

**HABITAT FOR HUMANITY
SINGAPORE LTD**

[UEN. 200201617W]
[A Company limited by guarantee and not
Having share capital]
[Incorporated in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
30 JUNE 2024**

CONTENTS

Directors’ Statement	2
Independent Auditor’s Report	4
Statement of Financial Activities	7
Statement of Financial Position	8
Statement of Changes in Funds	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

Fiducia LLP

[UEN. T10LL0955L]
Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

DIRECTORS' STATEMENT

The directors present their statement to the members together with the audited financial statements of Habitat For Humanity Singapore Ltd (the "Company") for the financial year ended 30 June 2024.

In the opinion of the directors,

- a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 30 June 2024 and the financial performance, changes in funds and cash flows of the Company for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Sharon Cheah Ui Hoon	
Richard Giam Kee Choo	
Christina Lu Qiuxia	
Low Wye Yee	
Chua Wee Kiong Timothy	
See Han Chiang Daniel	
Liew Tian Seng, Alvin	
Shih Hiong Shing Leslie	(Appointed on 18 September 2023)
Rainford Sobanan Kyle Sittampalam	(Appointed on 18 September 2023)
Lydia Kam Yan Leng	(Appointed on 18 September 2023)
Chan Bing Hung Ivan	(Resigned on 7 September 2023)
Ng Siew Geck	(Resigned on 7 September 2023)
Khoo Su Yin, Adeline	(Resigned on 20 March 2024)
Thomas Lim Kia Hwee	(Resigned on 20 March 2024)

Arrangements to enable directors to acquire shares or debentures

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

Other matters

As the Company is limited by guarantee, matters relating to interest in shares, debenture or share options are not applicable.

DIRECTORS' STATEMENT (CONT'D)

Independent auditor

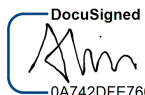
The independent auditor, Messrs. Fiducia LLP, Public Accountants and Chartered Accountants of Singapore, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

Signed by:

442C941D33484A0...
See Han Chiang Daniel
Director

Singapore, 9 December 2024

DocuSigned by:

0A742DFE7602484...
Liew Tian Seng, Alvin
Director

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Independent auditor's report to the member of:

Habitat For Humanity Singapore Ltd

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

We have audited the financial statements of Habitat For Humanity Singapore Ltd (the "Company"), which comprise the statement of financial position as at 30 June 2024, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "Companies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard ("CAS"), so as to give a true and fair view of the financial position of the Company as at 30 June 2024 and of the financial performance, changes in funds and cash flows of the Company for the financial year then ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (set out on pages 2 to 3), but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

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.

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(CONT'D)

Independent auditor's report to the member of:

Habitat For Humanity Singapore Ltd
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Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance comprises the directors. Their responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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(CONT'D)

Independent auditor's report to the member of:

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

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


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

Report on Other Legal and Regulatory Requirements

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

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

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

DocuSigned by:

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Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 9 December 2024

Partner in charge: Gan Chek Huat
PAB No.: 01939

Habitat For Humanity Singapore Ltd
[UEN. 200201617W]

Audited Financial Statements
Financial Year Ended 30 June 2024

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 S\$	2023 S\$ (Restated)
INCOME			
Incoming resources from generated funds			
- Voluntary income		1,253,452	801,027
- Fund generating activities		130	102,040
- Investment income		2,214	55,657
Income from charitable activities		608,186	784,969
Other income		29,976	18,522
	4	<u>1,893,958</u>	<u>1,762,215</u>
EXPENDITURE			
Cost of generating funds			
- Cost of generating voluntary income		36,087	23,298
- Cost of fund generating activities		87,223	56,241
Charitable activities		1,036,968	1,099,788
Governance and administrative costs		378,293	210,847
Other expenditure		0	32,611
	7	<u>1,538,571</u>	<u>1,422,785</u>
NET INCOME FOR THE FINANCIAL YEAR		<u><u>355,387</u></u>	<u><u>339,430</u></u>

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

Habitat For Humanity Singapore Ltd
[UEN. 200201617W]

