

MORNING STAR COMMUNITY SERVICES LTD.
(UEN: 201617675H)
(Incorporated in the Republic of Singapore)

**AUDITED FINANCIAL STATEMENTS AND
OTHER INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2024**

**MORNING STAR COMMUNITY SERVICES LTD.
(UEN: 201617675H)**

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Morning Star Community Services Ltd. (the "Company") for the year ended 31 December 2024.

1. OPINION OF THE DIRECTORS

In our opinion:-

- i) the accompanying financial statements together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date; 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.

2. DIRECTORS

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

LIM CHRISTINA
POON KIN MUN KELVIN (PAN JIANWEN KELVIN)
TAN WEE HAN GERALD
MARIA ELIZABETH SULISTIO
YEE WENG WAI BERNARD
GOH AI LIN, SHARON
LOW GEK NEO, JUDY (Appointed on 8 May 2024)

3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

The Company is a company limited by guarantee and has no share capital.

4. DIRECTORS' INTERESTS IN SHARES OF DEBENTURES

The Company is a company limited by guarantee.

There were no shares or debentures issued.

MORNING STAR COMMUNITY SERVICES LTD.
(UEN: 201617675H)

DIRECTORS' STATEMENT

5. OPTIONS GRANTED, EXERCISED AND OUTSTANDING

There are no options granted, exercised and outstanding to take up unissued shares as the Company is limited by guarantee.

6. AUDITOR

The auditor, Kreston David Yeung PAC, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,



POON KIN MUN KELVIN
(PAN JIANWEN KELVIN)
Director



MARIA ELIZABETH SULISTIO
Director

Singapore, **- 9 MAR 2025**



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
MORNING STAR COMMUNITY SERVICES LTD. (UEN: 201617675H)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Morning Star Community Services Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 December 2024, and the statement of financial activities, statement of changes in general and specific funds and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Companies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2024 and of the financial performance, changes in funds and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 [set out on pages 1 and 2] and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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 MEMBERS OF MORNING STAR COMMUNITY SERVICES LTD. (UEN: 201617675H)

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

In preparing the financial statements, management is responsible for assessing the 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.

Those charged with governance comprises the directors. Their 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 MEMBERS OF
MORNING STAR COMMUNITY SERVICES LTD. (UEN: 201617675H)**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

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

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

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 9 March 2025

KRESTON DAVID YEUNG PAC (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and an independent member of the **Kreston Global** network
128A Tanjong Pagar Road, Singapore 088535
Tel: 6223 7979 Fax: 6222 7979

MORNING STAR COMMUNITY SERVICES LTD.
(UEN: 201617675H)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2024

	Note	2024 S\$	2023 S\$
ASSETS			
Non-current assets			
Plant and equipment	4	647,690	346,754
Right-of-use assets	5	363,214	377,279
Total non-current assets		1,010,904	724,033
Current assets			
Account receivables	6	6,050	621
Other receivables	7	24,904	57,098
Deposits and prepayments	8	36,959	240,220
Fixed deposits	9	2,681,969	3,357,685
Cash and bank balances		417,016	398,727
Total current assets		3,166,898	4,054,351
Total assets		4,177,802	4,778,384
FUNDS AND LIABILITIES			
Funds			
Restricted funds			
CareNights fund	10	304,842	263,398
NCSS - Innovation and Productivity Grant (NCSS IPG)	11	-	4,498
Family Support Programme	12	6,977	(106,089)
NOVA Project Fund	13	-	-
President's Challenge	14	-	(45,208)
Deferred Capital Grant	15	163,379	228,725
Caritas Fund	16	-	-
NCSS clinical supervision consultation	17	-	19,819
Total restricted funds		475,198	365,143
Unrestricted funds			
Accumulated Fund		3,021,749	3,631,510
Total funds		3,496,947	3,996,653
Non-current liabilities			
Lease liabilities	18	302,515	323,614
Current liabilities			
Account payables		63,682	129,568
Contract liabilities	19	22,397	9,978
Lease liabilities	18	70,099	59,709
Other payables and accruals	20	222,162	258,862
Total current liabilities		378,340	458,117
Total liabilities		680,855	781,731
Total funds and liabilities		4,177,802	4,778,384

The notes set out on pages 10 to 37 form an integral part of and should be read in conjunction with this set of financial statements.

MORNING STAR COMMUNITY SERVICES LTD.
(UEN: 201617675H)

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2024

	2024			2023			
	Unrestricted Fund	Restricted Funds	Total	Unrestricted Fund	Restricted Funds	Total	
Note	Accumulated Fund S\$	Restricted Funds S\$	Total S\$	Accumulated Fund S\$	Restricted Funds S\$	Total S\$	
INCOME							
<u>Income from generated funds:</u>							
Voluntary income							
Donations	21	210,310	46,591	256,901	242,739	67,814	310,553
Other income	22	111,501	-	111,501	113,503	-	113,503
Grant received	23	6,760	-	6,760	-	18,110	18,110
Subtotal voluntary income		328,571	46,591	375,162	356,242	85,924	442,166
Investment Income							
Fixed deposit Interest		111,304	-	111,304	92,831	-	92,831
Subtotal income from generated funds		439,875	46,591	486,466	449,073	85,924	534,997
<u>Income from charitable activities:</u>							
Student care services		579,405	-	579,405	977,358	102,775	1,080,133
Family wellness programme		55,644	1,411,418	1,467,062	104,709	901,124	1,005,833
CareNights programme		-	493,087	493,087	-	264,000	264,000
NOVA learning support		-	-	-	-	254,767	254,767
EXSEL		3,179	133,598	136,777	6,185	-	6,185
Subtotal income from charitable activities		638,228	2,038,103	2,676,331	1,088,252	1,522,666	2,610,918
TOTAL INCOME		1,078,103	2,084,694	3,162,797	1,537,325	1,608,590	3,145,915
EXPENDITURES							
<u>Cost of charitable activities</u>							
Student care services		1,274,702	31,874	1,306,576	1,316,917	71,140	1,388,057
Family wellness programme		27,867	1,291,114	1,318,981	347,244	1,054,399	1,401,643
CareNights programme		-	498,234	498,234	-	406,004	406,004
NOVA learning support		-	-	-	-	254,766	254,766
EXSEL		165,975	133,598	299,573	140,209	-	140,209
Subtotal cost of charitable activities		1,468,544	1,954,820	3,423,364	1,804,370	1,786,309	3,590,679
Governance and support cost		219,320	-	219,320	247,196	21,732	268,928
TOTAL EXPENDITURES		1,687,864	1,954,820	3,642,684	2,051,566	1,808,041	3,859,607
NET DEFICIT FOR THE YEAR		(609,761)	129,874	(479,887)	(514,241)	(199,451)	(713,692)
		Note 3	Note 3		Note 3	Note 3	

The notes set out on pages 10 to 37 form an integral part of and should be read in conjunction with this set of financial statements.

