

**THE NEW CHARIS MISSION
& ITS SUBSIDIARY CORPORATIONS**
(UEN: T06SS0166B)

**REPORT AND FINANCIAL STATEMENTS
31 MARCH 2023**

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

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 subsidiary corporations (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 financial position of the Group and the Centre as at 31 March 2023 and of the financial performance, changes in funds and cash flows of the Group and of the Centre for the year then ended.

The Management Committee authorised these financial statements for issue on 11 December 2023.

On behalf of the Management Committee



Tay Swee Eng
President



Bernard Yeo Kok Leong
Treasurer

11 December 2023



**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 subsidiary corporations (the "Group"), which comprise the statements of financial position of the Group and the Centre as at 31 March 2023, and the statements of comprehensive income and expenditure, statements of changes in funds and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the 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 financial position of the Group and of the Centre as at 31 March 2023 and the financial performance, changes in funds and cash flows of the Group and 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 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 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 by 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 2022 to 31 March 2023 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.



ARK ALLIANCE LLP
Public Accountants and
Chartered Accountants

Singapore
11 December 2023

**THE NEW CHARIS MISSION
& ITS SUBSIDIARY CORPORATIONS**

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2023

		GROUP		CENTRE	
	Notes	2023	2022	2023	2022
		S\$	S\$	S\$	S\$
ASSETS					
Current assets					
Trade and other receivables	4	722,719	478,263	881,176	444,658
Cash and cash equivalents	5	2,938,662	2,221,063	2,649,743	1,971,401
Total current assets		3,661,381	2,699,326	3,530,919	2,416,059
Non-current assets					
Property, plant and equipment	6	1,472,344	785,790	967,833	632,135
Investment in subsidiaries	7	-	-	200	100
Total non-current assets		1,472,344	785,790	968,033	632,235
Total assets		5,133,725	3,485,116	4,498,952	3,048,294
LIABILITIES					
Current liabilities					
Trade and other payables	8	124,792	106,739	109,174	95,227
Lease liabilities	9	349,545	242,493	214,167	220,856
Deferred grants	10	63,000	63,000	20,000	20,000
Total current liabilities		537,337	412,232	343,341	336,083
Non-current liabilities					
Lease liabilities	9	634,461	-	419,014	-
Deferred grants	10	-	63,000	-	20,000
Provision for reinstatement	11	156,000	156,000	156,000	156,000
Total non-current liabilities		790,461	219,000	575,014	176,000
Total liabilities		1,327,798	631,232	918,355	512,083
NET ASSETS		3,805,927	2,853,884	3,580,597	2,536,211
Represented by:					
FUNDS					
Unrestricted fund					
General fund		3,798,787	2,836,425	3,573,457	2,518,752
Restricted funds					
RASP fund		-	-	-	-
PHOL fund		-	-	-	-
Educational fund		7,140	17,459	7,140	17,459
Total restricted funds		7,140	17,459	7,140	17,459
TOTAL FUNDS		3,805,927	2,853,884	3,580,597	2,536,211

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

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

STATEMENTS OF COMPREHENSIVE INCOME AND EXPENDITURE FOR THE YEAR ENDED 31 MARCH 2023

		GROUP		CENTRE	
	Notes	2023	2022	2023	2022
		S\$	S\$	S\$	S\$
INCOME					
Unrestricted fund					
General fund	12	3,945,689	2,936,515	3,214,978	2,203,796
Restricted funds					
RASP fund	13	43,200	-	43,200	-
TOTAL INCOME		3,988,889	2,936,515	3,258,178	2,203,796
LESS: EXPENDITURE					
Unrestricted fund					
General fund	12	2,705,935	2,484,685	1,880,001	1,722,534
Restricted funds					
RASP fund	13	246,608	217,018	246,608	217,018
PHOL fund	13	73,984	11,251	76,864	12,066
Educational fund	13	10,319	8,632	10,319	8,632
		330,911	236,901	333,791	237,716
TOTAL EXPENDITURE		3,036,846	2,721,586	2,213,792	1,960,250
SURPLUS BEFORE INCOME TAX		952,043	214,929	1,044,386	243,546
INCOME TAX	17	-	-	-	-
SURPLUS AFTER INCOME TAX		952,043	214,929	1,044,386	243,546
Attributable to:					
Unrestricted fund					
General fund	12	1,239,754	451,830	1,334,977	481,262
Restricted funds					
RASP fund	13	(203,408)	(217,018)	(203,408)	(217,018)
PHOL fund	13	(73,984)	(11,251)	(76,864)	(12,066)
Education fund	13	(10,319)	(8,632)	(10,319)	(8,632)
		(287,711)	(236,901)	(290,591)	(237,716)
		952,043	214,929	1,044,386	243,546