Audited Financial Statements
Financial Year Ended 30 June 2024

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2024

	Note	2024 S\$	2023 S\$ (Restated)
ASSETS			
Current assets			
Cash and cash equivalents	9	4,780,269	4,351,184
Receivables	10	<u>21,525</u>	<u>89,582</u>
		<u>4,801,794</u>	<u>4,440,766</u>
Non-current assets			
Property, plant and equipment	11	<u>16,971</u>	<u>28,222</u>
Total assets		<u>4,818,765</u>	<u>4,468,988</u>
LIABILITIES			
Current liabilities			
Payables	12	<u>43,759</u>	<u>49,369</u>
Total liabilities		<u>43,759</u>	<u>49,369</u>
NET ASSETS		<u>4,775,006</u>	<u>4,419,619</u>
FUNDS			
Unrestricted funds			
General fund	13	3,675,006	3,234,920
Reserve fund	13	<u>1,100,000</u>	<u>1,100,000</u>
		<u>4,775,006</u>	<u>4,334,920</u>
Restricted funds			
Local programme	14	0	(152,457)
Build programme	14	<u>0</u>	<u>237,156</u>
		<u>0</u>	<u>84,699</u>
TOTAL FUNDS		<u>4,775,006</u>	<u>4,419,619</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024**

2024	Unrestricted funds			Restricted funds			Total funds
	General fund	Reserve fund	Total	Local programme	Build programme	Total	
Balance at beginning of financial year	3,234,920	1,100,000	4,334,920	(152,457)	237,156	84,699	4,419,619
Net income/(expenditure) for the financial year	790,415	0	790,415	(87,424)	(347,604)	(435,028)	355,387
Transfer of funds (Note 14)	(350,329)	0	(350,329)	239,881	110,448	350,329	0
Balance at end of financial year	<u>3,675,006</u>	<u>1,100,000</u>	<u>4,775,006</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,775,006</u>

2023	Unrestricted funds			Restricted funds			Total funds
	General fund	Reserve fund	Total	Local programme	Build programme	Total	
As at 30 June 2022	2,575,841	1,100,000	3,675,841	160,147	244,201	404,348	4,080,189
Net income/(expenditure) for the financial year	631,406	0	631,406	(328,981)	(38,867)	(367,848)	263,558
As at 30 June 2023, as previously reported	3,207,247	1,100,000	4,307,247	(168,834)	205,334	36,500	4,343,747
Restatement (Note 21)	27,673	0	27,673	16,377	31,822	48,199	75,872
As at 30 June 2023, as restated	<u>3,234,920</u>	<u>1,100,000</u>	<u>4,334,920</u>	<u>(152,457)</u>	<u>237,156</u>	<u>84,699</u>	<u>4,419,619</u>

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

	Note	2024 S\$	2023 S\$ (Restated)
Cash flows from operating activities			
Net income for the financial year		355,387	339,430
Adjustments for:			
- Depreciation of property, plant and equipment	11	13,100	19,207
- Gain on disposal of property, plant and equipment		(400)	(1)
- Interest income		(2,214)	(55,657)
Operating cash flow before changes in working capital		365,873	302,979
Changes in working capital			
- Receivables		31,810	96,183
- Payables		(5,610)	(241,203)
Cash generated from operations		392,073	157,959
- Interest income received		38,461	19,410
Net cash generated from operating activities		<u>430,534</u>	<u>177,369</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		400	1
Purchases of property, plant and equipment	11	(1,849)	(3,151)
Net cash used in investing activities		<u>(1,449)</u>	<u>(3,150)</u>
Net increase in cash and cash equivalents		429,085	174,219
Cash and cash equivalents at beginning of financial year		<u>4,351,184</u>	<u>4,176,965</u>
Cash and cash equivalents at end of financial year	9	<u><u>4,780,269</u></u>	<u><u>4,351,184</u></u>

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2024

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

1. General information

Habitat For Humanity Singapore Ltd (the "Company") is incorporated and domiciled in Singapore. The Company's registered office and principal place of business is located at 56 Lorong 23 Geylang, #05-00, Century Technology Building, Singapore 388381.

The Company is a registered charity under the Charities Act 1994 since 27 April 2004, and has been accorded the status of an Institutions of Public Character ("IPC") for the period from 9 March 2021 to 8 March 2023 and has renewed its IPC status from 9 March 2023 to 8 March 2025.

The principal activities of the Company are those of promoting global habitat for humanity development by developing awareness and youth development programmes locally and beyond.

Each ordinary member undertakes to contribute to the assets of the Company in the event of it being wound up while he is a member, or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company contracted before he ceases to be a member and of the costs, charges and expenses of winding up, such amount as may be required but not exceeding \$100. As of the reporting date, the Company has 10 members (2023: 11 members).