MORNING STAR COMMUNITY SERVICES LTD.
(UEN: 201617675H)

STATEMENT OF CHANGES IN GENERAL AND SPECIFIC FUNDS
For the financial year ended 31 December 2024

Unrestricted fund	Restricted funds							Total Funds S\$	
	(Note 10)	(Note 11)	(Note 12)	(Note 13)	(Note 14)	(Note 15)	(Note 16)		(Note 17)
Accumulated Fund S\$	CareNights Fund S\$	NCSS IPG	Family Support Programme S\$	NOVA Project Fund S\$	President's Challenge S\$	Deferred Capital Grant S\$	Caritas Fund S\$	NCSS Clinical Supervision Consultation S\$	
Balance as at 01.01.2023	4,144,076	8,120	112,695	-	83,319	41,999	49,500	21,444	4,710,345
Net surplus/(deficit) for the year	(514,241)	(3,622)	(218,784)	1,675	(128,527)	186,726	(49,500)	(1,625)	(713,692)
Transfer of funds	1,675	-	-	(1,675)	-	-	-	-	-
Balance as at 31.12.2023/01.01.2024	3,631,510	4,498	(106,089)	-	(45,208)	228,725	-	19,819	3,996,653
Net surplus/(deficit) for the year	(609,761)	(4,498)	113,066	-	45,208	(65,346)	-	-	(479,887)
Refund of funds	-	-	-	-	-	-	-	(19,819)	(19,819)
Balance as at 31.12.2024	3,021,749	-	6,977	-	-	163,379	-	-	3,496,947

The notes set out on pages 10 to 37 form an integral part of and should be read in conjunction with this set of financial statements.

MORNING STAR COMMUNITY SERVICES LTD.
(UEN: 201617675H)

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2024

	2024	2023
	S\$	S\$
Cash flows from operating activities		
Net deficit for the year	(479,887)	(713,692)
Adjustments for:-		
Depreciation of plant and equipment	196,308	130,480
Depreciation of right-of-use assets	71,751	107,585
Interest income	(111,304)	(92,831)
Interest expense	9,785	9,252
Operating deficit before working capital changes	(313,347)	(559,206)
Changes in working capital:-		
Decrease/(Increase) in account and other receivables	196,303	(73,328)
(Decrease)/Increase in trade and other payables	(102,586)	56,903
Decrease in contract liabilities	12,419	(15,294)
Net cash used in operating activities	(207,211)	(590,925)
Cash flows from investing activities		
Purchase of plant and equipment	(497,244)	(398,093)
Interest received	145,027	61,180
Decrease in fixed deposits	1,184,037	765,494
Net cash generated from investing activities	831,820	428,581
Cash flows from financing activities		
Refund of grant	(19,819)	-
Repayment of principal portion of lease liabilities	(68,395)	(106,140)
Interest paid	(9,785)	(9,252)
Net cash used in financing activities	(97,999)	(115,392)
Net increase/(decrease) in cash and cash equivalents	526,610	(277,736)
Cash and cash equivalents at the beginning of year	1,309,874	1,587,610
Cash and cash equivalents at the end of year	1,836,484	1,309,874
Cash and cash equivalents comprise:-		
Cash at bank	417,016	398,727
Short-term deposits within 3 months (Note 9)	1,419,468	911,147
	1,836,484	1,309,874

The notes set out on pages 10 to 37 form an integral part of and should be read in conjunction with this set of financial statements.

MORNING STAR COMMUNITY SERVICES LTD.
(UEN: 201617675H)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

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

1. GENERAL

The Company is incorporated as a private company limited by guarantee under the Companies Act 1967 and domiciled in the Republic of Singapore.

The Company has been registered as a charity under the Charities Act, Chapter 37 with effect from 31 August 2016.

The principal activities of the Company are to provide student care services as well as activities to improve and strengthen family life in Singapore. It had been granted IPC status since 1 October 2016 and renewed for the period from 1 July 2022 to 30 June 2025.

The registered office of the Company is located at 508 Bedok North Avenue 3, #01-369 Kaki Bukit Ville, Singapore 460508.

Under the Company, there are 8 locations (2023: 7), namely:-

- a. Primavera Centre located at Blk 95 Bedok North Ave 4, #01-1415, Singapore 460095;
- b. Bedok North Centre located at Blk 508 Bedok North Ave 3, #01-369, Singapore 460508;
- c. Sengkang Centre located at Blk 261B Sengkang East Way, #01-400, Singapore 542261;
- d. Training Centre located at Blk 323B Sengkang East Way, #01-553, Singapore 542323;
- e. Family Wellness Centre located at Blk 323A Sengkang East Way, #01-545, Singapore 541323;
- f. Carenight Agape Village located at 7A Lorong Toa Payoh, #03-06, Singapore 319264;
- g. Blk 112 Whampoa Road, #01-83, Singapore 321112; and
- h. Hougang Centre located at Blk 304, Hougang Avenue 5, #11-405, Singapore 530304. (effective from 2 January 2024)

Each member of the Company has undertaken to contribute such amounts not exceeding S\$1 to the assets of the Company in the event the Company is wound up and the monies are required for payment of the liabilities of the Company. The Company has 5 members (2023: 5 members) at the end of the reporting period.

The financial statements of the Company for the year ended 31 December 2024 are authorised for issue in accordance with a resolution of the directors on 9 March 2025.

