


**SINGAPORE AMALGAMATED SERVICES
CO-OPERATIVE ORGANISATION LIMITED**
(Registered under the Co-operative Societies Act 1979 Singapore)
(Unique Entity Number: S33CS0022K)

**Annual Report
For the financial year ended 31 December 2022**

**A2
PRACTICE** 

CHARTERED ACCOUNTANTS OF SINGAPORE
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**SINGAPORE AMALGAMATED SERVICES
CO-OPERATIVE ORGANISATION LIMITED**
(Registered under the Co-operative Societies Act 1979 Singapore)
(Unique Entity Number: S33CS0022K)

Chairman : Mr. Abdul Kalam Azad
S/o N Savukat Ally

Vice Chairman : Mr. John S/o Raghavan

Honorary Secretary : Mr. Subramaniam S/o Krishnan

Honorary Treasurer : Mr. Suguna Sundram Chakraverthy

Registered Office : 991 Alexandra Road,
#01-04, Singapore 119964

Auditors : A2 Practice
Public Accountants and
Chartered Accountants of Singapore

Bankers : United Overseas Bank Ltd
UCO Bank
CIMB Bank

**SINGAPORE AMALGAMATED SERVICES
CO-OPERATIVE ORGANISATION LIMITED**
(Registered under the Co-operative Societies Act 1979 Singapore)
(Unique Entity Number: S33CS0022K)

**Audited Financial Statements
For the financial year ended 31 December 2022**

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**SINGAPORE AMALGAMATED SERVICES
CO-OPERATIVE ORGANISATION LIMITED**
(Registered under the Co-operative Societies Act 1979 Singapore)
(Unique Entity Number: S33CS0022K)

STATEMENT BY COMMITTEE OF MANAGEMENT

In the opinion of the Committee of Management,

- a) the accompanying consolidated financial statements together with the notes thereon are properly drawn up in accordance with the provisions of the Co-operative Societies Act 1979, Co-operative Societies Rules and the Singapore Financial Reporting Standards so as to give true and fair view of the financial position of the Group and of the Society as at 31 December 2022 and of the financial performance, changes in funds and cash flows of the Group and of the Society for the year ended on that date; and
- b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when fall due: and
- c) the receipt, expenditure, investment of moneys and the acquisition and disposal of assets by the Society during the year have been made in accordance with the By-laws of the Society, the provisions of the Act and the Rules (made under Section 95 of the Act): and
- d) proper accounting and other records have been kept by the Society.

On behalf of the Committee of Management



ABDUL KALAM AZAD
S/O N SAVUKAT ALLY
CHAIRMAN



SUBRAMANIAM
S/O KRISHNAN
HONORARY SECRETARY



SUGUNA SUNDRAM
CHAKRAVERTHY
HONORARY TREASURER

Singapore,

05 MAY 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF**

**SINGAPORE AMALGAMATED SERVICES
CO-OPERATIVE ORGANISATION LIMITED**
(Registered under the Co-operative Societies Act 1979 Singapore)
(Unique Entity Number: S33CS0022K)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the **SINGAPORE AMALGAMATED SERVICES CO-OPERATIVE ORGANISATION LIMITED** ("the Society") and its Subsidiaries ("the Group"), which comprise the statement of financial position of the Group and of the Society as at 31 December 2022 and the statements of profit or loss and other comprehensive income, statements of changes in funds and statements of cash flows of the Group and of the Society for the financial year ended on that date, 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 Co-operative Societies Act 1979 ("the Act") and the Co-operative Societies Rules ("the Rules") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Group and of the Society as at 31 December 2022 and of the financial performance, changes in funds and cash flows of the Group and of the Society for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *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.

Information Other than the Financial Statements and Auditor's Report Thereon

Management is responsible for the other information. The other information (obtained prior to the date of our auditor's report) comprises the Statement by Management Committee in page 1.

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.

INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE MEMBERS OF

SINGAPORE AMALGAMATED SERVICES
CO-OPERATIVE ORGANISATION LIMITED
(Registered under the Co-operative Societies Act 1979 Singapore)
(Unique Entity Number: S33CS0022K)

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

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

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, 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.

INDEPENDENT AUDITOR'S REPORT (Continued) CHARTERED ACCOUNTANTS OF SINGAPORE
TO THE MEMBERS OF

**SINGAPORE AMALGAMATED SERVICES
CO-OPERATIVE ORGANISATION LIMITED**
(Registered under the Co-operative Societies Act 1979 Singapore)
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Auditor's Responsibilities for the Audit of the Financial Statements - continued

- 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Society's ability to continue as a going concern, if we conclude that material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with 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

Opinion

In our opinion:

- (a) the receipt, expenditure, investment of monies and the acquisition and disposal of assets by the Society during the year are, in all material respects, in accordance with the By-laws of the Society and the provisions of the Act and Rules (made under section 95 of the Act); and
- (b) proper accounting and other records have been kept by the Society.

**INDEPENDENT AUDITOR'S REPORT (Continued)
TO THE MEMBERS OF**

**SINGAPORE AMALGAMATED SERVICES
CO-OPERATIVE ORGANISATION LIMITED**
(Registered under the Co-operative Societies Act 1979 Singapore)
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Report on Other Legal and Regulatory Requirements - continued

Basis of opinion

We conduct our Audit in accordance with SSAs. Our responsibilities under those standards are further described in the "Auditors' responsibilities for the compliance audit" section of our report. We are independent of the Group in accordance with the ACRA Code together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our 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 on Management's compliance.