2. Material accounting policy information**2.1 Basis of preparation**

The financial statements have been prepared in accordance with the Charities Accounting Standard ("CAS") and the disclosure requirements of the Companies Act 1967 and Charities Act 1994. The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S\$"), which is the Company's functional currency.

The accounting policies adopted are consistent with those used in the previous financial year.

The preparation of these financial statements requires management to exercise its judgement in applying the Company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

The management has assessed that the going concern basis of preparation for this set of financial statements remains appropriate.

2. Material accounting policy information (Cont'd)**2.2 Income recognition**

Income is included in the statement of financial activities when the following three factors are met:

- The Company becomes entitled to the income;
- Management is virtually certain that they will receive the income; and
- The monetary value can be measured with sufficient reliability.

The following specific recognition criteria must also be met before income is recognised:

(a) Income from generated funds

- Voluntary income in the form of donations and activities for generating funds are recognised when received with unconditional entitlement to the receipts.
- Fund generating activities include income generated by fundraising events specifically to raise funds for the Company is recognised upon completion of events.
- Investment income comprised of interest earned from fixed deposits placed with banks, recognised on a time-proportion basis using the effective interest method.

(b) Income from charitable activities

Composed of donations from individuals and corporations for the programmes run by the Company. These are recognised as income once the criteria of certainty and measurement are met.

(c) Other income

Comprised of government credits, refunds, reimbursements, services rendered and are recognised as and when received.

2.3 Government grants

Grants including those for the acquisition of property, plant and equipment are recognised as income when there is evidence of entitlement, which will normally exist when the grant is formally expressed in writing. Where entitlement is demonstrable and no conditions are attached, such promises are recognised as income once the criteria of certainty and measurement are met.

Grants with conditions attached are only recognised as income when there is sufficient evidence that the conditions have been met. Income is deferred as a liability where uncertainty exists as to whether the Company can meet the conditions and is recognised as income when there is sufficient evidence that the conditions imposed can be met.

2.4 Expenditure recognition

Expenditure are recognised in the statement of financial activities once the goods or services have been received unless the expenditure qualifies for capitalisation as assets such as inventory and property, plant and equipment. Expenditure on performance-related grants are recognised to the extent the specified service or goods have been provided. Expenditure in the statement of financial activities are classified under the cost of generating funds, cost of charitable activities, governance and administrative costs and other expenditure.

2. Material accounting policy information (Cont'd)

2.4 Expenditure recognition (Cont'd)

(a) Cost of generating funds

These costs are directly attributable to the fund-raising activities, separate from those costs incurred in undertaking charitable activities. These costs are met by contributions in the form of cash sponsorships and grants.

(b) Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the Company. The total costs of charitable expenditure include an apportionment of overhead and shared costs.

(c) Governance and administrative costs

Governance costs include the cost of governance arrangement, which related to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

(d) Other expenditure

Other expenditure includes the payment of any expenditure that the Company has not been able to analyse within the main expenditure categories.

2.5 Financial assets

2.5.1 Recognition and measurement

Receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

Receivables in financial assets are subsequently measured at cost less accumulated impairment losses.

2.5.2 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

2.5.3 Impairment

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of receivables is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities within "Governance and administrative costs".

2. Material accounting policy information (Cont'd)

2.5 Financial assets (Cont'd)

2.5.3 Impairment (Cont'd)

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed. The reversal will not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

2.6 Property, plant and equipment

2.6.1 Measurement

All property, plant and equipment are stated at cost less accumulated depreciation. All items of property, plant and equipment are initially recorded at cost. Fully depreciated assets still in use are retained in the financial statements.

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

- It is probable that future economic benefits associated with the item will flow to the Company; and
- The cost of the item can be measured reliably.

The cost of an item of property, plant and equipment comprises all of the following:

- a) Its purchase price, including legal and brokerage fees, import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- b) Any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. These can include the costs of site preparation, initial delivery and handling, installation and assembly, and testing of functionality; and
- c) The initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which the Company incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during the period.

Property, plant and equipment are not revalued and are not required to be assessed for impairment under CAS.