The financial statements of the Company are expressed in Singapore dollar.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION

a) **Basis of Preparation**

The financial statements of Company have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (“FRS”).

In the current financial year, Company has adopted all the new and amended FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning on or after 1 January 2024. The adoptions of these new/amended FRSs and INT FRSs have no material effect on the financial statements.

The financial statements of the Company have been prepared on the basis that it will continue to operate as a going concern.

b) **Significant Accounting Estimates and Judgements**

The preparation of the financial statements in conformity with FRS requires the use of judgements, 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 revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below.

Critical assumptions used and accounting estimates in applying accounting policies

Depreciation of plant and equipment

Plant and equipment are depreciated on straight-line basis over their estimated useful lives. Management estimated the useful lives of these plant and equipment to be within 1 to 5 years. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values, if any, of these assets, therefore future depreciation charges could be revised.

Critical judgements made in applying accounting policies

In the process of applying Company’s accounting policies, the management had made the following judgement that have the most significant effect on the amounts recognised in the financial statements.

Impairment of plant and equipment

The management assesses annually whether plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

Useful lives of plant and equipment

As described in Note 2(c) to the financial statements, the Company reviews the estimated useful lives of plant and equipment at the end of each annual reporting period. The estimated useful lives reflect the management's estimation of the periods that the Company intends to derive future economic benefits from the use of the plant and equipment.

The carrying amount of plant and equipment at the end of reporting period are disclosed in Note 3 to the financial statements.

Allowance for expected credit losses

The Company uses provision matrix to calculate the expected credit losses (ECLs) for financial assets. The amount of ECLs are estimated based on historical credit loss experience with forward-looking information. At the end of each reporting period, historical loss information is updated and changes in the forward-looking estimates are analysed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

c) Plant and Equipment

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line method so as to write off the costs over the estimated useful lives of the plant and equipment as follows:-

Furniture and fittings	1 to 2 years
Office equipment	1 to 5 years
Renovation	1 to 9 years

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

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

c) Plant and Equipment (Continued)

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

Plant and equipment costing less than S\$1,000 are charged to the statement of comprehensive income in the year of purchase.

d) Financial Instruments

i) Financial Assets

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, transaction costs that are directly attributable to the acquisition of the financial asset.

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

Subsequent measurement

Subsequent measurement of debt instrument depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. The Company only has debt instruments at amortised cost.

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 or losses are recognised in statement of financial activities when the assets are derecognised or impaired, and through amortisation process

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

d) Financial Instruments (Continued)

i) Financial Assets (Continued)

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 is recognised in statement of financial activities.

ii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value, plus, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in statement of financial activities when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is recognised 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 statement of financial activities.

e) Impairment of Financial Assets

The Company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. 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. The expected cash flows will include cash flows from the sale of collateral held of other credit enhancement that are integral to the contractual term.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

e) Impairment of Financial Assets (Continued)

Financial assets carried at amortised cost

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-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade and other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The Company 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.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

f) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash in hand, cash at bank and short-term (mature within 3 months) fixed deposits which form part of the Company's cash management that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

g) Impairment of Non-Financial Assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell 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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

g) Impairment of Non-Financial Assets (Continued)

Impairment losses are recognised in the statement of financial activities in those expense categories consistent with the function of the impaired asset.

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 asset is increased to its recoverable amount. That increased amount 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 the statement of financial activities.

h) Income Recognition

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

Revenue is recognised when the Company 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 revenue recognised is the amount allocated to the satisfied performance obligation.

Donations are recognised when monies are received or pledged and collection is reasonably certain.

Student care services income is recognised over the period in which the services are rendered.

Interest income is recognised using the effective interest method.

i) Government Grants

Grants for the purchase of depreciable assets are taken to the deferred grant account at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The deferred grant is recognised in the statement of financial activities over the period necessary to match the depreciation of the assets purchased with the related grant. Grants for operating expenses are recognised in the statement of financial activities over the period necessary to match them on a systematic basis to the costs that it was intended to compensate.

j) Employee Benefits

Defined Contribution Plans

As required by law, the Company makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

j) **Employee Benefits** (Continued)

Employee Leave Entitlement

Employee entitlement to annual leave is recognised when it accrues to employees. An accrual is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period.

k) **Provisions**

Provisions are recognised when the Company 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 a reliable estimate can be made of the amount of the obligation.

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

l) **Leases**

The Company 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 Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liability representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased asset.

Right-of-use asset

The Company recognises right-of-use asset at the initial application of FRS116 or at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use asset are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liability. The cost of right-of-use asset includes the amount of lease liability recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

l) Leases (Continued)

As lessee (Continued)

Right-of-use asset (Continued)

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use asset is also subject to impairment. The accounting policy for impairment is disclosed in Note 2(g) to the financial statements.

The Company's right-of-use assets is disclosed Note 5 to the financial statements.

Lease liabilities

At the commencement date of the lease, the Company recognises lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Company's lease liability is disclosed in Note 22 to the financial statements.

m) Contingencies

A contingent liability is:-

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

m) Contingencies (Continued)

A present obligation that arises from past events but is not recognised because:

- i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the statement of financial position of the Company.

n) Foreign Currencies

Functional and Presentation Currencies

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (“the functional currency”). The financial statements of the Company are presented in Singapore dollar, which is the functional currency of the Company.

Transaction and balances

Monetary assets and liabilities in foreign currencies are translated into Singapore dollar at rates of exchange closely approximating those ruling at end of reporting period. Transactions in foreign currencies are converted at rates closely approximating those ruling at transaction dates. Exchange differences arising from such transactions are taken to the statement of financial activities.

o) Funds

Unrestricted funds are available for use at the discretion of the management in furtherance of the general objectives of the Company.

Restricted funds are subject to restrictions on their expenditure imposed by the donor or through the terms of the fund raised.

