

THE NEW CHARIS MISSION
(UEN: T06SS0166B)

REPORT AND FINANCIAL STATEMENTS
31 MARCH 2024

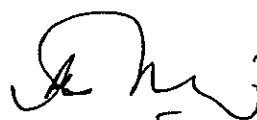
THE NEW CHARIS MISSION

STATEMENT OF THE MEMBERS OF THE MANAGEMENT COMMITTEE

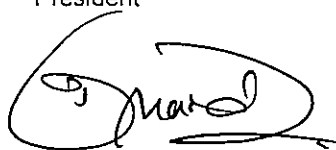
In the opinion of the members of the Management Committee of **The New Charis Mission** (the "Centre"), the accompanying financial statements of the Centre and its subsidiaries (the "Group") are drawn up in accordance with the provisions of the Singapore Societies Act 1966 and the Singapore Charities Act 1994 and other relevant regulations, and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Centre as at 31 March 2024 and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group and the financial performance, change in funds and cash flows of the Centre for the year then ended.

The Management Committee authorised these financial statements for issue on 2 January 2025.

On behalf of the Management Committee



Tay Swee Eng
President



Bernard Yeo Kok Leong
Treasurer

2 January 2025

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
THE NEW CHARIS MISSION**

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **The New Charis Mission** (the "Centre") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Centre as at 31 March 2024, and the consolidated statement of comprehensive income and expenditure, consolidated statement of changes in funds and consolidated statement of cash flows of the Group and the statement of comprehensive income and expenditure, statement of change in funds and statement of cash flows of the Centre for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the financial statements of the Centre are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore (FRS) so as to present fairly, in all material respects, the consolidated financial position of the Group and the financial position of the Centre as at 31 March 2024 and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group and of the financial performance, change in funds and cash flow of the Centre 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 Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Group and the Centre for the period ended 31 March 2023 were audited by another firm of auditors who expressed an unmodified opinion on those statements dated 11 December 2023.

Other information

The Management Committee is responsible for the other information. The other information comprises the Statement of the Members of the Management Committee included in page 1, 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Management Committee for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and FRS, and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Management Committee is responsible for assessing the Group'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 the Management Committee either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Management Committee is responsible for overseeing the Group'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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.

- Conclude on the appropriateness of the Management Committee'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 Group'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 Group 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Management Committee 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,

- a) the accounting and other records required to be kept by the Centre have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- b) the fund-raising appeals held during the period from 1 April 2023 to 31 March 2024 have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeals.

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

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



GABRIEL NG & CO
Public Accountants and
Chartered Accountants

Singapore

2 January 2025

THE NEW CHARIS MISSION

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2024

	Note	GROUP		CENTRE	
		2024	2023	2024	2023
		\$	\$	\$	\$
ASSETS					
Current assets					
Trade and other receivables	4	666,306	722,719	967,619	881,176
Cash and cash equivalents	5	2,761,265	2,938,662	2,535,458	2,649,743
		<u>3,427,571</u>	<u>3,661,381</u>	<u>3,503,077</u>	<u>3,530,919</u>
Non-current assets					
Property, plant and equipment	6	1,523,005	1,472,344	953,485	967,833
Investment in a subsidiary	7	-	-	200	200
		<u>1,523,005</u>	<u>1,472,344</u>	<u>953,685</u>	<u>968,033</u>
Total assets		<u>4,950,576</u>	<u>5,133,725</u>	<u>4,456,762</u>	<u>4,498,952</u>
LIABILITIES					
Current liabilities					
Trade and other payables	8	258,981	124,792	228,345	109,174
Lease liabilities	9	414,701	349,545	220,983	214,167
Deferred grants	10	30,000	63,000	30,000	20,000
		<u>703,682</u>	<u>537,337</u>	<u>479,328</u>	<u>343,341</u>
Non-current liabilities					
Lease liabilities	9	507,471	634,461	197,886	419,014
Deferred grants	10	118,850	-	118,850	-
Provision for reinstatement	11	156,000	156,000	156,000	156,000
		<u>782,321</u>	<u>790,461</u>	<u>472,736</u>	<u>575,014</u>
Total liabilities		<u>1,486,003</u>	<u>1,327,798</u>	<u>952,064</u>	<u>918,355</u>
NET ASSETS		<u>3,464,573</u>	<u>3,805,927</u>	<u>3,504,698</u>	<u>3,580,597</u>
Represented by:					
FUNDS					
Unrestricted fund					
General fund		<u>3,464,573</u>	<u>3,798,787</u>	<u>3,504,698</u>	<u>3,573,457</u>
Restricted funds					
RASP fund		-	-	-	-
PHOL fund		-	-	-	-
Educational fund		-	7,140	-	7,140
		<u>-</u>	<u>7,140</u>	<u>-</u>	<u>7,140</u>
TOTAL FUNDS		<u>3,464,573</u>	<u>3,805,927</u>	<u>3,504,698</u>	<u>3,580,597</u>

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

THE NEW CHARIS MISSION

STATEMENTS OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2024

	Note	GROUP		CENTRE	
		2024	2023	2024	2023
		\$	\$	\$	\$
INCOME					
Unrestricted fund					
General fund	12	3,552,629	3,945,689	2,479,774	3,214,978
Restricted funds					
RASP fund	13	16,200	43,200	16,200	43,200
PHOL fund		18,095	-	18,095	-
		34,295	43,200	34,295	43,200
TOTAL INCOME		3,586,924	3,988,889	2,514,069	3,258,178
LESS: EXPENDITURE					
Unrestricted fund					
General fund	12	3,576,541	2,705,935	2,234,383	1,880,001
Restricted funds					
RASP fund	13	208,180	246,608	209,368	246,608
PHOL fund	13	136,417	73,984	139,077	76,864
Educational fund	13	7,140	10,319	7,140	10,319
		351,737	330,911	355,585	333,791
TOTAL EXPENDITURE		3,928,278	3,036,846	2,589,968	2,213,792
(DEFICIT)/SURPLUS BEFORE INCOME TAX		(341,354)	952,043	(75,899)	1,044,386
INCOME TAX	17	-	-	-	-
(DEFICIT)/SURPLUS AFTER INCOME TAX		(341,354)	952,043	(75,899)	1,044,386
Attributable to:					
Unrestricted fund					
General fund	12	(23,912)	1,239,754	245,391	1,334,977
Restricted funds					
RASP fund	13	(191,980)	(203,408)	(193,168)	(203,408)
PHOL fund	13	(118,322)	(73,984)	(120,982)	(76,864)
Educational fund	13	(7,140)	(10,319)	(7,140)	(10,319)
		(317,442)	(287,711)	(321,290)	(290,591)
		(341,354)	952,043	(75,899)	1,044,386

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

THE NEW CHARIS MISSION

STATEMENTS OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 MARCH 2024

	UNRESTRICTED FUND		RESTRICTED FUNDS		
	General fund	RASP fund	PHOL fund	Educational fund	Total
	\$	\$	\$	\$	\$
<u>GROUP</u>					
Balance as at 1 April 2022	2,836,425	-	-	17,459	2,853,884
Surplus/(Deficit) for the year	1,239,754	(203,408)	(73,984)	(10,319)	952,043
Transfers	(277,392)	203,408	73,984	-	-
Balance as at 31 March 2023	3,798,787	-	-	7,140	3,805,927
Deficit for the year	(23,912)	(191,980)	(118,322)	(7,140)	(341,354)
Transfers	(310,302)	191,980	118,322	-	-
Balance as at 31 March 2024	3,464,573	-	-	-	3,464,573
<u>CENTRE</u>					
Balance as at 1 April 2022	2,518,752	-	-	17,459	2,536,211
Surplus/(Deficit) for the year	1,334,977	(203,408)	(76,864)	(10,319)	1,044,386
Transfers	(280,272)	203,408	76,864	-	-
Balance as at 31 March 2023	3,573,457	-	-	7,140	3,580,597
Surplus/(Deficit) for the year	245,391	(193,168)	(120,982)	(7,140)	(75,899)
Transfers	(314,150)	193,168	120,982	-	-
Balance as at 31 March 2024	3,504,698	-	-	-	3,504,698