2.6.2 Depreciation

Depreciation is calculated on a straight line basis to allocate the cost of the assets less residual values over their estimated useful lives. The estimated useful lives are as follows:

	<u>Years</u>
Furniture and fittings	5 to 10
Renovation	10
Vehicles	5
Computers	3
Software development	3

2. Material accounting policy information (Cont'd)**2.6 Property, plant and equipment****2.6.2 Depreciation (Cont'd)**

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the statement of financial activities in the financial year in which the changes arise.

Fully depreciated assets still in use are retained in the financial statements.

2.6.3 Disposal

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 recognised in the statement of financial activities in the year the asset is derecognised.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of changes in values.

2.8 Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual provisions of the financial instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities includes "Payables".

Financial liabilities is derecognised when the obligations under the liability is discharged or cancelled or expires. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

2.9 Other payables

Other payables excluding accruals, are recognised at their transaction price, excluding transaction cost, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.10 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. The amount of provision recognised is the best estimate of the expenditure required to settle the obligation at the reporting date. The best estimate of the expenditure required to settle the obligation is the amount that would rationally be paid to settle the obligation at the reporting date or to transfer it to a third party.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation at the reporting date. Any adjustments to the amounts previously recognised shall be recognised as expenditure in the statement of financial activities unless the provision was originally recognised as part of the cost of an asset.

2. Material accounting policy information (Cont'd)

2.11 Employee benefits

(a) Defined contribution plan

As required by law, the Company contributes to the employee's Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to CPF contributions are recognised as compensation expenses in the same period as the employment that gives rise to the contribution.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The undiscounted liability for leave expected to be settled wholly before twelve months after the end of the reporting period is recognised for services rendered by employees up to the end of the reporting period.

2.12 Operating leases as lessee

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to the statement of financial activities.

2.13 Funds

(a) Unrestricted funds

The Company classifies the following funds as unrestricted assets:

- General fund
- Reserve fund

General fund is used for the general purposes of the Company as set out in its governing document. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separate fund (known as "Designated Fund"). The designation has an administrative purpose only, and does not legally restrict the Board of Directors' discretion from applying the fund.

(b) Restricted funds

Restricted funds are funds subject to specific funded programmes by government, donors and charity bodies, but still within the wider objects of the Company.

Restricted funds may only be utilised in accordance with the purposes established by the sources of such funds and are in contrast with unrestricted funds over which the board of directors retains full control to use in achieving its institutional purposes.

The Company classifies the following funds as restricted funds:

- Local programme
- Build programme

2. Material accounting policy information (Cont'd)**2.13 Foreign currencies**

Transactions in foreign currencies are measured in Singapore Dollar and recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at the reporting date. All exchange differences are recognised in the statement of financial activities.

2.14 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.15 Events after the reporting date

Events after the reporting date that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical judgements in applying the entity's accounting policies

In the process of applying the Company's accounting policies, the management has made certain judgements, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

Government grants

Government grants to meet operating expenses are recognised as income in the statement of financial activities on the accrual basis in the financial year these operating expenses were incurred and there is reasonable assurance that the Company will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Company if the conditions are not met.

At the reporting date, the management assessed the Company has met the conditions attached to the grants.

3.2 Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that 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.

Useful lives of property, plant and equipment

The useful life of an item of property, plant and equipment are estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Company's property, plant and equipment as at 30 June 2024 and 30 June 2023 were disclosed in Note 11.

Habitat For Humanity Singapore Ltd
[UEN. 200201617W]

Audited Financial Statements
Financial Year Ended 30 June 2024

4. Income

		2024					2023	
		Unrestricted Fund		Restricted Funds				
	Note	General Fund S\$	Total Unrestricted Fund S\$	Local Programme S\$	Build Programme S\$	Total Restricted Funds S\$	Total Funds S\$	Total Funds S\$
Incoming resources from generated funds								
<u>Voluntary income</u>								
- Donations-in-cash	5	753,452	753,452	0	0	0	753,452	539,917
- Government grants	6	500,000	500,000	0	0	0	500,000	261,110
		1,253,452	1,253,452	0	0	0	1,253,452	801,027
<u>Fund generating activities</u>								
- Fund-raising event	5, 18	0	0	0	0	0	0	101,994
- Sales of merchandise		130	130	0	0	0	130	46
		130	130	0	0	0	130	102,040
<u>Investment income</u>								
- Interest income from banks		2,214	2,214	0	0	0	2,214	55,657
Income from charitable activities								
Programme income	5	0	0	409,378	198,808	608,186	608,186	784,969
Other income								
Gain on disposal of property, plant and equipment		400	400	0	0	0	400	1
CPF transition offset		111	111	0	0	0	111	165
Government paid leave		893	893	0	0	0	893	2,906
Progressive wage credit scheme		26,613	26,613	0	0	0	26,613	15,303
Senior employment credit		1,473	1,473	0	0	0	1,473	147
Net foreign exchange gain		0	0	0	70	70	70	0
Miscellaneous income		328	328	88	0	88	416	0
		29,818	29,818	88	70	158	29,976	18,522
TOTAL INCOME		1,285,614	1,285,614	409,466	198,878	608,344	1,893,958	1,762,215