Income and expenditure relating to specific or designated funds are accounted for directly in the fund accounts to which they related.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

3. DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR UNRESTRICTED AND RESTRICTED FUNDS

The detailed statement of financial activities for unrestricted and restricted funds are as follows:-

	Restricted funds										Total Restricted
	Unrestricted	Accumulated fund	CareNights Fund	NCSS IPG	Family Support Programme	President's Challenge	Deferred Capital Grant	Caritas Fund	NCSS Clinical Supervision Consultation		
INCOME											
Income from generated funds:											
Voluntary income											
Donations- Tax Exempt	170,392		27,804	-	-	-	-	-	-	-	27,804
Donations- Non Tax Exempt	39,918		18,787	-	-	-	-	-	-	-	18,787
Other income	210,310		46,591	-	-	-	-	-	-	-	46,591
Grants received	111,501		-	-	-	-	-	-	-	-	-
	6,760		-	-	-	-	-	-	-	-	-
Subtotal voluntary income	328,571		46,591								46,591
Investment income											
Fixed deposit Interest	111,304		-	-	-	-	-	-	-	-	-
Subtotal income from generated funds	439,875		46,591								46,591
Income from charitable activities:											
Student care services											
Program fees	559,384		-	-	-	-	-	-	-	-	-
Grant received	20,021		-	-	-	-	-	-	-	-	-
	579,405		-	-	-	-	-	-	-	-	-
Family wellness programme											
Program fees	55,644		-	-	-	-	-	-	-	-	-
Grant received	-		-	-	854,751	95,187	-	461,480	-	-	1,411,418
	55,644		-	-	854,751	95,187	-	461,480	-	-	1,411,418
CareNights programme											
Program fees	-		-	-	-	-	-	-	-	-	-
Grant received	-		12,899	-	-	-	-	480,188	-	-	493,087
	-		12,899	-	-	-	-	480,188	-	-	493,087
EXSEL											
Program fees	3,179		-	-	-	-	-	-	-	-	-
Grant received	-		-	-	-	-	-	133,598	-	-	133,598
	3,179		-	-	-	-	-	133,598	-	-	133,598
Subtotal income from charitable activities	638,228		12,899		854,751	95,187		1,075,266			2,038,103
TOTAL INCOME	1,078,103		59,490		854,751	95,187		1,075,266			2,084,694

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

3. DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR UNRESTRICTED AND RESTRICTED FUNDS (Continued)

	Unrestricted		Restricted funds					Total Restricted
	Accumulated fund	CareNights Fund	NCSS IPG	Family Support Programme	President's Challenge	Deferred Capital Grant	Caritas Fund	
EXPENDITURES								
<u>Cost of charitable activities</u>								
- Student care services								
Manpower cost								
Salaries and related cost	760,603	-	-	-	-	-	-	-
CPF contribution	110,653	-	-	-	-	-	-	-
Training expenses	5,606	-	-	-	-	-	-	-
Other staff benefits	10,420	-	-	-	-	-	-	-
Subtotal manpower cost	887,282							
Other operating cost								
Audit fee	-	-	-	-	-	-	-	-
Bank charges/Admin fees	754	-	-	-	-	-	-	-
Depreciation of plant and equipment	133,253	-	-	-	-	26,975	-	26,975
Depreciation of right-of-use assets	7,211	-	-	-	-	-	-	-
Food and beverage	79,913	-	-	-	-	-	-	-
General expenses	1,373	-	-	-	-	-	-	-
GST input tax disallowed	10,857	-	-	-	-	-	-	-
Allowance for credit losses	-	-	-	-	-	-	-	-
Insurance	5,909	-	-	-	-	-	-	-
Interest expense on lease liabilities	1,510	-	-	-	-	-	-	-
Outing expense	26,084	-	-	-	-	-	-	-
Printing and stationery	3,447	-	-	-	-	-	-	-
Professional fees	4,310	-	-	-	-	-	-	-
Publicity and publications	11,022	-	-	-	-	-	-	-
Repair and maintenance	63,056	-	4,498	-	-	401	-	4,899
Telecoms	5,953	-	-	-	-	-	-	-
Travel and entertainment	5,279	-	-	-	-	-	-	-
Usage of premises	12,857	-	-	-	-	-	-	-
Utilities	14,632	-	-	-	-	-	-	-
Subtotal other operating cost	387,420		4,498			27,376		31,874
Subtotal cost of charitable activities	1,274,702		4,498			27,376		31,874
- Student care services								

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

3. DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR UNRESTRICTED AND RESTRICTED FUNDS (Continued)

	Restricted funds										Total Restricted
	Unrestricted	NCSS IPG	Family Support Programme	President's Challenge	Deferred Capital Grant	Carias Fund	NCSS Clinical Supervision Consultation				
	Accumulated fund	Care/Nights Fund									
EXPENDITURES											
Cost of charitable activities											
- Family Wellness Programme											
Manpower cost											
Salaries and related cost	28,148	-	533,603	17,830	-	284,208	-	-	-	-	835,641
CPF contribution	-	-	89,466	3,932	-	44,741	-	-	-	-	138,139
Training expenses	-	-	8,913	-	-	6,972	-	-	-	-	15,885
Other short term benefit	-	-	4,082	518	-	2,127	-	-	-	-	6,727
Subtotal manpower cost	28,148	-	636,064	22,280	-	338,048	-	-	-	-	996,392
Other operating cost											
Audit fee	-	-	1,850	-	-	-	-	-	-	-	1,850
Bank charges/Admin fees	-	-	620	45	-	466	-	-	-	-	1,131
Depreciation of plant and equipment	258	-	898	-	-	-	-	34,924	-	-	35,822
Depreciation of right-of-use assets	(539)	-	25,370	5,074	-	18,121	-	-	-	-	48,565
Food and beverage	-	-	616	39	-	15,693	-	-	-	-	16,348
General expenses	-	-	5,380	204	-	18,110	-	-	-	-	23,694
GST input tax disallowed	-	-	5,429	-	-	5,429	-	-	-	-	10,858
Allowance for credit losses	-	-	-	-	-	-	-	-	-	-	-
Insurance	-	-	2,195	425	-	1,921	-	-	-	-	4,541
Interest expense on lease liabilities	-	-	3,057	650	-	2,129	-	-	-	-	5,836
Outing expense	-	-	-	-	-	-	-	-	-	-	430
Printing and stationery	-	-	1,171	154	-	973	-	-	-	-	2,298
Professional fees	-	-	17,547	5,915	-	12,356	-	-	-	-	35,818
Publicity and publications	-	-	2,670	5,257	-	12,729	-	-	-	-	20,656
Repair and maintenance	-	-	26,754	7,575	-	26,953	-	3,046	-	-	64,328
Telecoms	-	-	4,040	564	-	1,681	-	-	-	-	6,285
Travel and entertainment	-	-	564	254	-	1,186	-	-	-	-	2,004
Usage of premises	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	7,460	1,543	-	5,255	-	-	-	-	14,258
Subtotal other operating cost	(281)	-	105,621	27,699	37,970	123,432	-	-	-	-	294,722
Subtotal cost of charitable activities											
- Family Wellness Programme	27,867	-	741,685	49,979	37,970	461,480	-	-	-	-	1,291,114