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

THE NEW CHARIS MISSION ITS SUBSIDIARY CORPORATIONS

STATEMENTS OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 MARCH 2023

GROUP	UNRESTRICTED FUND		RESTRICTED FUNDS			
			RASP	PHOL	Educational	Total
	General fund	S\$	fund	fund	fund	
			S\$	S\$	S\$	S\$
Balance as at 1 April 2021	2,612,864		-	-	26,091	2,638,955
Surplus/(Deficit) for the year	451,830		(217,018)	(11,251)	(8,632)	214,929
Transfers	(228,269)		217,018	11,251	-	-
Balance as at 31 March 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
CENTRE						
Balance as at 1 April 2021	2,266,574		-	-	26,091	2,292,665
Surplus/(Deficit) for the year	481,262		(217,018)	(12,066)	(8,632)	243,546
Transfers	(229,084)		217,018	12,066	-	-
Balance as at 31 March 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

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

**THE NEW CHARIS MISSION
& ITS SUBSIDIARY CORPORATIONS**

STATEMENTS OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2023

		GROUP		CENTRE	
	Notes	2023	2022	2023	2022
		S\$	S\$	S\$	S\$
CASH FLOW FROM OPERATING ACTIVITIES					
Surplus before income tax		952,043	214,929	1,044,386	243,546
Adjustments for:					
Amortisation of deferred capital grants	10	(63,000)	(63,000)	(20,000)	(20,000)
Bad debts (trade)	12	2,650	-	-	-
Depreciation of property, plant and equipment	6	508,944	481,418	371,313	389,946
Gain on disposal of motor vehicle	16	(10,566)	-	(9,875)	(12,500)
Gift in kind	16	-	(6,945)	-	(6,945)
Interest on lease liabilities	12	12,508	18,411	5,569	16,660
Provision for reinstatement	12	-	26,000	-	26,000
Rental rebate	16	-	(27,766)	-	(27,766)
Operating surplus before working capital changes		1,402,579	643,047	1,391,393	608,941
Trade and other receivables		(245,817)	(73,395)	(436,518)	(118,467)
Trade and other payables		18,053	(13,971)	13,947	5,976
Net cash generated from operations		1,174,815	555,681	968,822	496,450
Tax paid		-	-	-	-
Net cash inflow from operating activities		1,174,815	555,681	968,822	496,450
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in subsidiary		-	-	(100)	-
Purchase of property, plant and equipment		(161,486)	(180,450)	(78,156)	(158,965)
Proceed from disposal of plant and equipment		15,800	-	15,000	12,500
Net cash outflow from investing activities		(145,686)	(180,450)	(63,256)	(146,465)
CASH FLOWS FROM FINANCING ACTIVITIES					
Payment of principal portion of lease liabilities		(299,022)	(215,855)	(221,655)	(186,420)
Interest expense on lease liabilities		(12,508)	(18,411)	(5,569)	(16,660)
Net cash outflow from financing activities		(311,530)	(234,266)	(227,224)	(203,080)
Net increase in cash and cash equivalents		717,599	140,965	678,342	146,905
Cash and cash equivalents at beginning of year		2,221,063	2,080,098	1,971,401	1,824,496
Cash and cash equivalents at end of year	5	2,938,662	2,221,063	2,649,743	1,971,401

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

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

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 subsidiary corporations are described in Note 7 to the financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(2.1) Basis of preparation

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

(2.2) Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous year and that in current financial year, the Group adopted all relevant and new FRS and amendments to FRS that are effective in the current financial statements. The adoption of these new FRS and amendments to FRS did not have any material effect on the financial performance or position of the Group.

(2.3) Standards issued but not yet effective

A number of new standards, amendments to standards and interpretations to FRS are issued but not yet effective at beginning of the current financial year, and have not been applied in preparing these financial statements and are as follow. The adoption of these standards will have no material impact on the financial statements in the period of initial application.

	<i>Effective date (Annual periods beginning on or after)</i>
Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.3) Standards issued but not yet effective (continued)

	<i>Effective date (Annual periods beginning on or after)</i>
Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 117 (various)	1 January 2023
Amendments to FRS 1: Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116: Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 7 and FRS 107: Supplier Finance Arrangements	1 January 2024
Amendments to FRS 110 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

(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 functional currency of the Centre.

(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 donations, programme fee, rental of facilities and logistic support services.

Donations are accounted for when monies are received.

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.

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.6) Employee benefits

Defined contribution plan

The Centre 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 the statement of comprehensive income over the period necessary to match the depreciation of the assets purchased with the related grant. Grants for operating expenses is recognised in the statement of comprehensive income 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. 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.