Habitat For Humanity Singapore Ltd
[UEN. 200201617W]

Audited Financial Statements
Financial Year Ended 30 June 2024

5. Donations

		2024 S\$	2023 S\$
Tax deductible donations		887,902	834,011
Non-tax deductible donations		<u>473,736</u>	<u>592,869</u>
		<u>1,361,638</u>	<u>1,426,880</u>
		2024 S\$	2023 S\$
The donations were allocated as follows:	Note		
- Donations-in-cash	4	753,452	539,917
- Fund-raising event	4	0	101,994
- Programme income	4	<u>608,186</u>	<u>784,969</u>
		<u>1,361,638</u>	<u>1,426,880</u>

During the financial year, the Company issued tax-exempt receipts for donations collected amounting to S\$888,302 (2023: S\$822,465) pursuant to its Institutions of a Public Character ("IPC") status.

6. Government grants

	Note	2024 S\$	2023 S\$
Tech-and-GO! grant		0	11,110
Toteboard		<u>500,000</u>	<u>250,000</u>
	4	<u>500,000</u>	<u>261,110</u>

Habitat For Humanity Singapore Ltd
[UEN. 200201617W]

Audited Financial Statements
Financial Year Ended 30 June 2024

7. Expenditure

	Note	2024					2023
		Unrestricted Fund		Restricted Funds			(Restated)
		General Fund S\$	Total Unrestricted Fund S\$	Local Programme S\$	Build Programme S\$	Total Restricted Funds S\$	Total Funds S\$
Cost of generating funds							
<u>Cost of generating voluntary income</u>							
- Use of Habitat brand	16	36,087	36,087	0	0	0	36,087
<u>Cost of fund generating activities</u>							
- Salaries, benefits and related costs	8	47,546	47,546	0	0	0	47,546
- CPF	8	11,887	11,887	0	0	0	11,887
- Event expenses		11,315	11,315	0	0	0	11,315
- Other expenses		7,191	7,191	0	0	0	7,191
- Office rental expenses		8,056	8,056	0	0	0	8,056
- Depreciation		1,228	1,228	0	0	0	1,228
		87,223	87,223	0	0	0	87,223
Total cost of generating funds		123,310	123,310	0	0	0	123,310
							79,539

7. Expenditure (Cont'd)

2024							2023	
							(Restated)	
Note	Unrestricted Fund		Restricted Funds			Total Funds	Total Funds	
	General Fund S\$	Total Unrestricted Fund S\$	Local Programme S\$	Build Programme S\$	Total Restricted Funds S\$			
Cost of charitable activities								
- Salaries, benefits and related costs	8	0	0	295,376	129,232	424,608	424,608	709,905
- CPF	8	0	0	49,670	21,875	71,545	71,545	108,415
- Other staff benefits	8	0	0	2,027	898	2,925	2,925	16,926
- Use of Habitat brand	16	0	0	10,178	7,674	17,852	17,852	17,484
- Bank charges		0	0	2,087	1,657	3,744	3,744	3,801
- Depreciation		0	0	6,927	1,998	8,925	8,925	13,325
- Equipment expenses		0	0	0	0	0	0	33
- General expenses		0	0	11,928	2,787	14,715	14,715	8,487
- Office rental expenses		0	0	45,436	13,105	58,541	58,541	51,906
- Office supplies		0	0	712	302	1,014	1,014	228
- Photocopies		0	0	192	56	248	248	392
- Postage and courier		0	0	166	48	214	214	90
- Programme costs		0	0	42,581	359,285	401,866	401,866	138,706
- Repairs and maintenance		0	0	6,957	1,882	8,839	8,839	9,419
- Telephone and fax		0	0	2,218	601	2,819	2,819	2,371
- Training		0	0	452	110	562	562	866
- Transportation		0	0	7,138	645	7,783	7,783	6,300
- Travelling		0	0	2,983	1,970	4,953	4,953	5,802
- Utilities		0	0	4,513	1,302	5,815	5,815	5,332
		0	0	491,541	545,427	1,036,968	1,036,968	1,099,788