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

3. DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR UNRESTRICTED AND RESTRICTED FUNDS (Continued)

	Unrestricted					Restricted funds					Total Restricted
	Accumulated fund	CareNights Fund	NCSS IPG	Family Support Programme	President's Challenge	Deferred Capital Grant	Caritas Fund	NCSS Clinical Supervision Consultation			
EXPENDITURES											
Cost of charitable activities	-	18,046	-	-	-	-	304,616	-	-	-	322,662
- CareNights Programme	-	-	-	-	-	-	39,431	-	-	-	39,431
Manpower cost	-	-	-	-	-	-	825	-	-	-	825
Salaries and related cost	-	-	-	-	-	-	4,149	-	-	-	4,149
CPF contribution	-	-	-	-	-	-	-	-	-	-	-
Training expenses	-	-	-	-	-	-	-	-	-	-	-
Other short term benefit	-	-	-	-	-	-	-	-	-	-	-
Subtotal manpower cost	-	18,046	-	-	-	-	349,021	-	-	-	367,067
Other operating cost											
Audit fee	-	-	-	-	-	-	-	-	-	-	-
Bank charges/Admin fees	-	-	-	-	-	-	-	-	-	-	-
Depreciation of plant and equipment	-	-	-	-	-	-	601	-	-	-	601
Depreciation of right-of-use assets	-	-	-	-	-	-	-	-	-	-	-
Food and beverage	-	-	-	-	-	-	2,404	-	-	-	2,404
General expenses	-	-	-	-	-	-	25,780	-	-	-	25,780
GST input tax disallowed	-	-	-	-	-	-	1,360	-	-	-	1,360
Allowance for credit losses	-	-	-	-	-	-	10,857	-	-	-	10,857
Insurance	-	-	-	-	-	-	-	-	-	-	-
Interest expense on lease liabilities	-	-	-	-	-	-	4,447	-	-	-	4,447
Outing expense	-	-	-	-	-	-	592	-	-	-	592
Printing and stationery	-	-	-	-	-	-	3,750	-	-	-	3,750
Professional fees	-	-	-	-	-	-	2,591	-	-	-	2,591
Publicity and publications	-	-	-	-	-	-	600	-	-	-	600
Repair and maintenance	-	-	-	-	-	-	3,222	-	-	-	3,222
Telecoms	-	-	-	-	-	-	40,565	-	-	-	40,565
Travel and entertainment	-	-	-	-	-	-	2,396	-	-	-	2,396
Usage of premises	-	-	-	-	-	-	654	-	-	-	654
Utilities	-	-	-	-	-	-	21,004	-	-	-	21,004
Subtotal other operating cost	-	-	-	-	-	-	131,167	-	-	-	131,167
Subtotal cost of charitable activities	-	18,046	-	-	-	-	480,188	-	-	-	498,234
- CareNights Programme	-	-	-	-	-	-	-	-	-	-	-

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

3. DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR UNRESTRICTED AND RESTRICTED FUNDS (Continued)

	Unrestricted							Restricted funds				Total Restricted
	Accumulated fund	CareNights Fund	NCSS IPG	Family Support Programme	President's Challenge	Deferred Capital Grant	Caritas Fund	NCSS Clinical Supervision Consultation				
EXPENDITURES												
<u>Cost of charitable activities - EXSEL</u>												
Manpower cost												
Salaries and related cost	155,118	-	-	-	-	-	66,660	-	-	-	66,660	
CPF contribution	-	-	-	-	-	-	34,797	-	-	-	34,797	
Training expenses	-	-	-	-	-	-	281	-	-	-	281	
Other short term benefit	-	-	-	-	-	-	3,479	-	-	-	3,479	
Subtotal manpower cost	155,118	-	-	-	-	-	105,217	-	-	-	105,217	
Other operating cost												
Audit fee	-	-	-	-	-	-	-	-	-	-	-	-
Bank charges/Admin fees	-	-	-	-	-	-	544	-	-	-	544	
Depreciation of plant and equipment	-	-	-	-	-	-	-	-	-	-	-	
Depreciation of right-of-use assets	-	-	-	-	-	-	-	-	-	-	-	
Food and beverage	-	-	-	-	-	-	103	-	-	-	103	
General expenses	-	-	-	-	-	-	1,058	-	-	-	1,058	
GST input tax disallowed	-	-	-	-	-	-	-	-	-	-	-	
Allowance for credit losses	10,857	-	-	-	-	-	-	-	-	-	-	
Insurance	-	-	-	-	-	-	4,221	-	-	-	4,221	
Interest expense on lease liabilities	-	-	-	-	-	-	-	-	-	-	-	
Outing expense	-	-	-	-	-	-	-	-	-	-	-	
Printing and stationery	-	-	-	-	-	-	328	-	-	-	328	
Professional fees	-	-	-	-	-	-	9,056	-	-	-	9,056	
Publicity and publications	-	-	-	-	-	-	3,950	-	-	-	3,950	
Repair and maintenance	-	-	-	-	-	-	8,042	-	-	-	8,042	
Telecoms	-	-	-	-	-	-	893	-	-	-	893	
Travel and entertainment	-	-	-	-	-	-	186	-	-	-	186	
Usage of premises	-	-	-	-	-	-	-	-	-	-	-	
Utilities	-	-	-	-	-	-	-	-	-	-	-	
Subtotal other operating cost	10,857	-	-	-	-	-	28,381	-	-	-	28,381	
Subtotal cost of charitable activities - EXSEL	165,975	-	-	-	-	-	133,598	-	-	-	133,598	
Subtotal cost of charitable activities	1,468,544	18,046	4,498	741,685	49,979	65,346	1,075,266	-	-	-	1,954,820	