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

THE NEW CHARIS MISSION

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2024

	Note	GROUP		CENTRE	
		2024	2023	2024	2023
		\$	\$	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES					
(Deficit)/Surplus before income tax		(341,354)	952,043	(75,899)	1,044,386
Adjustments for:					
Bad debts (trade)	12	-	2,650	-	-
Fixed deposit interest	15	(84,767)	(1,008)	(84,767)	(1,008)
Depreciation of property, plant and equipment	6	688,055	508,944	426,879	371,313
Gain on disposal of plant and equipment	15	(17,000)	(10,566)	(17,000)	(9,875)
Interest expense on lease liabilities	9(c)	49,278	12,508	27,115	5,569
Amortisation of deferred capital grants	10	(64,150)	(63,000)	(21,150)	(20,000)
Operating surplus before working capital changes		230,062	1,401,571	255,178	1,390,385
Trade and other receivables		111,468	(245,817)	140,901	(236,518)
Trade and other payables		36,494	18,053	21,476	13,947
Net cash generated from operations		378,024	1,173,807	417,555	1,167,814
Interest received		28,423	1,008	28,423	1,008
Net cash inflow from operating activities		406,447	1,174,815	445,978	1,168,822
CASH FLOWS FROM INVESTING ACTIVITIES					
Loan to subsidiary		-	-	(171,000)	(200,000)
Investment in subsidiary		-	-	-	(100)
Purchase of property, plant and equipment	6	(413,483)	(161,486)	(401,136)	(78,156)
Proceed from disposal of plant and equipment		17,000	15,800	17,000	15,000
Net cash outflow from investing activities		(396,483)	(145,686)	(555,136)	(263,256)
CASH FLOWS FROM FINANCING ACTIVITIES					
Grant received	10	150,000	-	150,000	-
Payment of principal portion of lease liabilities	9(b)	(375,672)	(299,022)	(214,312)	(221,655)
Interest expense on lease liabilities	9(b)	(47,989)	(12,508)	(27,115)	(5,569)
Net cash outflow from financing activities		(273,661)	(311,530)	(91,427)	(227,224)
Net (decrease)/increase in cash and cash equivalents		(263,697)	717,599	(200,585)	678,342
Cash and cash equivalents at beginning of year		2,938,662	2,221,063	2,649,743	1,971,401
Cash and cash equivalents at end of year	5	2,674,965	2,938,662	2,449,158	2,649,743

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

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

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

1 GENERAL

The New Charis Mission (the "Centre") is registered under the Societies Act 1966, a Charity and an Institute of Public Character domiciled in Singapore (UEN: T06SS0166B). The registered office and principal place of activities of the Centre are located at 11 Jalan Ubi, Kembangan-Chai Chee Community Hub, Block 1 #01-01, Singapore 409074.

The principal activities of the Centre are to assist in recovery and rehabilitation of ex-drug addicts and persons with criminal backgrounds or delinquent behavior and to assist in their re-integration into mainstream society. There has been no significant change in the nature of these activities during the financial year.

The principal activities of the Centre's subsidiaries are described in Note 7 to the financial statements.

2 MATERIAL ACCOUNTING POLICY INFORMATION

(2.1) Basis of preparation

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (FRSs) and on a historical cost convention, except as disclosed in the accounting policies below.

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

(2.2) Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group adopted all the new and amended standards which are relevant to the Group and are effective in the current financial statements. The adoption of these standards did not have any material effect on the financial statements of the Group.

(2.3) Standards issued but not yet effective

A number of new standards and amendments to standards that have been issued are not yet effective and have not been applied in preparing these financial statements. The Management Committee expects that the adoption of these standards will have no material impact on the financial statements in the year of initial application.

(2.4) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements of the Group and the Centre are presented in Singapore Dollar, which is the Centre's functional currency.

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2.5) Revenue

Revenue is measured based on the consideration to which the Group 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 Group 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.

Revenue is principally derived from programme fee, rental of facilities, logistic support services, and food and beverages.

Programme fee and logistic support service fees are recognised upon the services being rendered.

Income from rental of facilities is recognised on an agreed fixed rental with its customers.

Income from food and beverages is recognised when they served or delivered to the customers.

Donations are accounted for when monies are received.

(2.6) Employee benefits

Defined contribution plan

The Group makes contributions to the state provident fund known as Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contributions.

(2.7) 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 income and expenditure over the period necessary to match the depreciation of the assets purchased with the related grant. Grants for operating expenses is recognised in income and expenditure over the period necessary to match them on a systematic basis to the costs that it was intended to compensate.

(2.8) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses if any. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by the Management Committee. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2.8) Property, plant and equipment (Continued)

Depreciation is calculated using the straight-line basis over the estimated useful lives of the assets as follows:

	<u>Useful lives</u>
Air-conditioners	- 5 years
Computers	- 5 years
Electrical installation	- 5 years
Furniture and fittings	- 10 years
Futsal court	- 5 years
Kitchen equipment	- 5 years
Musical and electronic equipment	- 5 years
Motor vehicles	- 2 to 5 years
Office equipment	- 5 years
Renovation	- 5 years
Right-of-use assets (storage, office premise, halfway house, restaurant, copier and open field)	- 22.5 to 60 months (over lease term)

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

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

(2.9) Fund accounting

Unrestricted funds are available for use at the discretion of the Management Committee in furtherance of the general objectives of the Centre.

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

Funds received for restricted purpose of providing property, plant and equipment is accounted for immediately as restricted funds and subsequently discharge of its restriction upon the acquisition of property, plant and equipment and the asset will be held in the unrestricted fund.

(2.10) Impairment of non-financial assets

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

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2.10) Impairment of non-financial assets (Continued)

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

Impairment losses are recognised in income and expenditure.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in income and expenditure.

(2.11) Government incentives

Government incentives are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government incentives relating to expenses are shown separately as government incentives.

(2.12) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. 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.

(2.13) Financial instruments

(a) *Financial assets*

Initial recognition and measurement

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

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial assets not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in income and expenditure.

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2.13) Financial instruments (Continued)

(a) *Financial assets (Continued)*

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

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL.

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 effective interest method, less impairment. Gains or losses are recognised in income and expenditure when the assets are derecognised or impaired, and through the amortisation process.

Equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in other comprehensive income and expenditure which will not be classified subsequently to income and expenditure. Dividends from such investments are to be recognised in income and expenditure when the Group's right to receive payments is established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gain are recorded in other comprehensive income and expenditure.

For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income and expenditure, changes in fair value are recognised in income and expenditure.

Derecognition

A financial asset is derecognised where the contractual rights 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 consideration received and any cumulative gain or loss that had been recognised in other comprehensive income and expenditure for debt instruments is recognised in income and expenditure.

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2.13) Financial instruments (Continued)

(b) *Financial liabilities*

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in income and expenditure when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in income and expenditure.

