

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 2021

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 2021.

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 2021 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:

Chan Bing Hung Ivan
Choo Chin Tuan Theodore
Christine Lee Yip Yin
Foo Chai Yee
Khoo Su Yin, Adeline
Lim Cheng Huang
Ng Siew Geck
Sharon Cheah Ui Hoon
Thomas Lim Kia Hwee
Timothy Paul Nichols
Usha Murli Menon
Joseph Junior Scaria

(Resigned on 06.04.2021)

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.

Independent auditors

The independent auditors, 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,

DocuSigned by:

4B36662EE24D44C...

Foo Chai Yee
Director

DocuSigned by:

4C0731579D76441...

Lim Cheng Huang
Director

Singapore, 28 September 2021

Fiducia LLPPublic Accountants and
Chartered Accountants of Singapore71 Ubi Crescent
Excalibur Centre #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

Independent auditor's report to the member of:

Habitat For Humanity Singapore Ltd[UEN. 200201617W]
[A Company limited by guarantee and not having share
capital]
[Incorporated in the Republic of Singapore]**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 2021, and the statement of financial activities, statement of changes in funds and statement 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 Singapore Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standards ("CAS"), so as to give a true and fair view of the financial position of the Company as at 30 June 2021 and of the financial performance, changes in funds and cash flows of the Company for the 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 Matter

The financial statements of the Company for the financial year ended 30 June 2020, were audited by another firm of auditors who expressed an unmodified opinion on those statements on 31 August 2020.

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.

Fiducia LLPPublic Accountants and
Chartered Accountants of Singapore71 Ubi Crescent
Excalibur Centre #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

(CONT'D)

Independent auditor's report to the member of:

Habitat For Humanity Singapore Ltd[UEN. 200201617W]
[A Company limited by guarantee and not having share
capital]
[Incorporated in the Republic of Singapore]**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 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.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

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

(CONT'D)

Independent auditor's report to the member of:

Habitat For Humanity Singapore Ltd

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

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:

- (a) 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
- (b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

DocuSigned by:


A863FCC12BAB474...

Fiducia LLP
Public Accountants and
Chartered Accountants

Singapore, 28 September 2021

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	Note	2021 S\$	2020 S\$
INCOME			
Incoming resources from generated funds			
- Voluntary income	4	1,131,531	931,491
- Fund generating activities	4	214	75
- Investment income	4	3,292	57,484
Income from charitable activities	4	2,653,978	2,290,431
Other income	4	0	11,242
		<u>3,789,015</u>	<u>3,290,723</u>
EXPENDITURE			
Cost of generating funds			
- Cost of generating voluntary income	7	33,460	20,898
- Cost of fund generating activities	7	85,429	135,583
Charitable activities	7	3,094,737	2,796,272
Governance and administrative costs	7	271,088	310,030
		<u>3,484,714</u>	<u>3,262,783</u>
NET INCOME FOR THE FINANCIAL YEAR		<u>304,301</u>	<u>27,940</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 2021

STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021 S\$	2020 S\$
ASSETS			
Current assets			
Cash and cash equivalents	9	4,106,550	4,034,262
Receivables	10	<u>271,293</u>	<u>336,112</u>
		<u>4,377,843</u>	<u>4,370,374</u>
Non-current assets			
Property, plant and equipment	11	<u>66,920</u>	<u>121,323</u>
Total assets		<u>4,444,763</u>	<u>4,491,697</u>
LIABILITIES			
Current liabilities			
Payables	12	<u>729,963</u>	<u>1,081,198</u>
Total liabilities		<u>729,963</u>	<u>1,081,198</u>
NET ASSETS		<u>3,714,800</u>	<u>3,410,499</u>
FUNDS			
Unrestricted funds			
General fund	13	2,342,403	1,591,369
Reserve fund	13	<u>1,100,000</u>	<u>1,100,000</u>
		<u>3,442,403</u>	<u>2,691,369</u>
Restricted funds			
Local programme	14	181,065	554,261
Build programme	14	91,332	164,869
Care & Share fund	14	<u>0</u>	<u>0</u>
		<u>272,397</u>	<u>719,130</u>
TOTAL FUNDS		<u>3,714,800</u>	<u>3,410,499</u>