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

3. DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR UNRESTRICTED AND RESTRICTED FUNDS (Continued)

	Unrestricted		Restricted funds					Total Restricted
	Accumulated fund	CareNights Fund	NCSS IPG	Family Support Programme	President's Challenge	Deferred Capital Grant	Caritus Fund	
EXPENDITURES								
Governance and support cost								
Manpower cost								
Salaries and related cost	125,873	-	-	-	-	-	-	-
CPF contribution	18,025	-	-	-	-	-	-	-
Training expenses	6,334	-	-	-	-	-	-	-
Other short term benefit	(1,837)	-	-	-	-	-	-	-
Subtotal manpower cost	148,395	-	-	-	-	-	-	-
Other operating cost								
Audit fee	10,000	-	-	-	-	-	-	-
Bank charges/Admin fees	1,062	-	-	-	-	-	-	-
Depreciation of plant and equipment	-	-	-	-	-	-	-	-
Depreciation of right-of-use assets	14,110	-	-	-	-	-	-	-
Food and beverage	103	-	-	-	-	-	-	-
General expenses	1,128	-	-	-	-	-	-	-
GST input tax disallowed	10,858	-	-	-	-	-	-	-
Allowance for credit losses	-	-	-	-	-	-	-	-
Insurance	4,221	-	-	-	-	-	-	-
Interest expense on lease liabilities	1,846	-	-	-	-	-	-	-
Outing expense	-	-	-	-	-	-	-	-
Printing and stationery	476	-	-	-	-	-	-	-
Professional fees	960	-	-	-	-	-	-	-
Publicity and publications	3,186	-	-	-	-	-	-	-
Repair and maintenance	18,698	-	-	-	-	-	-	-
Telecoms	327	-	-	-	-	-	-	-
Travel and entertainment	63	-	-	-	-	-	-	-
Usage of premises	-	-	-	-	-	-	-	-
Utilities	3,887	-	-	-	-	-	-	-
Subtotal other operating cost	70,925	-	-	-	-	-	-	-
Subtotal Governance and support cost	219,320	-	-	-	-	-	-	-
TOTAL EXPENDITURES	1,687,864	18,046	4,498	741,685	49,979	65,346	1,075,266	1,954,820
NET SURPLUS/(DEFICIT) FOR THE YEAR	(609,761)	41,444	(4,498)	113,066	45,208	(65,346)	-	129,874

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

4. PLANT AND EQUIPMENT

	Furniture and Fittings S\$	Office Equipment S\$	Renovation S\$	Total S\$
Cost				
As at 1 January 2023	139,306	393,895	906,426	1,439,627
Additions	3,100	6,936	388,057	398,093
Disposals	(134,835)	(150,193)	(323,391)	(608,419)
As at 31 December 2023	7,571	250,638	971,092	1,229,301
Additions	8,690	3,590	484,964	497,244
Disposals	-	-	(109,660)	(109,660)
As at 31 December 2024	16,261	254,228	1,346,396	1,616,885
Accumulated Depreciation				
As at 1 January 2023	139,306	343,062	878,118	1,360,486
Depreciation charge for the year	775	55,458	74,247	130,480
Disposals	(134,835)	(150,193)	(323,391)	(608,419)
As at 31 December 2023	5,246	248,327	628,974	882,547
Depreciation charge for the year	3,049	3,509	189,750	196,308
Disposals	-	-	(109,660)	(109,660)
As at 31 December 2024	8,295	251,836	709,064	969,195
Net book value				
As at 31 December 2023	2,325	2,311	342,118	346,754
As at 31 December 2024	7,966	2,392	637,332	647,690

Net depreciation charged to statement of financial activities is:-

	2024 S\$	2023 S\$
Depreciation for the year	196,308	130,480
Amortisation of deferred capital grants	(61,899)	(52,229)
Net depreciation of plant and equipment	134,409	78,251

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5. RIGHT-OF-USE ASSETS

	2024	2023
	S\$	S\$
Represented by right-of-use of:		
- Office premises	469,899	878,934
Addition during the year	57,686	-
Written off lease expiry	-	(409,035)
	<u>527,585</u>	<u>469,899</u>
Less: Accumulated Depreciation		
At beginning of year	92,620	394,070
Addition during the year	71,751	107,585
Written off lease expiry	-	(409,035)
At end of year	<u>(164,371)</u>	<u>(92,620)</u>
	<u>363,214</u>	<u>377,279</u>

6. ACCOUNT RECEIVABLES

Trade receivables are non-interest bearing and are generally on 7 to 30 days credit terms. Trade receivables (exclude over payments) which are past due at the end of reporting period but not impaired amounted to S\$4,926 (2023: S\$824). The table below is an aging analysis of account receivables at the end of the period:-

	2024	2023
	S\$	S\$
Not past due	1,204	2,025
Past due:-		
1 - 30 days	931	(1,048)
31 - 60 days	(80)	(1,180)
61 - 90 days	2,217	302
> 90 days	1,778	522
	<u>6,050</u>	<u>621</u>

7. OTHER RECEIVABLES

Subsidies receivable	-	(567)
Interest receivable	23,366	57,089
Other receivable	1,538	576
	<u>24,904</u>	<u>57,098</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

8. DEPOSITS AND PREPAYMENTS

	2024 S\$	2023 S\$
Deposits	20,518	18,578
Prepayments	16,441	221,642
	<u>36,959</u>	<u>240,220</u>

9. FIXED DEPOSITS

Short-term deposits are made for varying periods of between one month and twelve months, depending on the immediate cash requirements of the management, and earn interests range from 1.58% to 3.25% (2023: 2.75% to 3.9%) per annum.