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

	<u>Useful lives</u>
Air-conditioner	- 5 years
Computer	- 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 NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.8) Property, plant and equipment (Continued)

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

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

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.

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 income or expenditure ("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 or expenditure.

Subsequent measurement

Investments in 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. The Group has only debt instruments at 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 effective interest method, less impairment. Gains or losses are recognised in income or expenditure when the assets are derecognised or impaired, and through the amortisation process.

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.13) Financial instruments (Continued)

(a) *Financial assets (continued)*

Investments in 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 which will not be classified subsequently to income or expenditure. Dividends from such investments are to be recognised in income or expenditure when the Group's right to receive payments is established. For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in income or 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 for debt instruments is recognised in income or expenditure.

(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, 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 or 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 or expenditure.

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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 comprehensive income and expenditure, statement of changes in funds and statement of financial position. Total comprehensive income 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.

(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.

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.14) Subsidiaries (continued)

(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 funds 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 corporations

Investment in subsidiary corporations are 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.

(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 NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.17) Impairment of financial assets (Continued)

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 at the reporting date.

Current income taxes are recognised in income or expenditure except to the extent that the tax relates to items recognised outside income or expenditure, either in other comprehensive income 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.

(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.

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(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).

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.

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(2.19) Leases (Continued)

Lease liabilities (Continued)

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). 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 statement of comprehensive income 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.

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 NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS (CONTINUED)

Impairment of trade receivables (continued)

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 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 2023, no lease liabilities had been taken up with regards to extension option as it is not reasonably certain that the lease will be extended. Accordingly, the potential future (undiscounted) cash outflows of approximately S\$593,010 (2022: S\$62,372) arising from this have not been included in lease liabilities.

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

4 TRADE AND OTHER RECEIVABLES

	GROUP		CENTRE	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Trade receivables	6,934	18,496	-	-
Amount owing by subsidiaries (non-trade)	-	-	203,600	3,600
Advanced payments for Unlabelled Run and Team Building Retreat	182,665	44,124	182,665	44,124
Cash advances to staff for PHOL, TNCM Retreat etc	40,000	7,750	40,000	7,750
Deposits	44,927	37,930	26,710	26,710
Deposit for Prison Programme	68,055	41,103	68,055	41,103
Donation receivable – TOTE Board	250,000	250,000	250,000	250,000
Grant receivable	6,400	-	6,400	-
Other receivables – Central CDC (Rough Sleepers Programme), Prison Programme, Charis Turf	74,888	43,554	74,888	43,554
Prepayments	48,850	35,306	28,858	27,817
	<u>722,719</u>	<u>478,263</u>	<u>881,176</u>	<u>444,658</u>

No credit term was granted to trade debtors.

The non-trade amount owing by subsidiaries were unsecured, non-interest bearing and repayable on demand.

The Group's and the Centre's trade and other receivables were denominated in Singapore Dollar.

5 CASH AND CASH EQUIVALENTS

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

	GROUP		CENTRE	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Bank balance	910,959	586,396	630,574	341,481
Cash balance	16,874	28,238	8,340	23,491
Fixed deposits	2,010,829	1,606,429	2,010,829	1,606,429
	<u>2,938,662</u>	<u>2,221,063</u>	<u>2,649,743</u>	<u>1,971,401</u>

Fixed deposits bear interest at effective rates ranging from 0.5% to 4.5% (2022: 0.5% to 0.8%) during the financial year and are for tenures of approximately 1 to 2 (2022: 1 to 2) years.

The Group's and the Centre's cash and cash equivalents were denominated in Singapore Dollar.

**THE NEW CHARIS MISSION
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**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2023**

6 PROPERTY, PLANT AND EQUIPMENT

GROUP

	AT 01.04.2022	ADDITIONS	DISPOSALS	LEASE MODIFICATION	AT 31.03.2023
	S\$	S\$	S\$	S\$	S\$
COST					
Air-conditioner	113,636	20,970	-	-	134,606
Computer	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 premise, halfway house, restaurant, copier and open field	688,545	350,686	(688,546)	688,560	1,039,245
	3,044,056	512,172	(706,346)	688,560	3,538,442

**THE NEW CHARIS MISSION
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**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2023**

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP

2023	AT 01.04.2022 S\$	ADDITIONS S\$	DISPOSALS S\$	LEASE MODIFICATION S\$	AT 31.03.2023 S\$
<u>ACCUMULATED DEPRECIATION</u>					
Air-conditioner	92,060	11,258	-	-	103,318
Computer	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 premise, halfway house, restaurant, copier and open field	457,797	279,989	(688,546)	-	49,240
	2,258,266	508,944	(701,112)	-	2,066,098