(2.14) Subsidiaries

(i) Basis of consolidation

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the assets transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interest are that part of the net results of operations and of net assets of a subsidiary attributable to the interests that are not owned directly or indirectly by the Centre. They are shown separately in the consolidated statement of financial position, consolidated statement of comprehensive income and expenditure, and consolidated statement of changes in funds. Total comprehensive income and expenditure is attributed to the non-controlling interest based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2.14) Subsidiaries (continued)

(ii) Business combinations

The acquisition method of accounting is used to account for business combinations entered into by the Group. The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes any contingent consideration arrangement and any pre-existing equity interest in the subsidiary measured at their fair value at the acquisition date.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

(iii) Disposal of subsidiaries

When a change in the Centre's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary, including any goodwill are derecognised. Amounts previously recognised in other comprehensive income and expenditure in respect of that entity are also reclassified to income and expenditure or transferred directly to general fund if required by a specific FRS.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in income and expenditure.

(2.15) Investment in subsidiary

Investment in subsidiary is stated in the financial statements of the Centre at cost less any impairment loss in value.

(2.16) Cash and cash equivalents

Cash and cash equivalents comprise bank and cash balances, and fixed deposits.

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2.17) Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECL") for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12 - 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 the timing of the default (a lifetime ECL).

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

The Group considers a financial asset in default when contractual payments exceed a prescribed number of days past due, as established within the Group's credit risk management practices. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(2.18) Income tax

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current income taxes are recognised in income and expenditure except to the extent that the tax relates to items recognised outside income and expenditure, either in other comprehensive income and expenditure or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2.18) Income tax (Continued)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(2.19) Leases

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

Right-of-use assets

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

If ownership of the leased asset transfers to the Group 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 assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.10.

The Group's right-of-use assets are presented within property, plant and equipment (Note 6).

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

2 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

(2.19) Leases (Continued)

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities 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.

The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group 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.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition to lease that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(2.20) Gifts in kind

A gift-in-kind is included in the income and expenditure based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received.

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

The preparation of the financial statements in conformity with FRSs requires the Management Committee to exercise judgements and, the use of 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 the Management Committee's best knowledge of current events and actions, actual results may differ from those estimates.

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

The estimates, judgements and assumptions which may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Impairment of trade receivables

The Group and the Centre make allowance for impairment of trade receivables based on credit risk characteristics and days past due, with expected loss rates assessed based on the Group's and the Centre's historical credit loss experience.

The Group and the Centre further evaluate the expected credit loss on customers on a case-by-case basis, which will be assessed based on indicators such as changes in financial capability of the debtor and default or significant delay in payments.

The Group's and the Centre's credit risk exposure for trade receivables are disclosed in Note 19.

The carrying amounts of trade receivables at the end of the reporting period are disclosed in Note 4 to the financial statements.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Management Committee estimates the useful lives of these assets to be 2 to 10 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised. The carrying amounts of the Group's and the Centre's property, plant and equipment at the end of the reporting period is disclosed in Note 6 to the financial statements.

Provision for reinstatement

The provision for reinstatement represents the necessary costs to be incurred by the Group and the Centre for restoring the leased premises to its original conditions in the event of non-renewal of the tenancy agreement with the landlord. The Management Committee determines the provision for reinstatement based on the contractor's quotation and other currently available evidence. If actual reinstatement costs differ from the Management Committee's estimate, revision to the estimate would be required. The carrying amounts of the Group's and the Centre's provision for reinstatement is disclosed in Note 11 to the financial statements.

Determination of lease term of contracts with extension options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has lease contract that include extension options and applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Group reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend.

As at 31 March 2024, potential future (undiscounted) cash outflows of approximately \$342,000 (2023: \$NIL) if option extended, has been included in lease liabilities because it is reasonably certain that the lease will be extended.

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

4 TRADE AND OTHER RECEIVABLES

	GROUP		CENTRE	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade receivables	12,838	6,934	-	-
Amount owing by subsidiary – non trade	-	-	374,600	203,600
Advanced payments for Unlabelled Run and Team Building Retreat	239,620	182,665	239,620	182,665
Cash advance to staff for programmes/projects	16,834	40,000	16,834	40,000
Deposits	86,060	44,927	34,461	26,710
Deposit for Prison Programme	68,055	68,055	68,055	68,055
Donation receivable – TOTE Board	40,641	250,000	40,641	250,000
Grant receivable	-	6,400	-	6,400
Interest receivables	56,344	-	56,344	-
Other receivables – Central CDC, Rough Sleepers Programme, Prison Programme, Charis Turf	84,993	74,888	84,993	74,888
Prepayments	60,921	48,850	52,071	28,858
	<u>666,306</u>	<u>722,719</u>	<u>967,619</u>	<u>881,176</u>

No credit term was granted to trade receivables.

The amount owing by a subsidiary is unsecured, non-interest bearing and repayable on demand.

Trade and other receivables are denominated in Singapore Dollar.

5 CASH AND CASH EQUIVALENTS

	GROUP		CENTRE	
	2024	2023	2024	2023
	\$	\$	\$	\$
Bank balance	1,010,322	910,959	792,633	630,574
Cash balance	24,497	16,874	16,379	8,340
Fixed deposits	1,726,446	2,010,829	1,726,446	2,010,829
	<u>2,761,265</u>	<u>2,938,662</u>	<u>2,535,458</u>	<u>2,649,743</u>

Fixed deposits bear interest at effective interest rate between 0.6% and 4.5% (2023: 0.5% and 4.5%) during the financial year and are for tenures of approximately 1 to 2 (2023: 1 to 2) years.

Cash and cash equivalents are denominated in Singapore Dollar.

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

5 CASH AND CASH EQUIVALENTS (CONTINUED)

Cash and cash equivalents included in the statement of cash flows comprise the following:

	GROUP		CENTRE	
	2024	2023	2024	2023
	\$	\$	\$	\$
Restricted in use	86,300	-	86,300	-
Unrestricted in use	2,674,965	2,938,662	2,449,158	2,649,743
	<u>2,761,265</u>	<u>2,938,662</u>	<u>2,535,458</u>	<u>2,649,743</u>

The \$86,300 in cash and cash equivalents that are restricted in use represents balance unused funds for Residential Aftercare Support Programme and purchase of a motor vehicle. These funds will be refunded to the respective organisations if remain unused.

The \$86,300 is accounted in trade and other payables (Note 8).

6 PROPERTY, PLANT AND EQUIPMENT

GROUP

2024	AT 01.04.2023	ADDITIONS	LEASE MODIFICATION	DISPOSALS	AT 31.03.2024
	\$	\$	\$	\$	\$
COST					
Air-conditioners	134,606	6,500	-	-	141,106
Computers	85,956	5,290	-	-	91,246
Electrical installation	61,846	10,334	-	-	72,180
Furniture and fittings	216,885	74,661	-	-	291,546
Futsal court	425,607	-	-	-	425,607
Kitchen equipment	21,465	3,924	-	-	25,389
Musical and electronic equipment	268,457	6,341	-	-	274,798
Motor vehicles	809,103	290,000	-	(177,077)	922,026
Office equipment	57,533	2,664	-	-	60,197
Renovation	417,739	25,164	-	-	442,903
Right-of-use assets – Storage, office and restaurant premises, halfway house, copier and open field	1,039,245	147,251	166,587	-	1,353,083
	<u>3,538,442</u>	<u>572,129</u>	<u>166,587</u>	<u>(177,077)</u>	<u>4,100,081</u>

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP (CONTINUED)