	2024 S\$	2023 S\$
Short-term deposits within 3 months	1,419,468	911,147
Short-term deposits greater than 3 months	1,252,501	2,446,538
Short-term deposits pledged	10,000	-
	<u>2,681,969</u>	<u>3,357,685</u>

For the purpose of cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:-

	2024 S\$	2023 S\$
Cash at bank	417,016	398,727
Fixed deposits	2,681,969	3,357,685
Cash and bank balances	3,098,985	3,756,412
Less: Fixed deposit pledged	(10,000)	-
Less: Fixed deposit more than 3 months	(1,252,501)	(2,446,538)
Cash and cash equivalents	<u>1,836,484</u>	<u>1,309,874</u>

Fixed deposit is pledged as security to the bank for corporate credit card.

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10. CARENIGHTS FUND

This fund is set up for the purpose of financing CareNights programme, which provides night care for less privileged children aged 7 – 14 to offer their stressed parents an opportunity for caregiving respite or a chance to improve their earning capacity by taking night classes/upgrading courses.

11. NATIONAL COUNCIL OF SOCIAL SERVICE – INNOVATION AND PRODUCTIVITY GRANT (NCSS IPG)

The fund is set up for the purpose of enhancing the salesforce platform.

12. FAMILY SUPPORT PROGRAMME

A joint funding agreement for family support programmes between National Council of Special Service and the company, MSF, Community Chest Fund (Comchest) and Tote Board Social Service Fund (TBSSF) to fund this programme.

	2024	2023
	S\$	S\$
Grant income from MSF	645,907	421,713
Grant income from Community Chest	34,828	23,144
Grant income from TBSSF	174,016	115,722
	<u>854,751</u>	<u>560,579</u>

The deficit will be offsetted with future receipt from the funders.

13. NOVA PROJECT FUND

The fund is set up for the purpose of financing NOVA Learning Intervention – the learning support programme for children with learning difficulties. The programme ended on July 2023.

14. PRESIDENT’S CHALLENGE

This fund is set up for the purpose of financing the Company’s Brick Clubs @ Morning Star. This programme aims to develop learning skills of the children in meeting the requirements of schools, studies and curriculum.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

15. DEFERRED CAPITAL GRANTS

The grants were given to fund the purchase of property, plant and equipment subject to the terms and conditions as prescribed in the agreements.

16. CARITAS FUND

The Caritas Fund, a grant provided by Caritas Singapore Community Council Limited, for CareNights @ Morning Star, ASPIRE Junior @ Morning Star, PreVenture, EXSEL Programme. The grant can be used for expenditure on manpower and other operating expenditure for the said purpose.

17. NCSS CLINICAL SUPERVISION CONSULTATION

The grant received for its intention to undertake a project known as “Clinical Supervision (Counsellor)”.

18. LEASE LIABILITY

The Company as a lessee

The Company has a lease contract for its office premises. The Company’s obligations under this lease are secured by the lessor’s title to the leased asset. The Company is restricted from assigning and subleasing its leased asset.

(a) Lease liability

The carrying amounts of lease liability and the movements during the year are as below:-

	1 January 2024 S\$	Additions S\$	Non-cash changes			31 December 2024 S\$
			Cash flows S\$	Accretion of Interest S\$	Others S\$	
Lease liability:-						
- Current	59,709	57,686	(78,180)	9,785	21,099	70,099
- Non-current	323,614	-	-	-	(21,099)	302,515
	383,323	57,686	(78,180)	9,785	-	372,614

	1 January 2023 S\$	Additions S\$	Non-cash changes			31 December 2023 S\$
			Cash flows S\$	Accretion of Interest S\$	Others S\$	
Lease liability:-						
- Current	106,140	-	(115,392)	9,252	59,709	59,709
- Non-current	383,323	-	-	-	(59,709)	323,614
	489,463	-	(115,392)	9,252	-	383,323

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18. LEASE LIABILITY (Continued)

The Company as a lessee (Continued)

(b) Amount recognised in statement of financial activities

	2024	2023
	S\$	S\$
Depreciation of right-of-use assets	71,751	107,585
Interest expense on lease liability	9,785	9,252
Lease expense not capitalised in lease liability:		
- Expense relating to leases of short-term lease (included in expenses)	<u>33,861</u>	<u>69,155</u>
Total amount recognised in profit or loss	<u>115,397</u>	<u>185,992</u>

(c) Total cash outflows

The Company had total cash outflows for leases of S\$112,041 (2023: S\$184,547).

19. CONTRACT LIABILITIES

	2024	2023
	S\$	S\$
Contract liabilities	<u>22,397</u>	<u>9,978</u>

Contract liabilities represent unearned student fees of future period.

The aggregate amount of price allocated to the unsatisfied (or partially unsatisfied) performances obligations as at 31 December 2024 is S\$22,397. The company expects to recognise S\$22,397 as revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligation as at 31 December 2024 in the financial year 2024.

20. OTHER PAYABLES AND ACCRUALS

	2024	2023
	S\$	S\$
Other payables	212,662	249,362
Accruals	<u>9,500</u>	<u>9,500</u>
	<u>222,162</u>	<u>258,862</u>
Other payables consist of:-		
Refundable deposits	<u>62,928</u>	<u>50,035</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

21. DONATIONS

	2024	2023
	S\$	S\$
Donations - Tax exempt		
- Tax-deductible donations (Unrestricted Fund)	170,392	147,120
- Tax-deductible donations (CareNights)	27,804	11,132
- Tax-deductible donations (Nova Project)	-	1,564
Subtotal of tax deductible donations	198,196	159,816
Donations- Non Tax exempt		
- Non-tax deductible donations (Unrestricted Fund)	39,918	95,619
- Non-tax deductible donations (CareNights)	18,787	55,007
- Non-tax deductible donations (Nova Project)	-	111
Subtotal of non tax deductible donations	58,705	150,737
Total Donations	256,901	310,553

22. OTHER INCOME

Other income generated from:-

Voluntary income

- Jobs growth incentive	-	9,251
- Wage credit scheme	-	65,275
- Senior employment credit	7,329	8,425
- Training grant	18,430	14,404
- IRAS Progressive employment credit	79,411	-
- MSF - Government paid leave	4,371	13,795
- NS make up claim	-	92
- IRAS CPF transition offset government payment	1,960	2,261
Total Voluntary income	111,501	113,503