THE NEW CHARIS MISSION
& ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2023

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP

	2023
	S\$
NET CARRYING AMOUNT	
Air-conditioner	31,288
Computer	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 premise, halfway house, restaurant, copier and open field	990,005
	<u>1,472,344</u>

**THE NEW CHARIS MISSION
& ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2023**

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP

2022	AT 01.04.2021 S\$	ADDITIONS S\$	DISPOSALS S\$	AT 31.03.2022 S\$
<u>COST</u>				
Air-conditioner	119,474	9,000	(14,838)	113,636
Computer	59,435	25,622	-	85,057
Electrical installation	61,846	-	-	61,846
Furniture and fittings	206,992	16,345	-	223,337
Futsal court	425,607	-	-	425,607
Musical and electronic equipment	159,589	75,512	-	235,101
Motor vehicles	759,220	49,883	-	809,103
Office equipment	47,578	11,033	-	58,611
Renovation	343,213	-	-	343,213
Right-of-use assets: Storage, office premise, halfway house and open field	688,545	-	-	688,545
	2,871,499	187,395	(14,838)	3,044,056
<u>ACCUMULATED DEPRECIATION</u>				
Air-conditioner	99,769	7,129	(14,838)	92,060
Computer	46,977	10,285	-	57,262
Electrical installation	49,498	3,490	-	52,988
Furniture and fittings	122,265	22,333	-	144,598
Futsal court	169,344	85,121	-	254,465
Musical and electronic equipment	146,899	19,824	-	166,723
Motor vehicles	596,034	78,207	-	674,241
Office equipment	31,904	7,487	-	39,391
Renovation	310,583	8,158	-	318,741
Right-of-use assets: Storage, office premise, halfway house and open field	218,413	239,384	-	457,797
	1,791,686	481,418	(14,838)	2,258,266
				2022 S\$
<u>NET CARRYING AMOUNT</u>				
Air-conditioner				21,576
Computer				27,795
Electrical installation				8,858
Furniture and fittings				78,739
Futsal court				171,142
Musical and electronic equipment				68,378
Motor vehicles				134,862
Office equipment				19,220
Renovation				24,472
Right-of-use assets: Storage, office premise, halfway house and open field				230,748
				785,790

**THE NEW CHARIS MISSION
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**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2023**

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

CENTRE

2023

	AT 01.04.2022	ADDITIONS	DISPOSALS	LEASE MODIFICATION	AT 31.03.2023
	S\$	S\$	S\$	S\$	S\$
COST					
Air-conditioner	113,636	20,410	-	-	134,046
Computer	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	(629,330)	624,840	633,980

2,571,924	87,296	(644,330)	624,840	2,639,730
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**THE NEW CHARIS MISSION
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**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2023**

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

CENTRE

2023

	AT 01.04.2022	ADDITIONS	DISPOSALS	LEASE MODIFICATION	AT 31.03.2023
	S\$	S\$	S\$	S\$	S\$
ACCUMULATED DEPRECIATION					
Air-conditioner	92,060	11,212	-	-	103,272
Computer	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
	1,939,789	371,313	(639,205)	-	1,671,897

THE NEW CHARIS MISSION
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NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2023

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

CENTRE

	2023
	S\$
NET CARRYING AMOUNT	
Air-conditioner	30,774
Computer	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
	967,833

**THE NEW CHARIS MISSION
& ITS SUBSIDIARY CORPORATIONS**

**NOTES TO THE FINANCIAL STATEMENTS
31 MARCH 2023**

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

CENTRE

2022

	AT 01.04.2021	ADDITIONS	DISPOSALS	AT 31.03.2022
	S\$	S\$	S\$	S\$
<u>COST</u>				
Air-conditioner	119,474	9,000	(14,838)	113,636
Computer	51,224	23,723	-	74,947
Electrical installation	44,398	-	-	44,398
Furniture and fittings	206,286	16,345	-	222,631
Futsal court	168,322	-	-	168,322
Musical and electronic equipment	159,589	75,512	-	235,101
Motor vehicles	759,220	30,297	(103,241)	686,276
Office equipment	43,037	11,033	-	54,070
Renovation	343,213	-	-	343,213
Right-of-use assets: Office premise, halfway house and open field	629,330	-	-	629,330
	2,524,093	165,910	(118,079)	2,571,924