2024	AT 01.04.2023	ADDITIONS	LEASE MODIFICATION	DISPOSALS	AT 31.03.2024
	\$	\$	\$	\$	\$
<u>ACCUMULATED DEPRECIATION</u>					
Air-conditioners	103,318	11,817	-	-	115,135
Computers	67,193	8,406	-	-	75,599
Electrical installation	56,477	5,325	-	-	61,802
Furniture and fittings	156,137	28,005	-	-	184,142
Futsal court	339,586	85,121	-	-	424,707
Kitchen equipment	1,767	4,293	-	-	6,060
Musical and electronic equipment	191,372	25,918	-	-	217,290
Motor vehicles	722,280	77,190	-	(177,077)	622,393
Office equipment	44,421	5,232	-	-	49,653
Renovation	334,307	28,095	-	-	362,402
Right-of-use assets – Storage, office and restaurant premises, halfway house, copier and open field	49,240	408,653	-	-	457,893
	<u>2,066,098</u>	<u>688,055</u>	<u>-</u>	<u>(177,077)</u>	<u>2,577,076</u>

	2024 \$
<u>NET CARRYING AMOUNT</u>	
Air-conditioners	25,971
Computers	15,647
Electrical installation	10,378
Furniture and fittings	107,404
Futsal court	900
Kitchen equipment	19,329
Musical and electronic equipment	57,508
Motor vehicles	299,633
Office equipment	10,544
Renovation	80,501
Right-of-use assets – Storage, office and restaurant premises, halfway house, copier and open field	895,190
	<u>1,523,005</u>

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP (CONTINUED)

2023	AT 01.04.2022	ADDITIONS	LEASE MODIFICATION	DISPOSALS	AT 31.03.2023
	\$	\$	\$	\$	\$
<u>COST</u>					
Air-conditioners	113,636	20,970	-	-	134,606
Computers	85,057	899	-	-	85,956
Electrical installation	61,846	-	-	-	61,846
Furniture and fittings	223,337	8,548	-	(15,000)	216,885
Futsal court	425,607	-	-	-	425,607
Kitchen equipment	-	21,465	-	-	21,465
Musical and electronic equipment	235,101	33,356	-	-	268,457
Motor vehicles	809,103	-	-	-	809,103
Office equipment	58,611	1,722	-	(2,800)	57,533
Renovation	343,213	74,526	-	-	417,739
Right-of-use assets – Storage, office and restaurant premises, halfway house, copier and open field	688,545	350,686	688,560	(688,546)	1,039,245
	<u>3,044,056</u>	<u>512,172</u>	<u>688,560</u>	<u>(706,346)</u>	<u>3,538,442</u>
<u>ACCUMULATED DEPRECIATION</u>					
Air-conditioners	92,060	11,258	-	-	103,318
Computers	57,262	9,931	-	-	67,193
Electrical installation	52,988	3,489	-	-	56,477
Furniture and fittings	144,598	21,414	-	(9,875)	156,137
Futsal court	254,465	85,121	-	-	339,586
Kitchen equipment	-	1,767	-	-	1,767
Musical and electronic equipment	166,723	24,649	-	-	191,372
Motor vehicles	674,241	48,039	-	-	722,280
Office equipment	39,391	7,721	-	(2,691)	44,421
Renovation	318,741	15,566	-	-	334,307
Right-of-use assets – Storage, office and restaurant premises, halfway house, copier and open field	457,797	279,989	-	(688,546)	49,240
	<u>2,258,266</u>	<u>508,944</u>	<u>-</u>	<u>(701,112)</u>	<u>2,066,098</u>

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP (CONTINUED)

	2023
	\$
<u>NET CARRYING AMOUNT</u>	
Air-conditioners	31,288
Computers	18,763
Electrical installation	5,369
Furniture and fittings	60,748
Futsal court	86,021
Kitchen equipment	19,698
Musical and electronic equipment	77,085
Motor vehicles	86,823
Office equipment	13,112
Renovation	83,432
Right-of-use assets – Storage, office and restaurant premises, halfway house, copier and open field	990,005
	<u>1,472,344</u>

CENTRE

2024	AT 01.04.2023	ADDITIONS	DISPOSALS	AT 31.03.2024
	\$	\$	\$	\$
<u>COST</u>				
Air-conditioners	134,046	6,500	-	140,546
Computers	74,947	3,991	-	78,938
Electrical installation	44,398	3,210	-	47,608
Furniture and fittings	216,179	74,661	-	290,840
Futsal court	168,322	-	-	168,322
Musical and electronic equipment	268,457	6,341	-	274,798
Motor vehicles	686,276	290,000	(177,077)	799,199
Office equipment	55,792	2,664	-	58,456
Renovation	357,333	25,164	-	382,497
Right-of-use assets – Office premise, halfway house, copier and open field	633,980	-	-	633,980
	<u>2,639,730</u>	<u>412,531</u>	<u>(177,077)</u>	<u>2,875,184</u>
<u>ACCUMULATED DEPRECIATION</u>				
Air-conditioners	103,272	11,705	-	114,977
Computers	58,373	7,526	-	65,899
Electrical installation	44,398	642	-	45,040
Furniture and fittings	155,854	27,934	-	183,788
Futsal court	133,758	33,664	-	167,422
Musical and electronic equipment	191,372	25,918	-	217,290
Motor vehicles	611,205	73,273	(177,077)	507,401
Office equipment	43,028	4,884	-	47,912
Renovation	329,723	16,014	-	345,737
Right-of-use assets – Office premise, halfway house, copier and open field	914	225,319	-	226,233
	<u>1,671,897</u>	<u>426,879</u>	<u>(177,077)</u>	<u>1,921,699</u>

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	2024
	\$
<u>NET CARRYING AMOUNT</u>	
Air-conditioners	25,569
Computers	13,039
Electrical installation	2,568
Furniture and fittings	107,052
Futsal court	900
Musical and electronic equipment	57,508
Motor vehicles	291,798
Office equipment	10,544
Renovation	36,760
Right-of-use assets – Office premise, halfway house, copier and open field	407,747
	<u>953,485</u>

CENTRE

2023	AT 01.04.2022	ADDITIONS	LEASE MODIFICATION	DISPOSALS	AT 31.03.2023
	\$	\$	\$	\$	\$
<u>COST</u>					
Air-conditioners	113,636	20,410	-	-	134,046
Computers	74,947	-	-	-	74,947
Electrical installation	44,398	-	-	-	44,398
Furniture and fittings	222,631	8,548	-	(15,000)	216,179
Futsal court	168,322	-	-	-	168,322
Musical and electronic equipment	235,101	33,356	-	-	268,457
Motor vehicles	686,276	-	-	-	686,276
Office equipment	54,070	1,722	-	-	55,792
Renovation	343,213	14,120	-	-	357,333
Right-of-use assets – Office premise, halfway house, copier and open field	629,330	9,140	624,840	(629,330)	633,980
	<u>2,571,924</u>	<u>87,296</u>	<u>624,840</u>	<u>(644,330)</u>	<u>2,639,730</u>

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

CENTRE (CONTINUED)

2023	AT 01.04.2022	ADDITIONS	LEASE MODIFICATION	DISPOSALS	AT 31.03.2023
	\$	\$	\$	\$	\$
<u>ACCUMULATED DEPRECIATION</u>					
Air-conditioners	92,060	11,212	-	-	103,272
Computers	50,644	7,729	-	-	58,373
Electrical installation	44,398	-	-	-	44,398
Furniture and fittings	144,386	21,343	-	(9,875)	155,854
Futsal court	100,094	33,664	-	-	133,758
Musical and electronic equipment	166,723	24,649	-	-	191,372
Motor vehicles	567,083	44,122	-	-	611,205
Office equipment	36,106	6,922	-	-	43,028
Renovation	318,741	10,982	-	-	329,723
Right-of-use assets – Office premise, halfway house, copier and open field	419,554	210,690	-	(629,330)	914
	<u>1,939,789</u>	<u>371,313</u>	<u>-</u>	<u>(639,205)</u>	<u>1,671,897</u>