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23. GRANT RECEIVED

	2024	2024	2023	2023
	Unrestricted	Restricted	Unrestricted	Restricted
	S\$	S\$	S\$	S\$
<u>Voluntary income</u>				
NCSS - VCF Innovation and Productivity Grant	130	-	-	-
NCSS - Community Capability Trust (CCT) Open Grant	6,630	-	-	18,110
	<u>6,760</u>	<u>-</u>	<u>-</u>	<u>18,110</u>
<u>Income from charitable activities</u>				
Student Care services				
CDC WeCare Art Fund	18,969	-	34,700	-
Cyclical Maintenance Grant	1,052	-	-	102,775
	<u>20,021</u>	<u>-</u>	<u>34,700</u>	<u>102,775</u>
Family Wellness programme				
Caritas	-	461,480	-	-
Family Support Programme - MSF	-	645,907	-	421,713
Family Support Programme - Community Chest	-	34,828	-	23,144
Family Support Programme - TBSSF	-	174,016	-	115,722
	-	854,751	-	560,579
President Challenge 2022	-	-	-	99,750
President Challenge 2023	-	95,187	-	40,795
Crocodile Whampoa Grant	-	-	-	200,000
	-	949,938	-	901,124
CareNights programme				
Caritas	-	480,188	-	264,000
Miscellaneous grant (RLAF)	-	12,899	-	-
	-	493,087	-	264,000
NOVA learning support				
Caritas	-	-	-	220,041
NCSS - TBSSF	-	-	-	34,726
	-	-	-	254,767
EXSEL				
Caritas	-	133,598	-	-
	-	133,598	-	-
Total grant received	26,781	2,038,103	34,700	1,540,776

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

24. TAXATION

The Company has been registered as a charity under the Charities Act and is exempted from income tax for the financial year under the provisions of the Income Tax Act Cap. 134.

25. ANNUAL REMUNERATION AND STAFF COSTS

i) The below disclosure represents remuneration bands for staff with annual remuneration above S\$100,000 in the following band in the year were as follow:-

	2024	2023
Number of employees in bands S\$100,000 to S\$200,000	<u>5</u>	<u>5</u>

None of the directors received any emoluments in respect of their services for both of the financial years.

ii) Staff costs are charged and included in:-

	2024 S\$	2023 S\$
Salaries and related costs	2,294,705	2,368,799
Employer's contribution to CPF	341,045	330,084
Other short-term benefits	<u>51,869</u>	<u>45,362</u>
	<u>2,687,619</u>	<u>2,744,245</u>

26. RESERVE POLICY

Reserves are defined as unrestricted funds that are available for the operating needs of the Company and not subject to commitments and other planned expenditure. The Company has a policy to establish and maintain reserves of two times its annual operating expenditure. The reserve policy is reviewed annually.

27. LOANS

No loans were given to any parties during both financial years.

28. RELATED PARTY TRANSACTIONS

During the year, donations received of S\$9,060 (2023: S\$5,180) are derived from the directors.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2024

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company does not use derivative and other instrument in its risk management activities. The main risks arising from the Company's financial instrument are credit risk, foreign currency risk, liquidity risk and interest risk. The management reviews and agrees with the policies and control procedures to manage its exposure to financial risks.

Credit Risk

The Company's has no significant concentrations of credit risk. Cash is placed with established financial institutions. The maximum exposure risk is represented by the carrying amount of each financial asset in the statement of financial position.

Financial assets that are neither past due nor impaired

Account and other receivables that are neither past due nor impaired are creditworthy debtors. Cash and cash equivalents that are neither past due nor impaired are placed with financial institution with high credit ratings.

Financial assets that are either past due and/or impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 6 to the financial statements.

Interest Rate Risk

The Company is exposed to market risk for changes in interest rates relates primarily to its holding of fixed deposits as disclosed in Note 9 to the financial statements. The Company's policy is to obtain the most favourable interest rates available.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD fixed deposit interest rates had been 60 (2023: 60) basis points higher/lower with all other variables held constant, the Company's net surplus would have been S\$16,092 (2023: S\$20,100) higher/lower.

Liquidity Risk

The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuation in cash flows.

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29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity Risk (Continued)

The following table details the remaining contractual maturities at the end of the reporting period of the Company's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date that the Company required to pay:-

	2024				
	Carrying amount S\$	Total contractual undiscounted cash flow S\$	Within 12 months or on demand S\$	Between 2 to 5 years S\$	More than 5 years S\$
Account payables	63,682	63,682	63,682	-	-
Other payables and accruals	222,162	222,162	222,162	-	-
Lease liabilities	372,614	396,698	78,180	265,400	53,118
	<u>658,458</u>	<u>682,542</u>	<u>364,024</u>	<u>265,400</u>	<u>53,118</u>
	2023				
	Carrying amount S\$	Total contractual undiscounted cash flow S\$	Within 12 months or on demand S\$	Between 2 to 5 years S\$	More than 5 years S\$
Account payables	129,568	129,568	129,568	-	-
Other payables and accruals	258,862	258,862	258,862	-	-
Lease liabilities	383,323	410,150	67,392	254,228	88,530
	<u>771,753</u>	<u>798,580</u>	<u>455,822</u>	<u>254,228</u>	<u>88,530</u>

Foreign Currency Risk

The Company is not exposed to foreign currency risk as all its transactions are denominated in Singapore dollar.

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30. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:-

	2024	2023
	S\$	S\$
Assets		
<u>Financial assets</u>		
Amortised cost:-		
Account receivables	6,050	621
Other receivables	24,904	57,098
Deposits	20,518	18,578
Fixed deposits	1,262,501	2,446,538
Cash and bank balances	1,836,494	1,309,874
Total financial assets	<u>3,150,467</u>	<u>3,832,709</u>
Liabilities		
<u>Financial liabilities</u>		
At amortised cost:-		
Account payables	63,682	129,568
Other payables and accruals	222,162	258,862
Lease liabilities	372,614	383,323
Total financial liabilities	<u>658,458</u>	<u>771,753</u>

31. FAIR VALUES

The carrying amounts of financial assets and financial liabilities recorded in the financial statements approximate their fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

32. NEW OR AMENDED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2024. The Company does not expect that adoption of these accounting standards or interpretations will have a material impact on the Company's financial statements.