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

**STATEMENT OF CHANGES IN FUNDS
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

	Balance at beginning of financial year S\$	Net (expenditure)/ income for the financial year S\$	(Note 13) Transfers (from)/to S\$	Balance at end of financial year S\$
2021				
Unrestricted funds				
General fund	1,591,369	744,518	6,516	2,342,403
Reserve fund	1,100,000	0	0	1,100,000
	<u>2,691,369</u>	<u>744,518</u>	<u>6,516</u>	<u>3,442,403</u>
Restricted funds				
Local programme	554,261	(373,196)	0	181,065
Build programme	164,869	(73,537)	0	91,332
Care & Share fund	0	6,516	(6,516)	0
	<u>719,130</u>	<u>(440,217)</u>	<u>(6,516)</u>	<u>272,397</u>
Total funds	<u>3,410,499</u>	<u>304,301</u>	<u>0</u>	<u>3,714,800</u>

	Balance at beginning of financial year S\$	Net (expenditure)/ income for the financial year S\$	(Note 13) Transfers (from)/to S\$	Balance at end of financial year S\$
2020				
Unrestricted funds				
General fund	1,237,648	352,700	1,021	1,591,369
Reserve fund	1,100,000	0	0	1,100,000
	<u>2,337,648</u>	<u>352,700</u>	<u>1,021</u>	<u>2,691,369</u>
Restricted funds				
Local programme	799,199	(244,938)	0	554,261
Build programme	245,712	(80,843)	0	164,869
Care & Share fund	0	1,021	(1,021)	0
	<u>1,044,911</u>	<u>(324,760)</u>	<u>(1,021)</u>	<u>719,130</u>
Total funds	<u>3,382,559</u>	<u>27,940</u>	<u>0</u>	<u>3,410,499</u>

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

**STATEMENT OF CASH FLOWS
 FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021**

	Note	2021 S\$	2020 S\$
Cash flows from operating activities			
Net income for the financial year		304,301	27,940
Adjustments for:			
- Depreciation of property, plant and equipment	11	66,907	75,071
- Gain on disposal of property, plant and equipment	4	0	(2,000)
- Interest income	4	(3,292)	(57,484)
- Operating grant		0	(258,651)
Operating cash flow before changes in working capital		<u>367,916</u>	<u>(215,124)</u>
Changes in working capital			
- Receivables		43,943	(30,657)
- Payables		<u>(351,235)</u>	<u>(1,524,153)</u>
Cash used in operations		<u>(307,292)</u>	<u>(1,554,810)</u>
- Interest income received		<u>24,168</u>	<u>36,608</u>
Net cash generated from/(used in) operating activities		<u>84,792</u>	<u>(1,733,326)</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		0	2,000
Purchases of property, plant and equipment	11	<u>(12,504)</u>	<u>(2,720)</u>
Net cash used in investing activities		<u>(12,504)</u>	<u>(720)</u>
Cash flows from financing activity			
Government grants received		<u>0</u>	<u>19,638</u>
Net cash generated from financing activity		<u>0</u>	<u>19,638</u>
Net increase/(decrease) in cash and cash equivalents		72,288	(1,714,408)
Cash and cash equivalents at beginning of financial year		<u>4,034,262</u>	<u>5,748,670</u>
Cash and cash equivalents at end of financial year	9	<u><u>4,106,550</u></u>	<u><u>4,034,262</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 2021

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, Chapter 37 since 27 April 2004, and has been accorded the status of an Institutions of Public Character ("IPC") for the period from 09 March 2018 to 08 March 2021. The Company has renewed its IPC status from 09 March 2021 to 08 March 2023.

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 11 members (2020: 12 members).

2. Significant accounting policies**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, Chapter 50 (the "Act"), Charities Act (Chapter 37). 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 financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. All these judgments, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may ultimately differ from those estimates.

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.