	2023
	\$
<u>NET CARRYING AMOUNT</u>	
Air-conditioners	30,774
Computers	16,574
Electrical installation	-
Furniture and fittings	60,325
Futsal court	34,564
Musical and electronic equipment	77,085
Motor vehicles	75,071
Office equipment	12,764
Renovation	27,610
Right-of-use assets – Office premise, halfway house, copier and open field	633,066
	<u>967,833</u>

Additions of property, plant and equipment during the financial year were made by the following means:

	GROUP		CENTRE	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash payment	413,483	161,486	401,136	78,156
Lease liabilities	147,251	350,686	-	9,140
Other payables	11,395	-	11,395	-
	<u>572,129</u>	<u>512,172</u>	<u>412,531</u>	<u>87,296</u>

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

7 INVESTMENT IN SUBSIDIARY

	CENTRE	
	2024	2023
	\$	\$
Unquoted equity shares, at cost	200	200

Information relating to the subsidiary is as follow:

Name of entity	Principal activities	Country of incorporation/ place of business	Group interest	
			2024	2023
			%	%
New Charis Enterprise Pte. Ltd. *	Moving services, premises relocation, warehousing services and general building contract works.	10 March 2017 Republic of Singapore	100	100
Charis Cuisines Pte. Ltd. *	Restaurateur	6 December 2022 Republic of Singapore	100	100

* Previous year financial statements of the above subsidiaries were audited by another firm of auditors (Ark Alliance LLP)

8 TRADE AND OTHER PAYABLES

	GROUP		CENTRE	
	2024	2023	2024	2023
	\$	\$	\$	\$
Trade payables	5,706	2,556	-	-
Advanced receipts	153,196	75,102	150,941	75,102
Other payables	43,826	60	43,826	60
Other operating costs	23,415	18,793	13,855	15,793
Staff costs and benefits	32,838	24,156	19,723	18,219
Accrued expenses	-	4,125	-	-
	258,981	124,792	228,345	109,174

Advanced receipts relate to 'Unlabelled Run' event, residential aftercare support programme fee received and booking fee for futsal court (2023: Unlabelled Run and booking fee for futsal court). These amounts will be recognised as income as and when the events are completed.

Trade and other payables are denominated in Singapore Dollar.

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

9 LEASE LIABILITIES

	GROUP		CENTRE	
	2024	2023	2024	2023
	\$	\$	\$	\$
Payable within 1 year	414,701	349,545	220,983	214,167
Payable between 2 to 5 years	507,471	634,461	197,886	419,014
	<u>922,172</u>	<u>984,006</u>	<u>418,869</u>	<u>633,181</u>

The Group and the Centre have lease contracts for the use of storages, office premises, halfway house, restaurant, copier and open field. The Group and the Centre's obligation under these leases are secured by the lessor's title to the leased assets. The Group and the Centre are restricted from assigning and subleasing the leased assets. The Group's and the Centre's lease liabilities are denominated in Singapore Dollar.

(a) Carrying amount of right-of-use assets classified within property, plant and equipment

<u>Group</u>	AT 01.04.2023	ADDITIONS	LEASE MODIFICATION	DEPRECIATION	AT 31.03.2024
	\$	\$	\$	\$	\$
Premises for restaurant	302,512	-	166,587	(110,058)	359,041
Storage spaces	54,427	147,251	-	(73,276)	128,402
Office premises & halfway house	549,546	-	-	(183,182)	366,364
Copier	8,226	-	-	(1,980)	6,246
Open field	75,294	-	-	(40,157)	35,137
	<u>990,005</u>	<u>147,251</u>	<u>166,587</u>	<u>(408,653)</u>	<u>895,190</u>

	AT 01.04.2022	ADDITIONS	LEASE MODIFICATION	DEPRECIATION	AT 31.03.2023
	\$	\$	\$	\$	\$
Premises for restaurant	-	341,546	-	(39,034)	302,512
Storage spaces	20,972	-	63,720	(30,265)	54,427
Office premises & halfway house	179,958	-	549,546	(179,958)	549,546
Copier	-	9,140	-	(914)	8,226
Open field	29,818	-	75,294	(29,818)	75,294
	<u>230,748</u>	<u>350,686</u>	<u>688,560</u>	<u>(279,989)</u>	<u>990,005</u>

<u>Centre</u>	AT 01.04.2023	ADDITIONS	LEASE MODIFICATION	DEPRECIATION	AT 31.03.2024
	\$	\$	\$	\$	\$
Office premises & halfway house	549,546	-	-	(183,182)	366,364
Copier	8,226	-	-	(1,980)	6,246
Open field	75,294	-	-	(40,157)	35,137
	<u>633,066</u>	<u>-</u>	<u>-</u>	<u>(225,319)</u>	<u>407,747</u>

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9 LEASE LIABILITIES (CONTINUED)

- (a) Carrying amount of right-of-use assets classified within property, plant and equipment
(Continued)

<u>Centre</u>	AT 01.04.2022	ADDITIONS	LEASE MODIFICATION	DEPRECIATION	AT 31.03.2023
	\$	\$	\$	\$	\$
Office premises & halfway house	179,958	-	549,546	(179,958)	549,546
Copier	-	9,140	-	(914)	8,226
Open field	29,818	-	75,294	(29,818)	75,294
	<u>209,776</u>	<u>9,140</u>	<u>624,840</u>	<u>(210,690)</u>	<u>633,066</u>

- (b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year are as follow and the maturity analysis of lease liabilities is disclosed in Note 19.

	<u>GROUP</u>		<u>CENTRE</u>	
	Current	Non-current	Current	Non-current
	\$	\$	\$	\$
<u>2024</u>				
<u>Lease liabilities</u>				
At 01.04.2023	349,545	634,461	214,167	419,014
Cash Flows	(423,661)	-	(241,427)	-
Prepaid Interest	-	(1,289)	-	-
<u>Non-cash</u>				
Additions	39,790	107,461	-	-
Lease Modification	-	166,587	-	-
Accretion of Interest	49,278	-	27,115	-
Others	399,749	(399,749)	221,128	(221,128)
At 31.03.2024	<u>414,701</u>	<u>507,471</u>	<u>220,983</u>	<u>197,886</u>

	<u>GROUP</u>		<u>CENTRE</u>	
	Current	Non-current	Current	Non-current
	\$	\$	\$	\$
<u>2023</u>				
<u>Lease liabilities</u>				
At 01.04.2022	242,493	-	220,856	-
Cash Flows	(301,030)	(10,500)	(227,224)	-
Prepaid Interest	-	1,289	-	-
<u>Non-cash</u>				
Additions	37,244	313,442	799	8,341
Lease Modification	8,691	679,869	-	624,840
Accretion of Interest	12,508	-	5,569	-
Others	349,639	(349,639)	214,167	(214,167)
At 31.03.2023	<u>349,545</u>	<u>634,461</u>	<u>214,167</u>	<u>419,014</u>

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

9 LEASE LIABILITIES (CONTINUED)

(c) Amounts recognised in income or expenditure

	GROUP		CENTRE	
	2024	2023	2024	2023
	\$	\$	\$	\$
Depreciation of right-of-use assets	408,653	279,989	225,319	210,690
Interest expense on lease liabilities	49,278	12,508	27,115	5,569
Lease expense not capitalised in lease liabilities	22,190	12,236	-	-
Total amount recognised in income and expenditure	480,121	304,733	252,434	216,259

(d) Total cash outflow

The Group had total cash outflows for lease of \$445,851 (2023: \$323,766) in 2024.