Habitat For Humanity Singapore Ltd
[UEN. 200201617W]

Audited Financial Statements
Financial Year Ended 30 June 2024

7. Expenditure (Cont'd)

	Note	2024					2023
		Unrestricted Fund		Restricted Funds			(Restated)
		General Fund S\$	Total Unrestricted Fund S\$	Local Programme S\$	Build Programme S\$	Total Restricted Funds S\$	Total Funds S\$
Governance and administrative costs							
- Salaries, benefits and related costs	8	268,770	268,770	0	0	0	268,770
- CPF	8	41,199	41,199	0	0	0	41,199
- Other staff benefits	8	16,407	16,407	0	0	0	16,407
- Audit fee		7,848	7,848	0	0	0	7,848
- Depreciation		2,948	2,948	0	0	0	2,948
- Equipment expenses		0	0	0	0	0	0
- General expenses		3,623	3,623	0	0	0	3,623
- Insurance		2,710	2,710	5,349	1,055	6,404	9,114
- Office rental expenses		19,335	19,335	0	0	0	19,335
- Professional fees		1,382	1,382	0	0	0	1,382
- Transportation		0	0	0	0	0	0
- Travelling		1,207	1,207	0	0	0	1,207
- Photocopies		82	82	0	0	0	82
- Repairs and maintenance		2,777	2,777	0	0	0	2,777
- Utilities		1,921	1,921	0	0	0	1,921
- Telephone and fax		886	886	0	0	0	886
- Training		375	375	0	0	0	375
- Bank charges		229	229	0	0	0	229
- Office supplies		154	154	0	0	0	154
- Postage and courier		36	36	0	0	0	36
		<u>371,889</u>	<u>371,889</u>	<u>5,349</u>	<u>1,055</u>	<u>6,404</u>	<u>378,293</u>
Other expenditure							
- Net foreign exchange losses		0	0	0	0	0	0
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>32,611</u>
TOTAL EXPENDITURE		<u>495,199</u>	<u>495,199</u>	<u>496,890</u>	<u>546,482</u>	<u>1,043,372</u>	<u>1,538,571</u>
							<u>1,422,785</u>

Habitat For Humanity Singapore Ltd
[UEN. 200201617W]

Audited Financial Statements
Financial Year Ended 30 June 2024

8. Staff costs

	Note	2024 S\$	2023 S\$ (Restated)
Employer's CPF contribution		121,118	133,031
Fringe benefits		18,444	28,184
Salaries, allowances and bonuses		743,722	853,937
Skill development fund		1,603	1,761
		<u>884,887</u>	<u>1,016,913</u>
The staff costs were allocated as follows:			
• Costs of generating funds	7	59,433	25,341
• Charitable activities	7	499,078	835,246
• Governance and administrative costs	7	326,376	156,326
		<u>884,887</u>	<u>1,016,913</u>

9. Cash and cash equivalents

	2024 S\$	2023 S\$
Cash on hand	5,842	5,837
Cash at bank	2,845,950	2,455,331
Fixed deposits	1,928,477	1,890,016
	<u>4,780,269</u>	<u>4,351,184</u>

The fixed deposits will mature within 1 month (2023: 1 month) from the financial year end and earn an interest rate of 0.10% to 0.40% (2023: 0.40% to 4.00%) per annum.

Fixed deposit with original tenures for more than 3 months are included as cash and cash equivalents as these can be readily converted into cash without incurring significant penalty.