2. Significant accounting policies (Cont'd)

2.2 Income recognition

Income shall be recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the Company's net assets.

The following factors must also be met before income is recognised:

(a) Entitlement

The Company has control over the rights or other access to the resource, enabling the Company to determine its future application;

(b) Certainty

It is probable that the income will be received; and

(c) Measurement

The amount of the income can be measured by the Company 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.
- Investment income comprised of interest earned from fixed deposits placed with banks, recognised on accrual basis.

(b) *Income from charitable activities*

Comprised of government subventions and grants for the programmes run by the Company. These are recognised as income according to the terms of the funding agreements, on an accrual basis with unconditional entitlement to the receipts.

(c) *Other income*

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

2.3 Expenditure recognition

Expenditures 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. Expenditures in the statement of financial activities are classified under the cost of generating funds, cost of charitable activities and governance and administrative costs.

(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.

2. Significant accounting policies (Cont'd)**2.3 Expenditure recognition (Cont'd)**

(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.

2.4 Financial assets

2.4.1 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.

2.4.2 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.

2.4.3 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 other 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".

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. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment

2.5.1 Measurement

All items of property, plant and equipment are initially recorded at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that is 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.

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.

2.5.2 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 fixture	5 to 10
Renovation	10
Vehicles	5
Computers	3
Software development	3

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.

2.5.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when 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. All other repairs and maintenance expenses are recognised in the statement of financial activities when incurred.

2.5.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)**2.6 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 value.

2.7 Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the 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 "Other 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 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.

2.8 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.

2.9 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.

2.10 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. Significant accounting policies (Cont'd)

2.11 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.

2.12 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:

- Care & Share fund
- Local programme
- Build programme

2.13 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.

2.14 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. Significant accounting judgements and estimates

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of income, expenditure, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting date. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1. Judgement made in applying accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting date, 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.

Government grants

Government grants to meet operating expenses are recognised as income in the income and expenditure statement on the accrual basis in the 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.

3.2. Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting date are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

Useful lives of property, plant and equipment

Management determines the estimated useful lives and the related depreciation for its property, plant and equipment based on the period over which the property, plant and equipment are expected to provide economic benefits. Management's estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimation of the useful lives of the property, plant and equipment could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of property, plant and equipment. The depreciation charge is increased where useful lives are less than previously estimated lives.

The carrying value of property, plant and equipment as of 30 June 2021 and 2020 are disclosed in Note 11 of the financial statements.

Based on Management's assessment, no change in the estimated useful lives of property, plant and equipment is required as of 30 June 2021 and 2020.

4. Income

	Note	2021					Total Restricted Funds S\$	Total funds S\$	2020 Total funds S\$
		Unrestricted Funds		Restricted Funds					
		General Fund S\$	Total Unrestricted Fund S\$	Care & Share Fund S\$	Local Programme S\$	Build Programme S\$			
Incoming resources from generated funds									
Voluntary income									
- Donations-in-cash	5	723,175	723,175	0	0	0	0	723,175	711,748
- Donations-in-kind		0	0	0	0	0	0	0	5,450
- Government grants	6	400,000	400,000	8,356	0	0	8,356	408,356	214,293
		<u>1,123,175</u>	<u>1,123,175</u>	<u>8,356</u>	<u>0</u>	<u>0</u>	<u>8,356</u>	<u>1,131,531</u>	<u>931,491</u>
Fund generating activities									
- Sales of merchandise		<u>194</u>	<u>194</u>	<u>0</u>	<u>20</u>	<u>0</u>	<u>20</u>	<u>214</u>	<u>75</u>
Investment income									
- Interest income from banks		<u>3,292</u>	<u>3,292</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>3,292</u>	<u>57,484</u>
Income from charitable activities									
Programme income	5	<u>0</u>	<u>0</u>	<u>0</u>	<u>226,646</u>	<u>2,427,332</u>	<u>2,653,978</u>	<u>2,653,978</u>	<u>2,290,431</u>
Other income									
Gain on disposal of property, plant and equipment		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,000</u>
Net foreign exchange gain		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>9,242</u>
		<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>11,242</u>
TOTAL INCOME		<u>1,126,661</u>	<u>1,126,661</u>	<u>8,356</u>	<u>226,666</u>	<u>2,427,332</u>	<u>2,662,354</u>	<u>3,789,015</u>	<u>3,290,723</u>