(e) Extension options

The Group has lease contracts that include extension option. This option is negotiated by the management to provide flexibility in managing the leased-assets and align with the Group's operational needs. The management exercises significant judgement in determining whether this extension option is reasonably certain to be exercised.

10 DEFERRED GRANTS

Group

	Motor Vehicle	Futsal court	Total
	\$	\$	\$
2024			
Balance at beginning of year	-	63,000	63,000
Receipt for the year	150,000	-	150,000
Amortisation for the year (Note 15)	(1,150)	(63,000)	(64,150)
Balance at end of year	148,850	-	148,850
<i>Current:</i>			
- within 1 year	30,000	-	30,000
<i>Non-current:</i>			
- after 1 year but within 5 years	118,850	-	118,850

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

10 DEFERRED GRANTS (CONTINUED)

Group (Continued)

	<u>Futsal court</u>
	<u>\$</u>
2023	
Balance at beginning of year	126,000
Amortisation for the year (Note 15)	(63,000)
Balance at end of year	<u>63,000</u>
<i>Current:</i>	
- within 1 year	<u>63,000</u>
<i>Non-current:</i>	
- after 1 year but within 5 years	<u>-</u>

Centre

	<u>Motor Vehicle</u>	<u>Futsal court</u>	<u>Total</u>
	<u>\$</u>	<u>\$</u>	<u>\$</u>
2024			
Balance at beginning of year	-	20,000	20,000
Receipt for the year	150,000	-	150,000
Amortisation for the year (Note 15)	(1,150)	(20,000)	(21,150)
Balance at end of year	<u>148,850</u>	<u>-</u>	<u>148,850</u>
<i>Current:</i>			
- within 1 year	<u>30,000</u>	<u>-</u>	<u>30,000</u>
<i>Non-current:</i>			
- after 1 year but within 5 years	<u>118,850</u>	<u>-</u>	<u>118,850</u>

	<u>Futsal court</u>
	<u>\$</u>
2023	
Balance at beginning of year	40,000
Amortisation for the year	(20,000)
Balance at end of year	<u>20,000</u>
<i>Current:</i>	
- within 1 year	<u>20,000</u>
<i>Non-current:</i>	
- after 1 year but within 5 years	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

10 DEFERRED GRANTS (CONTINUED)

In current year, the Group and the Centre received \$150,000 from Lee Foundation for the purchase of motor vehicle amounting to \$150,000.

Grant for the futsal court is provided by both Singapore Centre for Social Enterprise, raISE Ltd and Lee Foundation for the construction of futsal facility primarily for the reaching out to ex-offender by providing training, football coaching and employment opportunities.

Deferred grants are recognised as income in the manner as per note 2.7.

11 PROVISION FOR REINSTATEMENT

An amount of \$156,000 (2023: \$156,000) was estimated by the Management Committee for the reinstatement cost for the Group and Centre's rented premises to be incurred in the event of non-renewal of the tenancy agreement either by the Centre or the Ministry of Social and Family Development.

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

12 GENERAL FUND

	GROUP		CENTRE	
	2024	2023	2024	2023
	\$	\$	\$	\$
Income				
Donations	1,122,424	1,269,394	1,122,424	1,269,394
Fundraising events (Note 14)	395,295	1,261,901	395,295	1,261,901
Income from rental of facilities	62,820	49,965	62,820	49,965
Income from futsal court	316,849	240,576	316,849	240,576
Income from Charis Durian	29,944	10,210	29,944	10,210
Sale of food, beverages and desserts	311,353	68,837	-	-
Service income	689,750	618,794	-	-
Programme income	322,753	225,985	322,753	225,985
Other income (Note 15)	301,441	200,027	229,689	156,947
	<u>3,552,629</u>	<u>3,945,689</u>	<u>2,479,774</u>	<u>3,214,978</u>
Less: Expenditure				
Administrative charges for charity portal	8,134	5,847	8,134	5,847
Advertising and promotion	667	1,769	-	-
Bad debts (trade)	-	2,650	-	-
Bank charges	1,806	2,483	856	1,765
Benevolent fund	4,950	10,690	4,950	10,690
Charis Durian expenses	33,846	3,743	33,846	3,743
Children's education fund	23,950	7,050	23,950	7,050
Compensation	-	140	-	-
Commission to order platform	2,375	-	-	-
Depreciation of property, plant and equipment (Note 6)	688,055	508,944	426,879	371,313
Donations	8,518	13,000	6,900	13,000
Deficit from Unlabelled Run (Note 16)	64,613	-	64,613	-
Fundraising expenses (Note 14)	91,423	164,869	91,423	164,869
General expenses	8,560	9,044	2,814	773
Gifts and hospitality	26,835	6,694	26,579	6,604
Insurance	12,926	9,606	9,312	2,978
Interest on lease liabilities (Note 9c)	49,278	12,508	27,115	5,569
Logistic expenses	57,882	47,324	57,882	47,324
Magazine, books and periodicals	245	278	245	278
Minor asset	4,739	7,201	-	-
Motor vehicle expenses	100,190	83,408	57,766	46,704
Network security expenses	5,622	-	-	-
Postage and courier	392	507	367	435
Printing and stationery	24,764	23,327	18,980	15,913
Professional fees	32,254	30,817	17,383	21,797
Programme expenses - others	104,983	43,891	114,539	45,171
Purchase of packing materials	192,194	86,103	-	-
Repair and maintenance	53,491	53,460	44,033	29,880
Special activities	28,983	51,280	28,983	51,280
Staff salaries and related costs	1,414,706	1,119,007	822,613	735,074
Employer's CPF for staff	213,766	164,184	126,242	109,608
Staff welfare	126,796	92,215	92,029	57,845
Storage expenses	15,940	535	-	-
Subscription fee	5,664	10,597	3,124	4,279
Telecommunication expenses	12,614	13,016	5,246	6,054
Transportation and fringe	1,894	1,159	1,855	1,159
Upkeep of futsal court	17,394	13,723	17,394	13,723
Utilities	136,092	104,866	98,331	99,276
	<u>3,576,541</u>	<u>2,705,935</u>	<u>2,234,383</u>	<u>1,880,001</u>
(Deficit)/Surplus	<u>(23,912)</u>	<u>1,239,754</u>	<u>245,391</u>	<u>1,334,977</u>

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

13 RESTRICTED FUNDS

GROUP

2024	RASP fund \$	PHOL fund \$	Educational fund \$	Total \$
<u>Income</u>				
Donations	-	18,095	-	18,095
Grants received	16,200	-	-	16,200
	<u>16,200</u>	<u>18,095</u>	<u>-</u>	<u>34,295</u>
<u>Less: Expenditure</u>				
RASP expenses	208,180	-	-	208,180
PHOL expenses	-	136,417	-	136,417
Education expenses	-	-	7,140	7,140
	<u>208,180</u>	<u>136,417</u>	<u>7,140</u>	<u>351,737</u>
Deficit	<u>(191,980)</u>	<u>(118,322)</u>	<u>(7,140)</u>	<u>(317,442)</u>