Management's responsibility for compliance with legal and regulatory requirements

Management is responsible for ensuring that the receipt, expenditure, investment of monies and the acquisition and disposal of assets, are in accordance with the By-laws of the Society and the provisions of the Act and Rules (made under section 95 of the Act). This responsibility includes monitoring related compliance requirements relevant to the Society and implementing internal controls as management determines are necessary to enable compliance with the By-laws of the Society and the provisions of the Act and the Rules (made under section 95 of the Act).

Auditor's responsibility for compliance audit

Our responsibility is to express an opinion on management's compliance based on our audit of the financial statements. We planned and performed the compliance audit to obtain reasonable assurance about whether the receipt, expenditure, investment of monies and the acquisition and disposal of assets, are in accordance with the By-laws of the Society and the provisions of the Act and the Rules (made under section 95 of the Act).

Our compliance audit includes obtaining an understanding of the internal control relevant to the receipt, expenditure, investment of monies and the acquisition and disposal of asset: and assessing the risk of material misstatement of the financial statements from non-compliance, if any, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Because of the inherent limitations in any internal control system, non-compliances may nevertheless occur and not be detected.


A2 PRACTICE
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS



Singapore,
05 May 2023

**SINGAPORE AMALGAMATED SERVICES CO-OPERATIVE
ORGANISATION LIMITED AND ITS SUBSIDIARIES**

(Registered under the Co-operative Societies Act 1979 Singapore)
(Unique Entity Number: S33CS0022K)

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2022

		<u>Group</u>		<u>Society</u>	
	<u>NOTE</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
		S\$	S\$	S\$	S\$
ASSETS					
NON-CURRENT ASSETS					
Investment in subsidiary	(4)	-	-	65,000	-
Property, plant and equipment	(5)	320,046	148,148	312,135	148,148
Right of use assets	(6)	9,753	14,514	9,753	14,514
Investment at FVOCI	(7)	10,341	9,294	10,341	9,294
Total non-current assets		340,140	171,956	397,229	171,956
CURRENT ASSETS					
Inventories	(8)	7,868	9,203	7,868	9,203
Trade and other receivables	(9)	320,350	334,615	260,264	334,615
Due from subsidiary	(4)	-	-	123,177	-
Cash and cash equivalents	(10)	2,168,074	1,544,337	2,137,941	1,544,337
Total current assets		2,496,292	1,888,155	2,529,250	1,888,155
TOTAL ASSETS		2,836,432	2,060,111	2,926,479	2,060,111
EQUITY FUNDS AND LIABILITIES					
FUNDS					
General Fund		1,494,332	1,097,857	1,613,622	1,097,857
SASCO Community Project Fund		539,526	539,526	539,526	539,526
Statutory Reserve fund		46,103	46,103	46,103	46,103
Fair value reserve		9,406	8,359	9,406	8,359
Total equity		2,089,367	1,691,845	2,208,657	1,691,845
NON-CURRENT LIABILITIES					
Lease liabilities	(13)	6,030	10,184	6,030	10,184
		6,030	10,184	6,030	10,184
CURRENT LIABILITIES					
Trade and other payables	(11)	736,881	353,338	707,638	353,338
Lease liabilities	(13)	4,154	4,744	4,154	4,744
Total current liabilities		741,035	358,082	711,792	358,082
Total liabilities		747,065	368,266	717,822	368,266
TOTAL EQUITY AND LIABILITIES		2,836,432	2,060,111	2,926,479	2,060,111

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

**SINGAPORE AMALGAMATED SERVICES CO-OPERATIVE
ORGANISATION LIMITED AND ITS SUBSIDIARIES**

(Registered under the Co-operative Societies Act 1979 Singapore)
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STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	NOTE	Group		Society	
		2022 S\$	2021 S\$	2022 S\$	2021 S\$
Revenue					
Childcare fees	(14)	2,115,196	1,762,661	2,073,640	1,762,661
		2,115,196	1,762,661	2,073,640	1,762,661
Other Income					
Grant-IRAS/CPF	(14)	196,508	123,397	196,173	123,397
Other miscellaneous income	(14)	1,672,487	907,724	1,702,875	907,724
Interest income – SASCO Community Project Fund	(14)	5,414	5,750	5,414	5,750
		1,874,409	1,036,871	1,904,462	1,036,871
		3,989,605	2,799,532	3,978,102	2,799,532
Less: Operating expenses					
Employee benefit expenses	(14)	2,317,059	1,815,267	2,244,115	1,815,267
Amortisation and depreciation	(14)	56,775	25,489	49,683	25,489
Other expenses	(14)	1,153,575	652,088	1,102,818	652,088
Related parties' investments written off		-	-	-	-
		3,527,409	2,492,844	3,396,616	2,492,844
Surplus before contribution to Central Co-operative Fund		462,196	306,688	581,486	306,688
Contribution to Central Co-operative Fund	(12)	(65,721)	(429)	(65,721)	(429)
Surplus after contribution to Central Co-operative Fund		396,475	306,259	515,765	306,259
Other comprehensive income					
Fair value adjustments – investments at FVOCI		1,047	1,197	1,047	1,197
Total comprehensive income for the financial year		397,522	307,456	516,812	307,456