Habitat For Humanity Singapore Ltd
 [UEN. 200201617W]

Audited Financial Statements
Financial Year Ended 30 June 2021

5. Donations

	2021 S\$	2020 S\$
Tax deductible donations	833,384	683,845
Non-tax deductible donations	<u>2,943,769</u>	<u>2,318,334</u>
	<u>3,777,153</u>	<u>3,002,179</u>
	2021 S\$	2020 S\$
The donations were allocated as follows:		
- Voluntary income	1,123,175	711,748
- Programme income	<u>2,653,978</u>	<u>2,290,431</u>
	<u>3,777,153</u>	<u>3,002,179</u>

During the financial year, the Company issued tax-exempt receipts for donations collected amounting to S\$830,384 (2020: S\$682,970) pursuant to its Institutions of a Public Character ("IPC") Status.

6. Government grants

	2021 S\$	2020 S\$
Bicentennial Community Fund	400,000	0
Care & Share Fund	8,356	194,655
SG Cares	<u>0</u>	<u>19,638</u>
	<u>408,356</u>	<u>214,293</u>

7. Expenditures

	Note	2021					Total Restricted Funds S\$	Total funds S\$	2020 Total funds S\$
		Unrestricted Funds		Restricted Funds					
		General Fund S\$	Total Unrestricted Fund S\$	Care & Share Fund S\$	Local Programme S\$	Build Programme S\$			
Cost of generating funds									
Cost of generating voluntary income									
- Use of Habitat brand		33,460	33,460	0	0	0	0	33,460	20,898
Cost of fund generating activities									
- Salaries, benefits and related costs	8	61,788	61,788	0	0	0	0	61,788	120,886
- CPF	8	9,009	9,009	0	0	0	0	9,009	0
- Event expenses		2,271	2,271	0	0	0	0	2,271	316
- Other expenses		4,379	4,379	0	0	0	0	4,379	3,637
- Office rental expenses		5,696	5,696	0	0	0	0	5,696	7,295
- Depreciation		2,286	2,286	0	0	0	0	2,286	3,449
		85,429	85,429	0	0	0	0	85,429	135,583
		118,889	118,889	0	0	0	0	118,889	156,481

7. Expenditures (Cont'd)

	Note	2021					Total Restricted Funds S\$	Total funds S\$	2020 Total funds S\$
		Unrestricted Funds		Care & Share Fund S\$	Restricted Funds				
		General Fund S\$	Total Unrestricted Fund S\$		Local Programme S\$	Build Programme S\$			
Charitable activities									
Salaries, benefits and related costs	8	0	0	0	325,923	211,114	537,037	537,037	596,744
CPF	8	0	0	0	62,400	31,585	93,985	93,985	81,401
Other staff benefits	8	0	0	0	15,419	7,025	22,444	22,444	27,190
Use of Habitat brand		0	0	0	6,718	72,450	79,168	79,168	73,272
Bank charges and net foreign exchange losses		0	0	0	2,588	3,847	6,435	6,435	3,777
Depreciation		0	0	0	49,920	6,203	56,123	56,123	56,435
Equipment expenses		0	0	0	0	0	0	0	240
General expenses		0	0	0	12,476	1,977	14,453	14,453	19,619
Office rental expenses		0	0	0	34,933	15,459	50,392	50,392	37,304
Office supplies		0	0	0	108	48	156	156	241
Photocopies		0	0	0	174	77	251	251	0
Postage and courier		0	0	0	66	29	95	95	126
Printing		0	0	0	0	0	0	0	215
Programme cost		0	0	0	67,117	2,145,385	2,212,502	2,212,502	1,870,716
Repairs and maintenance		0	0	0	9,165	2,960	12,125	12,125	7,187
Telephone and fax		0	0	0	1,695	750	2,445	2,445	1,704
Training		0	0	0	730	43	773	773	1,777
Transportation		0	0	0	2,358	17	2,375	2,375	4,610
Travelling		0	0	0	0	0	0	0	10,213
Utilities		0	0	0	2,758	1,220	3,978	3,978	3,501
		0	0	0	594,548	2,500,189	3,094,737	3,094,737	2,796,272