2023	RASP fund \$	PHOL fund \$	Educational fund \$	Total \$
<u>Income</u>				
Grants received	43,200	-	-	43,200
<u>Less: Expenditure</u>				
RASP expenses	246,608	-	-	246,608
PHOL expenses	-	73,984	-	73,984
Educational expenses	-	-	10,319	10,319
	<u>246,608</u>	<u>73,984</u>	<u>10,319</u>	<u>330,911</u>
Deficit	<u>(203,408)</u>	<u>(73,984)</u>	<u>(10,319)</u>	<u>(287,711)</u>

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13 RESTRICTED FUNDS (CONTINUED)

CENTRE

2024	RASP fund \$	PHOL fund \$	Educational fund \$	Total \$
<u>Income</u>				
Donations	-	18,095	-	18,095
Grants received	16,200	-	-	16,200
	<u>16,200</u>	<u>18,095</u>	<u>-</u>	<u>34,295</u>
<u>Less: Expenditure</u>				
RASP expenses	209,368	-	-	209,368
PHOL expenses	-	139,077	-	139,077
Educational expenses	-	-	7,140	7,140
	<u>209,368</u>	<u>139,077</u>	<u>7,140</u>	<u>355,585</u>
Deficit	<u>(193,168)</u>	<u>(120,982)</u>	<u>(7,140)</u>	<u>(321,290)</u>

2023	RASP fund \$	PHOL fund \$	Educational fund \$	Total \$
<u>Income</u>				
Grants received	43,200	-	-	43,200
<u>Less: Expenditure</u>				
RASP expenses	246,608	-	-	246,608
PHOL expenses	-	76,864	-	76,864
Educational expenses	-	-	10,319	10,319
	<u>246,608</u>	<u>76,864</u>	<u>10,319</u>	<u>333,791</u>
Deficit	<u>(203,408)</u>	<u>(76,864)</u>	<u>(10,319)</u>	<u>(290,591)</u>

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

13 RESTRICTED FUNDS (CONTINUED)

(i) RASP fund

The RASP fund refers to the 'Residential Aftercare Support Programme' (RASP) funded by the Yellow Ribbon Fund to support the daily running of the halfway house for ex-offenders.

(ii) PHOL fund

The PHOL fund refers to the 'Project Heart of Love' (PHOL) programme is to finance the refurbishments of homes for the elderlies.

(iii) Educational fund

The educational fund is to finance the staff training cost to enhance their skills and knowledges, so as to better serve the community.

14 FUND RAISING EVENTS

	GROUP AND CENTRE	
	Income	Expenditure
	(Note 12)	(Note 12)
2024	\$	\$
Charity Golf	331,594	91,250
Empowering for Disenfranchised	63,701	173
	<u>395,295</u>	<u>91,423</u>
	GROUP AND CENTRE	
	Income	Expenditure
	(Note 12)	(Note 12)
2023	\$	\$
Anniversary Dinner	340,712	85,186
Charity Golf	242,420	65,971
Touching the Community of the Marginalised	245,710	7,210
Raising Hope for Disenfranchised	433,059	6,502
	<u>1,261,901</u>	<u>164,869</u>

The total fundraising expenses is 23% (2023: 13%) of the total receipts.

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15 OTHER INCOME

	GROUP		CENTRE	
	2024	2023	2024	2023
	\$	\$	\$	\$
Amortisation of deferred capital				
Grants (Note 10)	64,150	63,000	21,150	20,000
Fixed deposit interest	84,767	1,008	84,767	1,008
Gain on disposal of plant and equipment	17,000	10,566	17,000	9,875
Government grants	132,596	116,358	60,920	74,559
Logistics and administrative support	-	-	43,200	43,200
Others	2,928	9,095	2,652	8,305
	<u>301,441</u>	<u>200,027</u>	<u>229,689</u>	<u>156,947</u>

16 DEFICIT FROM UNLABELLED RUN

	GROUP AND CENTRE	
	2024	2023
	\$	\$
INCOME		
Grant received	20,000	-
Donations	91,572	-
Registration fees	147,102	-
	<u>258,674</u>	<u>-</u>
LESS: EXPENDITURE	<u>(323,287)</u>	<u>-</u>
Deficit	<u>(64,613)</u>	<u>-</u>

17 INCOME TAX

The income tax on the results for the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to (deficit)/surplus before income tax was due to the following factors:

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17 INCOME TAX (CONTINUED)

	GROUP	
	2024	2023
	\$	\$
(Deficit)/Surplus before income tax	(341,354)	952,043
Tax calculated at tax rate of 17%	(58,030)	161,847
Expenses not deductible for tax purposes	20,387	5,671
Income not taxable	(7,310)	(184,856)
Current year's deferred tax assets not recognised	45,641	19,089
Donation	(688)	-
Utilisation of deferred tax assets	-	(1,992)
Others	-	241
	-	-

The Centre is a registered Charity under the Charities Act and is exempted from income tax subject to compliance with the Income Tax Act 1947.

The components of deferred income tax assets and liabilities are as follows:

	GROUP	
	2024	2023
	\$	\$
<u>Deferred income tax liabilities</u>		
Accelerated tax depreciation	(3,748)	(4,352)
Right-of-use assets	(82,864)	-
	(86,612)	(4,352)
<u>Deferred income tax assets</u>		
Lease liabilities	85,562	-
Unutilised capital allowances	7,219	3,071
Unutilised tax losses	55,977	20,082
Unutilised donations	1,113	425
	149,871	23,578
Net deferred income tax assets not recognised	63,259	19,226

As at 31 March 2024, subject to the agreement of the Comptroller of Income Tax, and compliance with certain condition of the Income Tax Act 1947, the Group has estimated unutilised tax losses, unutilised capital allowances and unutilised donations approximately \$329,278 (2023: \$118,119), \$42,466 (2023: \$18,062) and \$6,545 (2023: \$2,500) respectively, which are available for set off against future taxable income.

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18 RELATED PARTY TRANSACTIONS

Significant related party transactions carried out at mutually agreed amounts during the financial year are as follow:

	GROUP		CENTRE	
	2024	2023	2024	2023
	\$	\$	\$	\$
<u>With key management personnel</u>				
Salaries and related costs	187,632	173,686	187,632	173,686
Employer's CPF contribution	22,241	19,624	22,241	19,624
<u>With subsidiaries</u>				
Expenses paid on behalf of subsidiary	-	-	4,501	15,172
Expenses paid on behalf by subsidiary			2,374	-
Programme expenses	-	-	9,556	1,360
PHOL expenses	-	-	2,660	2,800
Repair and maintenance	-	-	4,280	-
Loan to subsidiary	-	-	171,000	200,000
RASP expenses	-	-	1,188	-
Logistic and administrative support (Note 15)	-	-	43,200	43,200

None of the Group's nor the Centre's staff received more than \$100,000 (2023: \$100,000) in annual remuneration.

Key management personnel are those person having authority and responsibility for planning, directing and controlling the activities of the Group and the Centre, directly or indirectly.

19 FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's and the Centre's financial instruments are credit risk and liquidity risk. The Group's and the Centre's risk management seeks to minimise the potential adverse effects from these exposures. The Group and the Centre review and agree policies for managing each of these risks and they are summarised below:

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial loss to the Group and the Centre. The Group's and the Centre's exposure to credit risk arises primarily from trade receivables. For other financial assets (including cash and cash equivalents), the Group and the Centre minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group and the Centre adopted the following:

- Policy of only dealing with creditworthy counterparties and perform ongoing credit evaluation of their counterparties' financial condition and generally do not require a collateral;
- Consider the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period;

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk (Continued)

- (c) Determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days or there is significant difficulty of the counterparty; and
- (d) Developed and maintained credit risk grading to categorise exposures according to their degree of risk of default.