The accompanying notes form an integral part of these financial statements

**SINGAPORE AMALGAMATED SERVICES CO-OPERATIVE
ORGANISATION LIMITED AND ITS SUBSIDIARIES**

(Registered under the Co-operative Societies Act 1979 Singapore)
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CONSOLIDATED STATEMENT OF CHANGES IN FUNDS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

<u>Group</u>	SASCO				<u>TOTAL</u>
	<u>GENERAL FUND</u>	<u>COMMUNITY PROJECT FUND</u>	<u>STATUTORY RESERVE FUND</u>	<u>FAIR VALUE RESERVE</u>	
<u>2022</u>	S\$	S\$	S\$	S\$	S\$
As at 1 January 2022	1,097,857	539,526	46,103	8,359	1,691,845
Total comprehensive income for the financial year					
Net profit for the financial year	396,475	-	-	-	396,475
Other comprehensive income	-	-	-	1,047	1,047
	396,475	-	-	1,047	397,522
As at 31 December 2022	1,494,332	539,526	46,103	9,406	2,089,367

	SASCO				<u>TOTAL</u>
	<u>GENERAL FUND</u>	<u>COMMUNITY PROJECT FUND</u>	<u>STATUTORY RESERVE FUND</u>	<u>FAIR VALUE RESERVE</u>	
<u>2021</u>	S\$	S\$	S\$	S\$	S\$
As at 1 January 2021	791,598	539,526	46,103	7,162	1,384,389
Total comprehensive income for the financial year					
Net profit for the financial year	306,259	-	-	-	306,259
Other comprehensive income	-	-	-	1,197	1,197
	306,259	-	-	1,197	307,456
As at 31 December 2021	1,097,857	539,526	46,103	8,359	1,691,845

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

**SINGAPORE AMALGAMATED SERVICES CO-OPERATIVE
ORGANISATION LIMITED**

(Registered under the Co-operative Societies Act 1979 Singapore)
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**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

<u>Society</u>	SASCO				<u>TOTAL</u>
	GENERAL	COMMUNITY	STATUTORY	FAIR	
	<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>RESERVE</u>	
<u>2022</u>	S\$	S\$	S\$	S\$	S\$
As at 1 January 2021	1,097,857	539,526	46,103	8,359	1,691,845
Total comprehensive income for the financial year					
Net profit for the financial year	515,765	-	-	-	515,765
Other comprehensive income		-	-	1,047	1,047
	515,765	-	-	1,047	516,812
As at 31 December 2021	1,613,622	539,526	46,103	9,406	2,208,657

	SASCO				<u>TOTAL</u>
	GENERAL	COMMUNITY	STATUTORY	FAIR	
	<u>FUND</u>	<u>FUND</u>	<u>FUND</u>	<u>RESERVE</u>	
<u>2021</u>	S\$	S\$	S\$	S\$	S\$
As at 1 January 2021	791,598	539,526	46,103	7,162	1,384,389
Total comprehensive income for the financial year					
Net profit for the financial year	306,259	-	-	-	306,259
Other comprehensive income	-	-	-	1,197	1,197
	306,259	-	-	1,197	307,456
As at 31 December 2021	1,097,857	539,526	46,103	8,359	1,691,845

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

**SINGAPORE AMALGAMATED SERVICES CO-OPERATIVE
ORGANISATION LIMITED AND ITS SUBSIDIARIES**

(Registered under the Co-operative Societies Act 1979 Singapore)
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STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	<u>Group</u>		<u>Society</u>	
NOTE	<u>2022</u>	<u>2021</u>	<u>2021</u>	<u>2021</u>
	S\$	S\$	S\$	S\$
Cash flows from operating activities				
Net profit for the financial year	462,196	306,688	581,486	306,688
Adjustments for:				
Depreciation	56,775	25,489	49,683	25,489
Interest on lease	684	998	684	998
Operating cash flow before working capital changes	519,655	333,175	631,853	333,175
Changes in working capital:				
Inventories	1,335	(459)	1,335	(459)
Trade and other receivables	75,883	(312,790)	74,351	(312,790)
Due from subsidiary	-	-	(123,177)	-
Trade and other payables	325,020	(240,464)	305,300	(240,464)
Cash generated from / (used in) operations	921,893	(220,538)	889,662	(220,538)
CCF levy contribution	(16,721)	-	(16,721)	-
Net cash generated from / (used in) operating activities	905,172	(220,538)	872,941	(220,538)
Cash flows from investing activities				
Payment for purchase of plant and equipment	(211,007)	(24,902)	(208,909)	(24,902)
Acquisition of subsidiary	(65,000)	-	(65,000)	-
Net cash used in investing activities	(276,007)	(24,902)	(273,909)	(24,902)
Cash flows from financing activities				
Interest on lease liabilities	(684)	(998)	(684)	(998)
Payment of lease liabilities	(4,744)	(6,070)	(4,744)	(6,070)
Net cash used in financing activities	(5,428)	(7,068)	(5,428)	(7,068)
Net increase / (decrease) in cash and cash equivalents	623,737	(252,508)	593,604	(252,508)
Cash and cash equivalents at beginning of financial year	1,544,337	1,796,845	1,544,337	1,796,845
Cash and cash equivalents at end of financial year	(10) 2,168,074	1,544,337	2,137,941	1,544,337

