash flows are not substantially dependent on changes in market interest rates as the Company has no significant interest-bearing assets and liabilities.

##### *Liquidity and cash flow risk*

The board of directors exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

### **14 Fair value**

The carrying amounts of the financial assets and financial liabilities recorded in the financial statements of the Company approximate their fair values.

### **15 Fund management**

The Company's objectives when managing its funds are to safeguard and maintain adequate working capital to continue as a going concern. The directors consider the accumulated fund as the capital of the Company and no changes were made to the Company's fund management objectives during the financial years ended 31 December 2021 and 31 December 2020.

### **16 Authorisation of financial statements**

The financial statements of the Company for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the board of directors dated 15 March 2022.