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

The Group and the Centre's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >60 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >120 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

Trade receivables

For trade receivables, the Group and the Centre have applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Group and the Centre determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

As the Group and the Centre have no actual credit loss experienced or it has been insignificant during the period under review and at financial year end, credit risk exposure to the financial assets at amortised cost is insignificant, and accordingly no credit loss allowance is recognised during the financial year.

Other receivables

The Group and the Centre assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Group and the Centre measured the loss allowance using 12-month ECL and determined that the ECL is insignificant.

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Other receivables (Continued)

The table below details the credit quality of the Group and the Centre's "other receivables":

Group	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
2024				
Donation receivable	12-month ECL	40,641	-	40,641
Interest receivable	12-month ECL	56,344	-	56,344
Other receivables	12-month ECL	<u>84,993</u>	<u>-</u>	<u>84,993</u>

2023

Donation receivable	12-month ECL	250,000	-	250,000
Grant receivable	12-month ECL	6,400	-	6,400
Other receivables	12-month ECL	<u>74,888</u>	<u>-</u>	<u>74,888</u>

Centre	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
2024				
Amount due from subsidiary	12-month ECL	374,600	-	374,600
Donation receivable	12-month ECL	40,641	-	40,641
Interest receivable	12-month ECL	56,344	-	56,344
Other receivables	12-month ECL	<u>84,993</u>	<u>-</u>	<u>84,993</u>

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Other receivables (Continued)

Centre	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
2023				
Amount due from subsidiary	12-month ECL	203,600	-	203,600
Donation receivable	12-month ECL	250,000	-	250,000
Other receivables	12-month ECL	74,888	-	74,888
Grant receivable	12-month ECL	<u>6,400</u>	<u>-</u>	<u>6,400</u>

Liquidity risk

In the management of liquidity risk, the Group and the Centre monitor and maintain a level of cash and bank balances deemed adequate to finance the Group's and the Centre's operations and mitigate the effects of fluctuations in cash flows.

The table below summaries the maturity profile of the Group's and the Centre's financial liabilities at the end of reporting period based on contractual undiscounted payments.

Group	-----2024-----			
	Carrying amount \$	Contractual cash flows \$	Less than one year \$	After one year to five years \$
Financial assets				
Trade and other receivables	365,765	365,765	365,765	-
Cash and cash equivalents	<u>2,761,265</u>	<u>2,761,265</u>	<u>2,761,265</u>	<u>-</u>
	<u>3,127,030</u>	<u>3,127,030</u>	<u>3,127,030</u>	<u>-</u>
Financial liabilities				
Trade and other payables	105,785	105,785	105,785	-
Lease liabilities	<u>922,172</u>	<u>982,111</u>	<u>450,890</u>	<u>531,221</u>
	<u>1,027,957</u>	<u>1,087,896</u>	<u>556,675</u>	<u>531,221</u>
Total net undiscounted financial assets/(liabilities)	<u>2,099,073</u>	<u>2,039,134</u>	<u>2,570,355</u>	<u>(531,221)</u>

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (Continued)

Group	2023			
	Carrying amount	Contractual cash flows	Less than one year	After one year to five years
	\$	\$	\$	\$
Financial assets				
Trade and other receivables	491,204	491,204	491,204	-
Cash and cash equivalents	2,938,662	2,938,662	2,938,662	-
	<u>3,429,866</u>	<u>3,429,866</u>	<u>3,429,866</u>	<u>-</u>
Financial liabilities				
Trade and other payables	49,690	49,690	49,690	-
Lease liabilities	984,006	1,053,243	390,201	663,042
	<u>1,033,696</u>	<u>1,102,933</u>	<u>439,891</u>	<u>663,042</u>
Total net undiscounted financial assets/(liabilities)	<u>2,396,170</u>	<u>2,326,933</u>	<u>2,989,975</u>	<u>(663,042)</u>
Centre	2024			
	Carrying amount	Contractual cash flows	Less than one year	After one year to five years
	\$	\$	\$	\$
Financial assets				
Trade and other receivables	675,928	675,928	675,928	-
Cash and cash equivalents	2,535,458	2,535,458	2,535,458	-
	<u>3,211,386</u>	<u>3,211,386</u>	<u>3,211,386</u>	<u>-</u>
Financial liabilities				
Trade and other payables	77,404	77,404	77,404	-
Lease liabilities	418,869	439,396	236,527	202,869
	<u>496,273</u>	<u>516,800</u>	<u>313,931</u>	<u>202,869</u>
Total net undiscounted financial assets/(liabilities)	<u>2,715,113</u>	<u>2,694,586</u>	<u>2,897,455</u>	<u>(202,869)</u>

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (Continued)

Centre	-----2023-----			
	Carrying amount	Contractual cash flows	Less than one year	After one year to five years
	\$	\$	\$	\$
Financial assets				
Trade and other receivables	669,653	669,653	669,653	-
Cash and cash equivalents	2,649,743	2,649,743	2,649,743	-
	<u>3,319,396</u>	<u>3,319,396</u>	<u>3,319,396</u>	<u>-</u>
Financial liabilities				
Trade and other payables	34,072	34,072	34,072	-
Lease liabilities	633,181	680,826	241,256	439,570
	<u>667,253</u>	<u>714,898</u>	<u>275,328</u>	<u>439,570</u>
Total net undiscounted financial assets/(liabilities)	<u>2,652,143</u>	<u>2,604,498</u>	<u>3,044,068</u>	<u>(439,570)</u>

Sensitivity analysis

The operation of the Group and the Centre does not expose itself to any significant market risk. In view of this, sensitivity analysis of market risk is not considered necessary for disclosure.

20 FAIR VALUE

The carrying amounts of current financial assets and current financial liabilities recorded in the financial statements approximate their respective net fair values due to the relatively short-term maturity of these financial instruments.

21 TAX-EXEMPT RECEIPTS

The Centre is a member of the National Council of Social Services (NCSS) and an Institution of Public Character (IPC). The IPC status was renewed for 36 months with effect from 10 May 2021 and further renewed for 33 months with effect from 10 May 2024. Tax-exempt receipts issued for donations received during the year amounted to \$1,532,726 (2023: \$1,759,734).

22 FUND MANAGEMENT

The primary objective of the Group's fund management is to safeguard its assets; to effectively and efficiently manage the usage of available capital resources towards supporting the Group's principal and related activities, and ensuring long-term financial sustainability. No changes were made in the objectives, policies or processes of the Group since prior year.

THE NEW CHARIS MISSION

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2024

23 FINANCIAL INSTRUMENTS BY CATEGORY

At the end of the reporting period, the aggregate carrying amounts of financial assets and financial liabilities at amortised cost were as follows:

	GROUP		CENTRE	
	2024	2023	2024	2023
	\$	\$	\$	\$
Financial assets				
Trade and other receivables	365,765	491,204	675,928	669,653
Cash and cash equivalents	2,761,265	2,938,662	2,535,458	2,649,743
	<u>3,127,030</u>	<u>3,429,866</u>	<u>3,211,386</u>	<u>3,319,396</u>
Financial liabilities				
Trade and other payables	105,785	49,690	77,404	34,072
Lease liabilities	922,172	984,006	418,869	633,181
	<u>1,027,957</u>	<u>1,033,696</u>	<u>496,273</u>	<u>667,253</u>

24 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements were authorised for issue in accordance with a resolution of the Management Committee passed on 2 January 2025.