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

**SINGAPORE AMALGAMATED SERVICES CO-OPERATIVE
ORGANISATION LIMITED AND ITS SUBSIDIARIES**

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

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

The consolidated financial statements of the SINGAPORE AMALGAMATED SERVICES CO-OPERATIVE ORGANISATION LIMITED ("the Society") for the financial year ended 31 December 2022 were authorised for issue by the Committee of Management on the date of the Statement by Committee of Management ("COM").

1. SOCIETY INFORMATION

SINGAPORE AMALGAMATED SERVICES CO-OPERATIVE ORGANISATION SOCIETY LIMITED AND ITS SUBSIDIARIES. is a co-operative society, which is registered under the Co-operatives Societies Act 1979.

The principal activities of the Society are that of running childcare centres and organise community projects.

The principal activities of the subsidiaries are disclosed in Note 4 of the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

The registered office is at 991 Alexandra Road #01-04 Singapore 119964 and its principal places of business are at BLK 93 #01-1477 Bedok North Ave 4, Singapore 460093, Blk 102, #01-78 Bukit Purmei Road, Singapore 090102 and Blk 711 B1 -11 Jurong West Street 71, Singapore 170711, Blk 114 Whampoa Road. #01-123 Singapore 320114 and Blk 29 Jalan Bhagia #01-38 Singapore 320029, 101 Cantonment Road #03-01 Singapore 089774.

2. BASIS OF PREPARATION

a) Statement of compliance

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (SFRS) and with the provisions of Co-operative Societies Act, Cap 62.

b) Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described in the accounting policy notes that follow.

c) Functional and presentation currency

These financial statements are presented in Singapore Dollars (S\$) which is the Society's functional and the Group's presentation currency.

d) Use of estimates and judgment

The preparation of the financial statements in conformity with FRSs requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

**SINGAPORE AMALGAMATED SERVICES CO-OPERATIVE
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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

2. BASIS OF PREPARATION - continued

d) Use of estimates and judgment - continued

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Judgement made in applying accounting policies

The Management Committee have not made any judgement in the process of applying the Group's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

There are no key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

e) Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except as disclosed in Note 3 - significant accounting policies. The Group and Society has adopted the following amendments and improvements which are relevant to the Group and Society and are effective for annual financial periods beginning on or after 1 January 2022.

- Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use
- Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract.
- Annual improvements to FRSs 2018-2020

The adoption of above standards and amendments did not have any material effect on the financial performance or position of the Group and Society.

**SINGAPORE AMALGAMATED SERVICES CO-OPERATIVE
ORGANISATION LIMITED AND ITS SUBSIDIARIES**

(Registered under the Co-operative Societies Act 1979 Singapore)
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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out in the following paragraphs have been applied consistently to both periods presented in these financial statements, and have been applied consistently by the Group, except as explained in Note 2 (e), which addresses changes in accounting policies.

a) Basis of Consolidation

i) Business combinations

Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any NCI in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Non-Controlling Interests (NCI) that are present ownership interests and entitle their holders to a proportionate share of the acquiree's net assets in the event liquidation are measured either at fair value or at the NCI's proportionate share of the recognized amounts of the acquiree's identifiable net assets at the acquisition date. The measurement basis taken is elected on a transaction-by-transaction basis. All other NCI are measured at acquisition date fair value, unless another measurement basis is required by FRSs.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business are expensed as incurred.

Changes in the Group's Interest in a subsidiary that do not result in a loss of control are accounted for as transactions with owners in their capacity as owners and therefore no adjustments are made to goodwill and no gain or loss is recognized in profit or loss. Adjustments to NCI arising from transactions that do not involve the loss of control are based on proportionate amount of the net assets of the subsidiary.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

a) Basis of Consolidation - continued

ii) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the non-controlling interests in a subsidiary are allocated to the non-controlling interests even if doing so causes the non-controlling interests to have a deficit balance.

Investments in subsidiaries are stated at cost less impairment losses.

iii) Loss of control

Upon the loss of control, the Group derecognises the assets and liabilities of the subsidiary, any NCI and the other components of equity related to the subsidiary. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently, it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

b) Property, Plant and Equipment

Plant and equipment are stated at cost / valuation less accumulated depreciation and accumulated impairment loss.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is computed on a reducing balance method at the annual depreciation rates as follows:-

Computers and Accessories	30%-33.33%
Furniture and fittings	10%
Office equipment	10%
Health equipment	10%
Renovation	20%
Toys and Books	20%

The residual values and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at each reporting date.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use.

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3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

c) Intangible Asset

The intangible asset consists of transfer fees which is stated at cost less accumulated amortization and accumulated impairment loss. The cost of the intangible asset is amortized on the straight-line method over their estimated useful lives over 5 years.

d) Financial assets and financial liabilities

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at Fair Value Through Profit or Loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value Through Other Comprehensive Income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group's financial assets at amortised cost are loan to members and other receivables and cash at banks.