7. Expenditures (Cont'd)

	Note	2021						2020	
		Unrestricted Funds		Restricted Funds				Total funds	
		General Fund S\$	Total Unrestricted Fund S\$	Care & Share 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	131,454	131,454	0	0	0	0	131,454	151,545
CPF	8	26,043	26,043	0	0	0	0	26,043	58,190
Other staff benefits	8	11,468	11,468	0	0	0	0	11,468	8,145
Audit fee		8,133	8,133	0	0	0	0	8,133	6,814
Depreciation		8,499	8,499	0	0	0	0	8,499	15,187
General expenses		578	578	0	0	0	0	578	8,477
Insurance		366	366	0	3,840	287	4,127	4,493	3,988
Office rental		14,022	14,022	0	0	0	0	14,022	37,732
Professional fees		960	960	0	1,474	393	1,867	2,827	572
Transportation		32	32	0	0	0	0	32	205
Travelling		0	0	0	0	0	0	0	1,344
Photocopies		70	70	0	0	0	0	70	0
Printing		0	0	0	0	0	0	0	91
Repairs and maintenance		667	667	1,840	0	0	1,840	2,507	5,839
Utilities		106	106	0	0	0	0	106	3,140
Telephone and fax		680	680	0	0	0	0	680	1,329
Training		77	77	0	0	0	0	77	2,221
Bank charges and net foreign exchange losses		60,029	60,029	0	0	0	0	60,029	4,444
Office supplies		44	44	0	0	0	0	44	650
Postage and courier		26	26	0	0	0	0	26	35
Equipment expenses		0	0	0	0	0	0	0	82
		<u>263,254</u>	<u>263,254</u>	<u>1,840</u>	<u>5,314</u>	<u>680</u>	<u>7,834</u>	<u>271,088</u>	<u>310,030</u>
TOTAL EXPENDITURE		<u>382,143</u>	<u>382,143</u>	<u>1,840</u>	<u>599,862</u>	<u>2,500,869</u>	<u>3,102,571</u>	<u>3,484,714</u>	<u>3,262,783</u>

8. Staff costs

	No	2021	2020
	te	S\$	S\$
Employer's CPF contribution		129,037	125,282
Foreign worker levy		297	8,300
Fringe benefits		34,530	32,355
Salaries, allowances and bonuses		878,540	974,827
Skill development fund		1,858	2,982
Total staff costs		1,044,262	1,143,746
Less: Job Support Scheme income		(151,034)	(99,645)
		<u>893,228</u>	<u>1,044,101</u>
The staff costs were allocated as follows:			
• Costs of generating funds	7	70,797	120,886
• Charitable activities	7	653,466	705,335
• Governance costs	7	168,965	217,880
		<u>893,228</u>	<u>1,044,101</u>

9. Cash and cash equivalents

	2021	2020
	S\$	S\$
Fixed deposits	1,868,568	2,720,721
Cash at bank	2,235,547	1,307,332
Cash on hand	2,435	6,209
Total	<u>4,106,550</u>	<u>4,034,262</u>

Fixed deposits earn interest at a fixed rate of 0.22% (2020: 1.58%) per annum and mature in July 2021 (2020: July 2020).

10. Receivables

	2021	2020
	S\$	S\$
Grant receivables		
- Care and Share Grant	247,368	239,013
- Jobs Support Scheme	0	41,707
Interest receivables	0	20,876
Deposits	17,970	18,440
Receivables from third parties	5,955	16,076
	<u>271,293</u>	<u>336,112</u>

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees (Singapore citizens and Permanent Residents) during this period of economic and pandemic uncertainty. JSS payouts are intended to offset local employees wages and help protect their jobs.