ACCUMULATED DEPRECIATION

Air-conditioner	99,769	7,129	(14,838)	92,060
Computer	42,381	8,263	-	50,644
Electrical installation	44,398	-	-	44,398
Furniture and fittings	122,123	22,263	-	144,386
Futsal court	66,430	33,664	-	100,094
Musical and electronic equipment	146,899	19,824	-	166,723
Motor vehicles	596,034	74,290	(103,241)	567,083
Office equipment	29,528	6,578	-	36,106
Renovation	310,583	8,158	-	318,741
Right-of-use assets: Office premise, halfway house and open field	209,777	209,777	-	419,554
	1,667,922	389,946	(118,079)	1,939,789

NET CARRYING AMOUNT

	2022
	S\$
Air-conditioner	21,576
Computer	24,303
Electrical installation	-
Furniture and fittings	78,245
Futsal court	68,228
Musical and electronic equipment	68,378
Motor vehicles	119,193
Office equipment	17,964
Renovation	24,472
Right-of-use assets: Office premise, halfway house and open field	209,776
	632,135

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

6 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	GROUP		CENTRE	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Cash payments	161,486	180,450	78,156	158,965
Gift in kind	-	6,945	-	6,945
Lease contracts	350,686	-	9,140	-
	<u>512,172</u>	<u>187,395</u>	<u>87,296</u>	<u>165,910</u>

7 INVESTMENT IN SUBSIDIARIES

	CENTRE	
	2023	2022
	S\$	S\$
Unquoted equity shares, at cost	<u>200</u>	<u>100</u>

Information relating to the subsidiaries are as follow:

Name of entity	Principal activities	Date and country of incorporation/ place of business	Group interest	
			2023	2022
			%	%
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	-

* Audited by Ark Alliance LLP

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

8 TRADE AND OTHER PAYABLES

	GROUP		CENTRE	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Trade payables	2,556	424	-	-
Advanced receipts	75,102	50,950	75,102	50,950
Other payables	60	6,340	60	6,340
Other operating costs	18,793	22,073	15,793	19,073
Staff costs and benefits	24,156	26,952	18,219	18,864
Accrued expenses	4,125	-	-	-
	<u>124,792</u>	<u>106,739</u>	<u>109,174</u>	<u>95,227</u>

Advanced receipts relate to 'Unlabelled Run' event and booking fee for futsal court (2022: Unlabelled Run and Charity Golf events). These amounts will be recognised as income as and when the events are completed.

The Group's and the Centre's trade and other payables were denominated in Singapore Dollar.

9 LEASE LIABILITIES

	GROUP		CENTRE	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Payable within 1 year	349,545	242,493	214,167	220,856
Payable between 2 to 5 years	634,461	-	419,014	-
	<u>984,006</u>	<u>242,493</u>	<u>633,181</u>	<u>220,856</u>

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

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9 LEASE LIABILITIES (CONTINUED)

(a) Carrying amounts of right-of-use asset classified within property, plant and equipment

	GROUP		CENTRE	
	#		##	
	Right-of use asset: S\$	Total S\$	Right-of use asset: S\$	Total S\$
At 01.04.2021	470,132	470,132	419,553	419,553
Additions	-	-	-	-
Depreciation	(239,384)	(239,384)	(209,777)	(209,777)
At 31.03.2022	230,748	230,748	209,776	209,776
Additions	350,686	350,686	9,140	9,140
Depreciation	(279,989)	(279,989)	(210,690)	(210,690)
Lease modification	688,560	688,560	624,840	624,840
At 31.03.2023	990,005	990,005	633,066	633,066

- storage, office premise, halfway house, restaurant, copier and open field

- office premise, halfway house, copier and open field

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year were as follows and the maturity analysis of lease liabilities is disclosed in note 19.

	GROUP		CENTRE	
2023	Current S\$	Non-current S\$	Current S\$	Non-current S\$
<u>Lease liabilities</u>				
As at 01.04.2022	242,493	-	220,856	-
Cash flows	(301,030)	(10,500)	(227,224)	-
Prepaid interest	-	1,289	-	-
<u>Non-cash:</u>				
Addition	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)
As at 31.03.2023	349,545	634,461	214,167	419,014

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9 LEASE LIABILITIES (CONTINUED)

2022	GROUP		CENTRE	
	Current S\$	Non-current S\$	Current S\$	Non-current S\$
<u>Lease liabilities</u>				
As at 01.04.2021	243,526	242,588	214,186	220,856
Cash flows	(234,266)	-	(203,080)	-
<u>Non-cash:</u>				
Addition	-	-	-	-
Rental rebate	(27,766)	-	(27,766)	-
Accretion of interest	18,411	-	16,660	-
Others	242,588	(242,588)	220,856	(220,856)
As at 31.03.2022	242,493	-	220,856	-

(c) Amount recognised in profit and loss

	GROUP	
	2023 S\$	2022 S\$
Depreciation of right-of-use assets	279,989	239,384
Interest on lease liabilities	12,508	18,411
Lease expense not capitalised in lease liabilities	12,236	-
Total amount recognised in profit and loss	304,733	257,795

	CENTRE	
	2023 S\$	2022 S\$
Depreciation of right-of-use asset	210,690	209,777
Interest on lease liabilities	5,569	16,660
Total amount recognised in profit and loss	216,259	226,437

(d) Total cash flow

The Group had total cash outflow for leases of S\$311,530 (2022: S\$234,266) in 2023.