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NOTES TO THE FINANCIAL STATEMENTS - CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

d) Financial assets and financial liabilities - continued

(ii) Classification and subsequent measurement

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Group has no debt investments at FVOCI.

Equity investments at FVOCI

On initial recognition of an equity investment that is not held-for-trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

The Group's investment in listed company classified as equity investment at FVOCI.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group and Society may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group has no financial assets at FVTPL.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

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3. SIGNIFICANT ACCOUNTING POLICIES - continued

d) Financial assets and financial liabilities - continued

ii) Classification and subsequent measurement- *continued*

Financial assets: Business model assessment - continued

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

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3. SIGNIFICANT ACCOUNTING POLICIES - continued

d) Financial assets and financial liabilities - continued

(ii) Classification and subsequent measurement - continued

Financial assets: Business model assessment - continued

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features)

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

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3. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

d) **Financial assets and financial liabilities - continued**

(ii) ***Classification and subsequent measurement – continued***

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest -continued

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

e) **Impairment**

i) ***Non-financial assets***

The carrying amounts of non-financial assets, are reviewed at each reporting date to determine whether there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated to determine the amount of impairment loss. For the purpose of impairment testing of these assets, the recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of the cash-generating-unit to which the asset belongs.

If the recoverable amount of an asset (or cash-generating-unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating-unit) is reduced to its recoverable amount. The impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease in equity.

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3. SIGNIFICANT ACCOUNTING POLICIES – continued

e) Impairment – continued

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating-unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase in equity.

ii) Non-derivative Financial Assets

The Group has the following financial assets subject to the Expected Credit Losses(ECLs) impairment model under FRS 109:

- Cash and bank deposits;
- Trade and other receivables, deposit and due from related parties (other debtors)

Loss allowances of the Group are measured on the following basis:

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

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

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

f) Revenue

Revenue is recognised upon satisfaction of these performance obligations which occur when control is transferred to the customer.

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3. SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

f) Revenue - continued

Donations and sponsorships

Revenue from donations and sponsorships are accounted for and when received, except for committed donations and sponsorships that are recorded when commitments are signed.

Rendering of services

Revenue from rendering of services is recognised over time when the services have been performed and rendered.

Interest income

Interest income including income arising from financial instruments, is recognised on a time-apportion basis using the effective interest method.

Community service project fund

The fund is made up of donations from the members, money from fund-raising projects contributions from the Co-operative. It is used for the Co-operative's service projects.

Sale of goods

Revenue from sale of goods is recognised at point in time when the goods are delivered to students / parents.

g) Grants

Government grants are recognised when there is reasonable assurance that the grant will be received, and all attaching conditions with delivery will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit and loss over the expected useful life of the relevant asset by equal annual instalments.

h) Employee benefits

Defined contribution plan

As required by law, the Group makes contribution to the state pension scheme, central provident fund ("CPF"). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term employee benefits if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made when the estimated liability for annual leave is incurred as a result of services rendered by employees up to the reporting date.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

3. SIGNIFICANT ACCOUNTING POLICIES - continued

i) Dividends to Society members

Dividends to the Society's members are recognised when the dividends are approved for payment.

j) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated. Provisions are measured at the management's best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

k) Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group if that person:

- i) Has control or joint control over the Group;
- ii) Has significant influence over the Group; or
- iii) Is a member of the key management personnel of the Group or of a parent of the Group.

(b) An entity is related to the Group if any of the following conditions applies:

- i) The entity and the Group are members of the same group (which means that each parent, subsidiary is related to others).
- ii) One entity is an associate or joint venture of the other entity (or and associate or joint venture of a member of a group of which the other entity is a member).
- iii) Both entities are joint ventures of the same third party.
- iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- v) The entity is a post-employment benefit for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
- vi) The entity is controlled or jointly is controlled by a person identified in (a);
- vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personal of the entity (or of parent of the entity).

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3. SIGNIFICANT ACCOUNTING POLICIES - continued

l) Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

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

i) Right-of-use assets

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

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 3d.

ii) Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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

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3. SIGNIFICANT ACCOUNTING POLICIES - continued

m) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 31 December 2022, and have not been applied in preparing these financial statements. The Group does not plan to early adopt these standards.

The following standards that have been issued but not yet effective are as follows:

Description	Effective for annual period Beginning on or after
Amendments to FRS 1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendments to FRS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates</i>	1 January 2023
Amendments to FRS 12 <i>Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>	1 January 2023
Amendments to FRS 1 <i>Presentation of Financial Statements: Non-current Liabilities with Covenants</i>	1 January 2024
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture.</i>	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

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4. INVESTMENT IN SUBSIDIARIES- COMPANY

	2022	2021
	<u>S\$</u>	<u>S\$</u>
Unquoted equity shares, at cost	65,000	-

The details of the subsidiaries as follows:

<u>Name of Subsidiary</u>	<u>Principle Activities</u>	<u>and business</u>	<u>held of Group</u>		2022	2021
			<u>2022</u>	<u>2021</u>		
			<u>%</u>	<u>%</u>		
Haven Educare Limited	Child care services for pre-school children (including infant care)	Singapore	100	100	-	-
CCCS International Learning Institute Pte. Ltd.	Providing corporate training services and motivational courses.	Singapore	100	-	65,000	-
					65,000	-

Haven Educare Limited incorporated in the financial year 2021, the Society as a subscriber to the constitution a public company formed limited by guarantee and the subsidiary is dormant during the year.