11. Property, plant and equipment

	Vehicles S\$	Renovation S\$	Furniture and fittings S\$	Computers S\$	Software development S\$	Total S\$
Cost						
At 30 June 2019	221,398	20,779	86,597	40,976	64,200	433,950
Additions	0	1,699	0	1,021	0	2,720
Disposals	(41,878)	0	0	0	0	(41,878)
At 30 June 2020	179,520	22,478	86,597	41,997	64,200	394,792
Additions	0	0	0	12,504	0	12,504
Reclassification	0	(1,699)	1,699	0	0	0
At 30 June 2021	179,520	20,779	88,296	54,501	64,200	407,296
Accumulated depreciation						
At 30 June 2019	132,246	2,078	38,167	33,545	34,240	240,276
Depreciation	35,904	2,078	10,848	4,841	21,400	75,071
Disposals	(41,878)	0	0	0	0	(41,878)
At 30 June 2020	126,272	4,156	49,015	38,386	55,640	273,469
Depreciation	35,904	4,155	10,849	7,439	8,560	66,907
At 30 June 2021	162,176	8,311	59,864	45,825	64,200	340,376
Carrying amount						
30 June 2020	53,248	18,322	37,582	3,611	8,560	121,323
30 June 2021	17,344	12,468	28,432	8,676	0	66,920

12. Payables

	2021 S\$	2020 S\$
Deferred income	684,819	928,810
Deferred grant - Jobs Support Scheme	0	72,394
Related party	18,405	47,790
Accruals	26,739	32,204
	<u>729,963</u>	<u>1,081,198</u>

The deferred grant income – Jobs Support Scheme (JSS) will be recognised as a grant income, on a systematic basis, over the estimated 17 months of economic uncertainty till August 2021 in which the entity recognises the related salary cost.

Deferred income relates to the unrecognised income for the projects of the Company locally and overseas. These projects are the Cambodia Grace Project, Batam Build, Global Village and Project HomeWorks. This pertains to the funding received from Habitat for Humanity International and from various corporate entities.

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.

During the financial year, the Company transferred the funds of S\$6,516 (2020: S\$1,021) from Care and Share fund to General fund in respect of acquisition of property, plant and equipment.

13. Unrestricted funds (Cont'd)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(i) 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.

(ii) Build Programme

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

(iii) Care & Share Fund

The Care & Share Fund is the matching grant paid out by the Singapore Government as part of the national fund-raising and volunteerism movement for the social service sector launched in October 2013. The matching grant will be used to develop Voluntary Welfare Organisation ("VWO") and programmes to better serve beneficiaries and communities.

This fund can be utilised for following categories:

- (i) Capability building for both organisational and manpower development;
- (ii) Capacity building in area of physical infrastructure and IT investment;
- (iii) Rolling out of new programmes to meet emerging needs; and
- (iv) Enhancement of existing services, and funding of critical operational needs.

The Company has up to 31 March 2021 to utilise the grant before it expires.

The grant quantum was enhanced on 1 January 2017. It was revised to 1.25 times matching for first \$1 million donations received followed by a dollar matched for next \$1 million and sixty-five cents for the subsequent \$1 million. Overall matching by the Government is capped at \$2.9 million for the \$3 million raised by VWO within the qualifying period.

15. Income tax

The Company is a registered Charity under the Charities Act, Chapter 37 since 27 April 2004. Consequently, the income is exempted from income tax under provision of Section 13(1) of the Income Tax Act, Chapter 134.

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:

		2021 S\$	2020 S\$
<u>Related party – Habitat for Humanity International, Inc.</u>			
Management fee – Use of Habitat brand	7	<u>(112,629)</u>	<u>(94,170)</u>

16. Related party transactions (Cont'd)

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.