(e) Extension option

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.

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10 DEFERRED GRANTS

Group

	Futsal court
	S\$
2023	
Balance at beginning of year	126,000
Amortisation for the year (note 16)	(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>

	Futsal court
	S\$
2022	
Balance at beginning of year	189,000
Amortisation for the year (note 16)	(63,000)
Balance at end of year	<u>126,000</u>
<i>Current:</i>	
- within 1 year	<u>63,000</u>
<i>Non-current:</i>	
- after 1 year but within 5 years	<u>63,000</u>

Centre

	Futsal court
	S\$
2023	
Balance at beginning of year	40,000
Amortisation for the year (note 16)	(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>

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

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10 DEFERRED GRANTS (CONTINUED)

CENTRE

	Futsal court	Total
	S\$	S\$
2022		
Balance at beginning of year	60,000	60,000
Amortisation for the year (note 16)	(20,000)	(20,000)
Balance at end of year	<u>40,000</u>	<u>40,000</u>
<i>Current:</i>		
- within 1 year	<u>20,000</u>	<u>20,000</u>
<i>Non-current:</i>		
- after 1 year but within 5 years	<u>20,000</u>	<u>20,000</u>

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-offenders 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 S\$156,000 (2022: S\$156,000) was estimated by the Management Committee for the reinstatement cost on 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.

	GROUP & CENTRE	
	2023	2022
	S\$	S\$
<u>Movement in provision account</u>		
Balance at beginning of year	156,000	130,000
Addition (note 12)	-	26,000
Balance at end of year	<u>156,000</u>	<u>156,000</u>

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12 GENERAL FUND

	GROUP		CENTRE	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Income				
Donations	1,269,394	1,303,408	1,269,394	1,303,408
Fundraising events (Note 15)	1,261,901	369,013	1,261,901	369,013
Income from rental of facilities	49,965	40,180	49,965	40,180
Income from futsal court	240,576	160	240,576	160
Income from Charis Durian	10,210	30,284	10,210	30,284
Sale of food, beverages and desserts	68,837	-	-	-
Service income	618,794	687,259	-	-
Surplus from Unlabelled Run (Note 14)	-	10	-	10
Programme income	225,985	174,861	225,985	174,861
Other income (Note 16)	200,027	331,340	156,947	285,880
	<u>3,945,689</u>	<u>2,936,515</u>	<u>3,214,978</u>	<u>2,203,796</u>
Less: Expenditure				
Administrative charges for charity portal	5,847	4,445	5,847	4,445
Advertising and promotion	1,769	798	-	-
Bad debts (trade)	2,650	-	-	-
Bank charges	2,483	1,457	1,765	831
Benevolent fund	10,690	5,618	10,690	5,618
Charis Durian expenses	3,743	33,712	3,743	33,712
Children's educational fund	7,050	5,750	7,050	5,750
Compensation	140	968	-	-
Depreciation of property, plant and equipment (Note 6)	508,944	481,418	371,313	389,946
Donations	13,000	15,000	13,000	15,000
Fundraising expenses (Note 15)	164,869	26,118	164,869	26,118
General expenses	9,044	8,603	773	6,520
Gifts and hospitality	6,694	9,992	6,604	9,399
Insurance	9,606	8,119	2,978	4,938
Interest on lease liabilities	12,508	18,411	5,569	16,660
Internet expenses	-	17,221	-	-
Logistic expenses	47,324	48,512	47,324	48,512
Magazine, books and periodicals	278	253	278	253
Minor asset	7,201	-	-	-
Motor vehicle expenses	83,408	80,091	46,704	43,307
Postage and courier	507	466	435	391
Printing and stationery	23,327	24,069	15,913	19,343
Professional fees	30,817	21,000	21,797	13,400
Programme expenses - others	43,891	46,312	45,171	55,192
Provision for reinstatement (note 11)	-	26,000	-	26,000
Purchase of packing materials	86,103	64,408	-	-
Repair and maintenance	53,460	40,642	29,880	37,599
Special activities	51,280	9,865	51,280	9,865
Staff salaries and related costs	1,119,007	1,089,909	735,074	697,186
Employer's CPF for staff	164,184	158,099	109,608	103,490
Staff welfare	92,215	93,033	57,845	64,307
Storage expenses	535	58	-	-
Sub-contractor expenses	-	50,914	-	-
Subscription fee	10,597	3,649	4,279	2,126
Telecommunication expenses	13,016	12,794	6,054	5,661
Transportation and fringe	1,159	1,690	1,159	1,674
Upkeep of futsal court	13,723	2,694	13,723	2,694
Utilities	104,866	72,597	99,276	72,597
	<u>2,705,935</u>	<u>2,484,685</u>	<u>1,880,001</u>	<u>1,722,534</u>
Surplus	<u>1,239,754</u>	<u>451,830</u>	<u>1,334,977</u>	<u>481,262</u>