Acquisition of subsidiary

During the year, the Company acquired 100% interest in CCCS International Learning Institute Pte. Ltd. The principal activities of the subsidiary providing corporate training services and motivational courses.

2022

Net assets acquired	Amounts recognised acquisition S\$
Plant and equipment	23,926
Current assets	61,618
Current liabilities	(20,544)
Total identifiable net assets at fair value	65,000
Total consideration paid	65,000

The amount due from subsidiary is interest free, unsecured and without any fixed terms of repayment.

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5. PROPERTY, PLANT AND EQUIPMENT

<u>Group</u>	<u>Course Materials</u>	<u>Furniture and Fittings</u>	<u>Office Equipment</u>	<u>Renovation</u>	<u>Computers and software</u>	<u>Toys and books</u>	<u>Leasehold properties</u>	<u>Total</u>
	S\$	S\$	S\$	S\$	S\$	S\$		S\$
<u>Cost</u>								
As at 01.01.2022	-	219,986	44,419	230,393	54,144	9,647	-	558,589
Acquisition through business combination	26,048	17,775	36,646	190,243	71,455	-	324,125	666,292
Additions	-	21,245	23,644	144,146	21,972	-	-	211,007
Written off	-	(34,066)	(21,490)	(11,020)	-	-	(322,334)	(388,910)
As at 31.12.2022	26,048	224,940	83,219	553,762	147,571	9,647	1,791	1,046,978
<u>Accumulated Depreciation</u>								
As at 01.01.2022	-	107,494	35,469	224,669	36,540	6,269	-	410,441
Acquisition through business combination	22,880	17,775	26,764	166,349	71,455	-	295,019	600,242
Charge for the financial year	3,168	11,764	5,625	22,362	8,081	1,014	-	52,014
Written off	-	-	(13,431)	-	-	-	(322,334)	(335,765)
As at 31.12.2022	26,048	137,033	54,427	413,380	116,076	7,283	(27,315)	726,932
<u>Carrying Value</u>								
As at 31.12.2022	-	87,907	28,792	140,382	31,495	2,364	-	320,046

<u>2021</u>	<u>Furniture and Fittings</u>	<u>Office Equipment</u>	<u>Renovation</u>	<u>Computers and software</u>	<u>Toys and books</u>	<u>Total</u>
	S\$	S\$	S\$	S\$	S\$	S\$
<u>Cost</u>						
As at 01.01.2021	216,359	40,833	230,393	36,455	9,647	533,687
Additions	3,627	3,586	-	17,689	-	24,902
As at 31.12.2021	219,986	44,419	230,393	54,144	9,647	558,589
<u>Accumulated Depreciation</u>						
As at 01.01.2021	95,269	34,636	223,238	33,188	4,821	391,152
Charge for the financial year	12,225	833	1,431	3,352	1,448	19,289
As at 31.12.2021	107,494	35,469	224,669	36,540	6,269	410,441
<u>Carrying Value</u>						
As at 31.12.2021	112,492	8,950	5,724	17,604	3,378	148,148

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5. PROPERTY, PLANT AND EQUIPMENT– continued

<u>Society</u>	<u>Furniture and Fittings</u>	<u>Office Equipment</u>	<u>Renovation</u>	<u>Computers & software</u>	<u>Toys & books</u>	<u>Total</u>
<u>2022</u>	S\$	S\$	S\$	S\$	S\$	S\$
<u>Cost</u>						
As at 01.01.2022	219,986	44,419	230,393	54,144	9,647	558,589
Additions	21,245	23,644	144,145	19,875	-	208,909
As at 31.12.2022	241,231	68,063	374,538	74,019	9,647	767,498
<u>Accumulated Depreciation</u>						
As at 01.01.2022	107,494	35,469	224,669	36,540	6,269	410,441
Charge for the financial year	11,764	3,802	20,495	7,847	1,014	44,922
As at 31.12.2022	119,258	39,271	245,164	44,387	7,283	455,363
<u>Carrying Value</u>						
As at 31.12.2022	121,973	28,792	129,374	29,632	2,364	312,135
	<u>Furniture and Fittings</u>	<u>Office Equipment</u>	<u>Renovation</u>	<u>Computers & software</u>	<u>Toys & books</u>	<u>Total</u>
	S\$	S\$	S\$	S\$	S\$	S\$
<u>2021</u>						
<u>Cost</u>						
As at 01.01.2021	216,359	40,833	230,393	36,455	9,647	533,687
Additions	3,627	3,586	-	17,689	-	24,902
As at 31.12.2021	219,986	44,419	230,393	54,144	9,647	558,589
<u>Accumulated Depreciation</u>						
As at 01.01.2021	95,269	34,636	223,238	33,188	4,821	391,152
Charge for the financial year	12,225	833	1,431	3,352	1,448	19,289
As at 31.12.2021	107,494	35,469	224,669	36,540	6,269	410,441
<u>Carrying Value</u>						
As at 31.12.2021	112,492	8,950	5,724	17,604	3,378	148,148