Cash and cash equivalents at the reporting date were denominated in the following currencies:

	2024 S\$	2023 S\$
Singapore Dollar	4,561,373	4,033,285
United States Dollar	218,883	317,886
Others	13	13
	<u>4,780,269</u>	<u>4,351,184</u>

10. Receivables

	2024 S\$	2023 S\$
Deposits	21,525	18,380
Interest receivables	0	36,247
Receivables from third parties	0	34,955
	<u>21,525</u>	<u>89,582</u>

11. Property, plant and equipment

	Vehicles S\$	Renovation S\$	Furniture and fittings S\$	Computers S\$	Software development S\$	Total S\$
Cost						
At 1 July 2022	179,520	20,779	88,296	72,707	64,200	425,502
Additions	0	0	0	3,151	0	3,151
Disposal	0	0	0	(5,713)	0	(5,713)
At 30 June 2023	179,520	20,779	88,296	70,145	64,200	422,940
Additions	0	0	0	1,849	0	1,849
Disposal	0	0	0	(2,000)	0	(2,000)
Write-off	0	0	0	(1,614)	0	(1,614)
At 30 June 2024	179,520	20,779	88,296	68,380	64,200	421,175
Accumulated depreciation						
At 1 July 2022	179,520	10,390	70,712	56,402	64,200	381,224
Depreciation	0	0	7,920	11,287	0	19,207
Disposal	0	0	0	(5,713)	0	(5,713)
At 30 June 2023	179,520	10,390	78,632	61,976	64,200	394,718
Depreciation	0	2,078	2,671	8,351	0	13,100
Disposal	0	0	0	(2,000)	0	(2,000)
Write-off	0	0	0	(1,614)	0	(1,614)
At 30 June 2024	179,520	12,468	81,303	66,713	64,200	404,204
Carrying amount						
30 June 2023	0	10,389	9,664	8,169	0	28,222
30 June 2024	0	8,311	6,993	1,667	0	16,971

12. Payables

	2024 S\$	2023 S\$ (Restated)
Accruals	16,507	8,500
Amount due to a related party	20,252	26,869
Deferred income	7,000	14,000
	<u>43,759</u>	<u>49,369</u>

At the reporting date, deferred income relates to the unrecognised income for the housing projects funded by Bloomberg Singapore Pte. Ltd. for 3 House project.

13. Unrestricted funds

General Fund

This is a general-purpose fund to be used for non-specific purpose at the discretion of the directors in furtherance of the Company's objects.

Reserve Fund

This fund is set aside to meet urgent operating expenses in the event where there is a shortfall of current donations to enable the Company to meet current operating liabilities. The use of the reserve must be approved by the Board of the Company.

14. Restricted funds

14.1 Local Programme

This is a programme to help old folks by cleaning and repairing their 1-room and 2-room rental flats in Singapore and reaching out to youth at risk.

14.2 Build Programme

This fund is received from volunteers participating in overseas build programmes conducted by the Company.

14.3 Transfer of funds

On 9 December 2024, the Board of Directors approved the transfer of S\$350,329, from general fund to respective restricted funds for the financial year ended 30 June 2024 as follow to cover the operating deficit of those programmes:

	2024 S\$
Local programme	239,881
Build programme	110,448
	<u>350,329</u>

15. Income tax

The Company is a registered Charity under the Charities Act 1994 since 27 April 2004. Consequently, the income is exempted from income tax under provision of Section 13(1) of the Income Tax Act 1947.

16. Related party transactions

a) The following transactions took place between the Company and related party during the financial year at terms agreed between the parties:

	2024 S\$	2023 S\$
<u>With Habitat for Humanity International, Inc.</u>		
Management fee – Use of Habitat brand	<u>53,939</u>	<u>40,782</u>

Habitat for Humanity International, Inc. (“HFHI”) through various agreements and covenants has an ability to exercise significant influence over the financial and operating decisions of the Company. The directors therefore regard HFHI as a related party.

- HFHI under the Memorandum of Understanding signed with the Company agrees to:
- i. Provide technical assistance, strategic consulting services and program review as mutually agreed; and
 - ii. Provide funding support through cooperative fundraising efforts in response to specific approved Company’s proposal.

16. Related party transactions (Cont'd)**b) Key management personnel compensation**

None of the directors received any compensation during the current financial year and prior financial year.

The remuneration of the key management personnel, other than the directors, for the financial year is as follows:

	2024 S\$	2023 S\$
Salaries, allowance and bonuses	44,060	135,197
CPF and SDL contributions	5,440	13,041
	<u>49,500</u>	<u>148,238</u>
	No. of key management personnel	No. of key management personnel
Remuneration band		
- S\$100,000 and below	<u>1</u>	<u>2</u>

17. Operating lease commitments

The Company has entered into commercial lease on office premises and warehouse usage. During the financial year, the lease for office premises was renewed for another 3 years starting from 1 January 2024. For the financial year ended 30 June 2024, the rental expense amounted to S\$85,932 (2023: S\$85,909). At the reporting date, the lease for the office premises has a remaining tenure of 30 months (2024: 6 months). At the reporting date, the lease for the warehouse usage has 0 months remaining term (2023: 8 months). There is no contingent rent provision included in both contracts.