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13 RESTRICTED FUNDS

GROUP	RASP fund S\$	PHOL fund S\$	Educational fund S\$	Total S\$
2023				
<u>Income</u>				
Donations	-	-	-	-
Grants received	43,200	-	-	43,200
	<u>43,200</u>	<u>-</u>	<u>-</u>	<u>43,200</u>
 <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)

GROUP

2022	RASP fund S\$	PHOL fund S\$	Educational fund S\$	Total S\$
<u>Income</u>				
Donations	-	-	-	-
	-	-	-	-
<u>Less: Expenditure</u>				
RASP expenses	178,483	-	-	178,483
Unutilised fund return to donor	38,535	-	-	38,535
PHOL expenses	-	11,251	-	11,251
Educational expenses	-	-	8,632	8,632
	<u>217,018</u>	<u>11,251</u>	<u>8,632</u>	<u>236,901</u>
Deficit	<u>(217,018)</u>	<u>(11,251)</u>	<u>(8,632)</u>	<u>(236,901)</u>

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13 RESTRICTED FUNDS (CONTINUED)

CENTRE

2023	RASP fund S\$	PHOL fund S\$	Educational fund S\$	Total S\$
<u>Income</u>				
Donations	-	-	-	-
Grants received	43,200	-	-	43,200
	<u>43,200</u>	<u>-</u>	<u>-</u>	<u>43,200</u>
<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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13 RESTRICTED FUNDS (CONTINUED)

CENTRE	RASP fund S\$	PHOL fund S\$	Educational fund S\$	Total S\$
2022				
<u>Income</u>				
Donations	-	-	-	-
	-	-	-	-
<u>Less: Expenditure</u>				
RASP expenses	178,483	-	-	178,483
Unutilised fund return to donor	38,535	-	-	38,535
PHOL expenses	-	12,066	-	12,066
Educational expenses	-	-	8,632	8,632
	217,018	12,066	8,632	237,716
	<u>(217,018)</u>	<u>(12,066)</u>	<u>(8,632)</u>	<u>(237,716)</u>
Deficit				

THE NEW CHARIS MISSION & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

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 to finance the refurbishments of homes for the elderly.

(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 SURPLUS FROM UNLABELLED RUN

	GROUP AND CENTRE	
	2023 S\$	2022 S\$
<u>INCOME</u>		
Sales of merchandise	-	10
	-	10
LESS: EXPENDITURE	-	-
	-	10

15 FUNDRAISING EVENTS

	GROUP AND CENTRE	
	Income (Note 12) S\$	Expenditure (Note 12) S\$
2023		
Anniversary	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>
	GROUP AND CENTRE	
	Income (Note 12) S\$	Expenditure (Note 12) S\$
2022		
Anniversary	<u>369,013</u>	<u>26,118</u>

The total fundraising expenses is 13.00% (2022: 7.08%) of the total receipts.

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16 OTHER INCOME

	GROUP		CENTRE	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Amortisation of deferred capital grants (note 10)	63,000	63,000	20,000	20,000
Fixed deposit interest	1,008	2,372	1,008	2,372
Gain on disposal of plant and equipment	10,566	-	9,875	12,500
Gift in kind	-	6,945	-	6,945
Government grants	116,358	62,506	74,559	31,372
Job Support Scheme	-	32,705	-	18,903
Logistics and administrative support	-	-	43,200	43,200
Others	9,095	136,046	8,305	122,822
Rental rebate	-	27,766	-	27,766
	<u>200,027</u>	<u>331,340</u>	<u>156,947</u>	<u>285,880</u>

17 INCOME TAX

	GROUP	
	2023	2022
	S\$	S\$
Current taxation	-	-

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 surplus before income tax was due to the following factors:

	GROUP	
	2023	2022
	S\$	S\$
Surplus before income tax	<u>952,043</u>	<u>214,929</u>
Tax calculated at tax rate of 17%	161,847	36,538
Expenses not deductible for tax purposes	5,671	7,092
Income not taxable	(184,856)	(48,934)
Utilisation of unabsorbed losses brought forward	(1,992)	-
Current year's deferred tax assets not recognised	19,089	5,304
Others	241	-
	<u>-</u>	<u>-</u>

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.