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6. RIGHT OF USE ASSETS

	<u>Group</u>		<u>Society</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	S\$	S\$	S\$	S\$
<u>Cost</u>				
As at beginning and end of the year	25,612	25,612	25,612	25,612
<u>Accumulated Amortisation</u>				
As at beginning of the year	11,098	4,898	11,098	4,898
Charge for the financial year	4,761	6,200	4,761	6,200
As at end of the year	15,859	11,098	15,859	11,098
<u>Carrying Value</u>				
As at end of the year	9,753	14,514	9,753	14,514

7. INVESTMENT AT FVOCI (FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME)

	<u>Group</u>		<u>Society</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	S\$	S\$	S\$	S\$
Quoted equity investments in Singapore, at cost	935	935	935	935
Fair value adjustments:				
At beginning of the year	16,905	16,905	16,905	16,905
Fair value adjustment for the year	(6,564)	(7,611)	(6,564)	(7,611)
At end of financial year	10,341	9,294	10,341	9,294
Market Value	10,341	9,294	10,341	9,294

The investment in shares of other Co-operative society is not held for trading and which the Society had irrevocably elected at initial recognition to recognise in this category. This is long term investment and the Society considers this classification to be more relevant. The fair value is based on the quoted market price as at the balance sheet date.

8. INVENTORIES

	<u>Group</u>		<u>Society</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	S\$	S\$	S\$	S\$
Childcare centres - Uniforms	7,172	7,730	7,172	7,730
- Others	696	1,473	696	1,473
	7,868	9,203	7,868	9,203

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9. TRADE AND OTHER RECEIVABLES

	<u>Group</u>		<u>Society</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Third parties	32,175	13,819	9,577	13,819
Related party	204,496	177,084	204,496	177,084
	236,671	190,903	214,073	190,903
Other receivables				
Deposits	55,391	6,288	44,896	6,288
Other receivables	23,537	137,251	-	137,251
	78,928	143,539	44,896	143,539
Prepayments	4,751	173	1,295	173
	<u>320,350</u>	<u>334,615</u>	<u>260,264</u>	<u>334,615</u>

Amount due from related party is non-trade in nature, unsecured and has no fixed terms of repayment.

10. CASH AND CASH EQUIVALENTS

	<u>Group</u>	<u>Group</u>	<u>Society</u>	<u>Society</u>
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Cash in hand	8,700	6,500	7,000	6,500
Cash at banks	289,608	1,003,485	261,175	1,003,485
	298,308	1,009,985	268,175	1,009,985
Fixed Deposits - General fund	1,303,008	-	1,303,008	-
Fixed Deposits – SASCO Community project fund	566,758	534,352	566,758	534,352
	1,869,766	534,352	1,869,766	534,352
Cash and cash equivalent as per Statement of Cash Flows	<u>2,168,074</u>	<u>1,544,337</u>	<u>2,137,941</u>	<u>1,544,337</u>

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11. TRADE AND OTHER PAYABLES

	<u>Group</u>		<u>Society</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<u>Trade payables</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Third parties	78,504	56,714	78,281	56,714
<u>Other Payables</u>				
- Accrued expenses	385,913	183,029	368,475	183,029
- Related parties' payables	350	350	350	350
Financial liabilities	386,263	183,379	368,825	183,379
- Central Co-op Fund Payable	49,429	429	49,429	429
- Deposit from parents	120,952	112,816	120,952	112,816
- Advance fee received	37,619	-	30,000	-
- GST payable	60,151	-	60,151	-
- Deferred revenue	3,963	-	-	-
	272,114	113,245	260,532	113,245
	736,881	353,338	707,638	353,338

12. CENTRAL CO-OPERATIVE FUND (CCF)

Section 71(1) of the Co-operative Societies Act 1979, requires every society to contribute 5% of the first S\$ 500,000 (1ST tier CCF contribution and 20% thereafter (2ND tier CCF contribution) of the surplus resulting from operations of the Society each year to the Central Co-operative Fund.

13. LEASE LIABILITIES

The Society has lease contracts for an office equipment. The Society's obligations under these leases are secured by the lessor's title to the leased assets. The lease liabilities under these contracts are as follows:

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

	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Payable:				
Within one year	4,154	4,744	4,154	4,744
Between 2 to 5 years	6,030	10,184	6,030	10,184
	10,184	14,928	10,184	14,928

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13. LEASE LIABILITIES – continued

(b) Lease liabilities- Group and Society

<u>Group and Society</u>	Non-cash changes					Cash flows	31-Dec-22
	01-Jan-22	Additions	Accretion of interests	Other			
<u>2022</u>	S\$	S\$	S\$	S\$	S\$	S\$	
Lease liabilities							
Current	4,744	-	684	4,154	(5,428)	4,154	
Non-current	10,184	-	-	(4,154)	-	6,030	
	14,928	-	684	-	(5,428)	10,184	
<u>2021</u>	01-Jan-21	Additions	Accretion of interests	Other	Cash flows	31-Dec-21	
	S\$	S\$	S\$	S\$	S\$	S\$	
Lease liabilities							
Current	6,070	-	998	4,744	(7,068)	4,744	
Non-current	14,928	-	-	(4,744)	-	10,184	
	20,998	-	998	-	(7,068)	14,928	