Office rental expenses were allocated as follows:

	Note	2024 S\$	2023 S\$
General fund			
- Costs of generating funds	7	8,056	7,950
- Governance and administrative costs	7	19,335	26,053
Local programme			
- Charitable activities	7	45,436	41,843
Build programme			
- Charitable activities	7	<u>13,105</u>	<u>10,063</u>
		<u>85,932</u>	<u>85,909</u>

Future minimum lease payments payable under non-cancellable operating lease as at year-end are as follows:

	2024 S\$	2023 S\$
Within one financial year	86,328	37,236
Within two to five financial years	<u>215,820</u>	<u>0</u>
	<u>302,148</u>	<u>37,236</u>

18. Fund-raising expenses

	Note	2024 S\$	2023 S\$
Gross donations	4	0	101,994
Direct cost of fund-raising expenses		0	4,543
Percentage of direct fund-raising expenses over gross donations		0	4.45%

For the financial year ended 30 June 2023, the Company kept their fund-raising efficiency ratio below 30%. This is commonly known as the 30/70 rule. There is no fund-raising event held during the financial year.

19. Reserve position and policy

The Company's reserve position for the financial years ended 30 June 2024 and 30 June 2023 are as follows:

		2024	2023	Increase/ (decrease)
		S\$'000	S\$'000	%
			(Restated)	
A	Unrestricted Funds			
	General Fund	3,675	3,235	13.60
	Reserve Fund	1,100	1,100	0
B	Restricted or Designated Funds			
	Local Programme	0	(152)	(100.00)
	Build Programme	0	237	(100.00)
C	Endowment Fund	N/A	N/A	
D	Total Funds	4,775	4,420	8.03
E	Total Annual Operating Expenditure	1,539	1,423	8.15
F	Ratio of Funds to Annual Operating Expenditure (D/E)	3.10	3.11	

Reference:

- C. An endowment fund consists of assets, funds or properties that are held in perpetuity, which produce annual income flow for a foundation to spend as grants.
- D. Total Funds include unrestricted, restricted / designated and endowment funds.
- E. Total Annual Operating Expenditure includes expenses related to direct Cost of Generating Funds, Cost of Charitable Activities and Governance and Administrative costs.

The Company's reserve policy is as follows:

The reserve of the Company provides financial stability and the means for the development of the Company's activities. The Board intends to maintain the reserves at a level sufficient for its operating needs. Management reviews the level of reserves regularly for the Company's continuing obligations.

20. Management of conflict interest

During the current and previous financial year, none of the Board members received any remuneration from the Company.

Board and Management members are required to disclose any interest that they may have, whether directly or indirectly, that the Company may enter into or in any organisations that the Company has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Company's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

21. Comparative figures

- a) Restatement have been made to the prior year's financial statements as follows:

The comparative figures for the financial year ended 30 June 2023 have been restated in these financial statements due to the incorrect recognition of provision for post-employment benefits.

The effect of the restatement is summarised as follows:

	As previously reported S\$	Restatement S\$	As restated S\$
<u>30.06.2023</u>			
Statement of financial activities			
Charitable activities	1,147,987	(48,199)	1,099,788
Governance and administrative costs	238,520	(27,673)	210,847
Statement of financial position			
<u>Current liabilities</u>			
Payables	125,241	(75,872)	49,369
<u>Funds</u>			
General fund	3,207,247	27,673	3,234,920
Local programme	(168,834)	16,377	(152,457)
Build programme	205,334	31,822	237,156

- b) Certain reclassifications have been made to the comparative information to enhance comparability with current year's financial statements.

The following reclassifications have been made:

	As previously reported S\$	Reclassification S\$	As reclassified S\$
<u>30.06.2023</u>			
Statement of financial activities			
Voluntary income	819,548	(18,521)	801,027
Other income	1	18,521	18,522

22. Authorisation of financial statements

The financial statements for the financial year ended 30 June 2024 were authorised for issue in accordance with a resolution of the Board of Directors on 9 December 2024.