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:

	2021 S\$	2020 S\$
Salaries, allowance and bonuses	196,743	200,640
CPF and SDL contributions	18,200	16,272
	<u>214,943</u>	<u>216,912</u>
	No. of key management personnel	No. of key management personnel
Remuneration band		
-S\$100,001 to S\$150,000	1	1
-S\$100,000 and below	<u>2</u>	<u>2</u>

17. Operating lease commitments

The Company has entered into commercial lease on office premises and warehouse usage. The rental expense amounted to S\$70,111 (2020: S\$82,330) for the financial year ended 30 June 2021. The lease for the office premises has a tenure of 3 years and the Company has the option to renew for another three years at the same monthly rate. The lease for the warehouse usage has a tenure 1 year. There is no contingent rent provision included in both contracts.

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

	2021 S\$	2020 S\$
Within one financial year	34,800	69,600
Within two to five financial years	0	34,800
	<u>34,800</u>	<u>104,400</u>

18. Contingent assets

The Company is eligible for S\$2.9 million Care and Share grant issued by the Government when the accumulated S\$3 million donations are raised between the period from 1 January 2015 to 31 March 2016.

18. Contingent assets (Cont'd)

The Company has raised donations of S\$2,344,151 during the matching period and is eligible for Care and Share matched grant of up to S\$2,473,698. As at the end of the financial year, the Company has received an accumulated grant disbursement of S\$2,226,328 (2020: S\$2,226,328). The Company has not received a grant disbursement during the year (2020: S\$Nil). The Care and Share income recognised in the current financial year amounts to S\$8,356 (2020: \$194,655).

As at the end of the financial year, the Company has a contingent asset amounting to S\$Nil (2020: \$8,357). The recognition is based on the grant matching criteria and quantum.

19. Reserve position and policy

The Company's reserve position for the financial year ended 30 June 2021 and 30 June 2020 are as follows:

		2021	2020	Increase/ (decrease)
		S\$'000	S\$'000	%
A	Unrestricted Funds			
	General Fund	2,343	1,591	47.27
	Reserve Fund	1,100	1,100	0.00
B	Restricted or Designated Funds			
	Local Programme	181	554	(67.33)
	Build Programme	91	165	(44.85)
C	Endowment Fund	N/A	N/A	N/A
D	Total Funds	3,715	3,410	8.94
E	Total Annual Operating Expenditure			
		3,485	3,263	6.80
F	Ratio of Funds to Annual Operating Expenditure (A/E)	1.07	1.05	

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

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

2020	As previously reported S\$	Reclassification S\$	As reclassified S\$
Statement of financial activities			
Incoming resources from generated funds			
-Voluntary income	717,198	214,293	931,491
Income from charitable activities	2,504,724	(214,293)	2,290,431

22. Impact of COVID-19 (Coronavirus Disease 2019)

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Company's significant operations are in Singapore which have been affected by the spread of COVID-19 in 2021. The nature of the Company's business are those of promoting global habitat for humanity development by developing awareness and youth development programmes locally and beyond. Summarise the impact of COVID-19 as below on the Company's financial performance reflected in this set of financial statements for the year ended 30 June 2021:

- i. The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Board of Directors is continuously monitoring the COVID-19 pandemic situation and will take further action as necessary in response to the service disruption.
- ii. The Singapore Multi-Ministry Taskforce implemented an elevated set of safe distancing measures as a circuit breaker from 7 April 2020 to 1 June 2020, to pre-empt the trend of increasing local transmission of COVID-19. Except for those providing essential services and selected economic sectors which are critical for our local and the global supply chains, all businesses are required to suspend all in-person activities and the Company's physical operations were temporarily closed to adhere to the respective governments' movement control measures.
- iii. The government has also implemented assistance measures which might mitigate some of the impact of COVID-19 on Company's results and liquidity.

As the global COVID-19 situation remains very fluid as at the date these financial statements were authorised for issuance, the Company cannot reasonably ascertain the full extent of the probable impact of the COVID-19 disruptions on its operating and financial performance for the financial year ending 30 June 2022. If the situation persists beyond management's current expectations, the Company's assets may be subject to further write downs in the subsequent financial periods.

23. Authorisation of financial statements

The financial statements for the financial year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Board of Director on 28 September 2021.