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

18 RELATED PARTY TRANSACTIONS

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

	GROUP		CENTRE	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
<u>With key management personnel</u>				
Salaries and related costs	173,686	166,936	173,686	166,936
Employer's CPF contribution	19,624	17,802	19,624	17,802
Staff training	-	5,256	-	5,256
<u>With subsidiary</u>				
Administrative and accounting fees	-	-	30,000	30,000
Expenses paid on behalf	-	-	15,172	419
Repayment from	-	-	-	419
Rental income	-	-	9,600	9,600
Programme expenses	-	-	1,360	8,880
PHOL expenses	-	-	2,800	815
Sales of fixed asset to (motor vehicle)	-	-	-	12,500
Telecommunication expenses	-	-	600	600
Other income	-	-	3,000	3,000
Loan to	-	-	200,000	-

None of the Group's nor the Centre's staff received more than S\$100,000 (2022: S\$100,000) in annual remuneration.

Key management personnel are those persons 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:

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19 FINANCIAL RISK MANAGEMENT (CONTINUED)

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:

- (a) Policy of only dealing with creditworthy counterparties and perform ongoing credit evaluation of their counterparties' financial condition and generally do not require a collateral;
- (b) 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;
- (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 recognition of expected credit losses
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL - not credit-impaired
III	Amount is >60 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

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19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk – cont'd

Trade receivables

For trade receivables, the Group and the Centre has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Group and the Centre determines 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 estimate of future economic conditions.

As the Group and the Centre have no actual credit loss experience and it has been insignificant during the period under review and as 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 impairment loss allowance using 12 month ECL and determined that the ECL is insignificant.

The tables below detail the credit quality of the Group and the Centre's 'other receivables':

Group	12-month/ Lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Carrying amount S\$
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>
2022				
Donation receivable	12-month ECL	250,000	-	250,000
Other receivables	12-month ECL	<u>43,554</u>	<u>-</u>	<u>43,554</u>

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19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit risk – cont'd

Centre	12-month/ Lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Carrying amount S\$
2023				
Due by subsidiary	12-month ECL	203,600	-	203,600
Donation receivable	12-month ECL	250,000	-	250,000
Other receivables	12-month ECL	<u>74,888</u>	<u>-</u>	<u>74,888</u>
2022				
Due by subsidiary	12-month ECL	3,600	-	3,600
Donation receivable	12-month ECL	250,000	-	250,000
Other receivables	12-month ECL	<u>43,554</u>	<u>-</u>	<u>43,554</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.

<u>GROUP</u>	Within 1 year S\$	Between 1 and 5 years S\$	Total S\$
<u>2023</u>			
Trade and other payables	49,690	-	49,690
Lease liabilities	390,201	663,042	1,053,243
	<u>439,891</u>	<u>663,042</u>	<u>1,102,933</u>
<u>2022</u>			
Trade and other payables	55,789	-	55,789
Lease liabilities	248,286	-	248,286
	<u>304,075</u>	<u>-</u>	<u>304,075</u>

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NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

19 FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (Continued)

<u>CENTRE</u>	Within 1 year S\$	Between 1 and 5 years S\$	Total S\$
<u>2023</u>			
Trade and other payables	34,072	-	34,072
Lease liabilities	241,256	439,570	680,826
	<u>275,328</u>	<u>439,570</u>	<u>714,898</u>
<u>2022</u>			
Trade and other payables	44,277	-	44,277
Lease liabilities	226,198	-	226,198
	<u>270,475</u>	<u>-</u>	<u>270,475</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. Tax-exempt receipts issued for donations received during the year amounted to S\$1,759,734 (2022: S\$971,963).

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 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 & ITS SUBSIDIARY CORPORATIONS

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 2023

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	
	2023	2022	2023	2022
	S\$	S\$	S\$	S\$
Financial assets				
Trade and other receivables	451,204	391,083	629,653	364,967
Cash and cash equivalents	2,938,662	2,221,063	2,649,743	1,971,401
	<u>3,389,866</u>	<u>2,612,146</u>	<u>3,279,396</u>	<u>2,336,368</u>
Financial liabilities				
Trade and other payables	49,690	55,789	34,072	44,277
Lease liabilities	984,006	242,493	633,181	220,856
	<u>1,033,696</u>	<u>298,282</u>	<u>667,253</u>	<u>265,133</u>

24 AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Group for the year ended 31 March 2023 were authorised for issue by the Management Committee on 11 December 2023.