(C) Amounts recognised in profit and loss

	<u>Group</u>		<u>Society</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	S\$	S\$	S\$	S\$
Depreciation of right-of-use assets	4,761	6,200	4,761	6,200
Interest expense on lease liabilities	684	998	684	998
Total amount recognised in profit or loss	5,445	7,198	5,445	7,198

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14. INCOME AND EXPENDITURE - SOCIETY

	Bukit Perumei	Bedok	Haven Infant & Toddler	Haven School House	Tanjong Pagar	HQ	2022 Total	2021 Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Revenue:								
Childcare fees	553,300	487,200	350,715	654,700	27,725	-	2,073,640	1,762,661
	<u>553,300</u>	<u>487,200</u>	<u>350,715</u>	<u>654,700</u>	<u>27,725</u>	<u>-</u>	<u>2,073,640</u>	<u>1,762,661</u>
Other income								
Grant – IRAS / CPF	32,541	34,475	32,019	32,502	3,752	60,884	196,173	123,397
Other miscellaneous income	11,648	6,160	3,447	11,217	150.00	10,889	43,511	23,978
Donation service fees income	-	-	-	-	-	1,659,364	1,659,364	883,746
Fixed deposit interest – Community Project Fund	-	-	-	-	-	5,414	5,414	5,750
	<u>44,189</u>	<u>40,635</u>	<u>35,466</u>	<u>43,719</u>	<u>3,902</u>	<u>1,736,551</u>	<u>1,904,462</u>	<u>1,036,871</u>
Total income	<u>597,489</u>	<u>527,835</u>	<u>386,181</u>	<u>698,419</u>	<u>31,627</u>	<u>1,736,551</u>	<u>3,978,102</u>	<u>2,799,532</u>
Less: Operating expenses								
Employee benefits expenses:								
Staff salaries, bonus and allowances	399,190	428,035	249,996	494,599	56,933	346,903	1,975,656	1,617,959
CPF and SDL	39,040	34,330	27,733	52,007	5,467	37,702	196,279	172,761
Staff training and seminars	1,736	2,045	2,025	3,422	5,405	12,077	26,710	6,877
Staff welfare / recruitment	5,566	6,698	7,675	5,451	158	3,281	28,829	11,495
Medical expenses	3,960	3,881	2,668	3,946	1,190	996	16,641	6,175
	<u>449,492</u>	<u>474,989</u>	<u>290,097</u>	<u>559,425</u>	<u>69,153</u>	<u>400,959</u>	<u>2,244,115</u>	<u>1,815,267</u>
Depreciation and amortisation expenses:								
Depreciation	7,467	10,691	5,862	7,282	13,243	5138	49,683	25,489

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14. INCOME AND EXPENDITURE - SOCIETY- continued

	Bukit Perumei	Bedok	Haven Infant & Toddler	Haven School House	Tanjong Pagar	HQ	2022 Total	2021 Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Other expenses:								
Advertising	924	1,555	924	924	1,576	10,910	16,813	20,127
Audit fees	6,380	6,380	6,180	6,380	-	-	25,320	21,320
Over provision	-	-	-	-	-	-	-	(11,848)
Bad debts written off	-	-	-	-	-	-	-	13,820
Bank charges	179	224	139	187	13	-	1,519	3,709
Book keeping charges	-	-	-	-	-	-	-	21,400
Computer accessories	3,217	3,217	2,525	3,217	-	3,053	15,229	9,939
Committee members allowance	29,188	29,187	29,188	29,187	-	42,450	159,200	84,700
Conservancy charges	5,730	2,834	1,006	1,360	5,640	-	16,570	8,862
Donation collection fee	-	-	-	-	-	505,604	505,604	241,217
Due and subscription	-	-	-	-	-	-	-	462
Foreign workers levy	13,739	18,557	3,850	11,629	50	-	47,825	35,449
Function and activity expenses	2,166	474	1,198	2,198	1,622	12	7,670	11,728
Groceries	9,175	12,652	1,181	11,047	1,638	-	35,693	38,714
Innovation Guidance Project	1,223	1,248	-	321	-	-	2,792	1,896
Insurance	-	-	-	-	-	168	168	11,637
Licence and membership	-	-	510	-	-	1,260	1,770	270
Office expenses	422	1,178	1,199	1,762	2,558	218	7,337	6,877
Professional charges	-	-	-	-	-	7,135	7,135	1,445
Printing, stationery, and postage	3,177	3,159	1,173	2,747	578	1,482	12,316	15,300
Rental of photocopier	1,669	18	18	154	-	-	1,859	495
Rental premises	11,655	10,768	19,934	26,939	52,179	21,677	143,152	54,979
Repairs and maintenance	879	1,493	2,709	2,861	1,647	-	9,589	5,378
Software Maintenance	1,734	1,734	1,733	1,733	-	644	7,578	6,746
Sundries	20,572	4,350	3,404	2,637	900	2,215	34,078	7,835
Telephone charges	1,883	1,382	2,337	1,725	500	-	7,827	6,850
Toys and books	-	-	-	1,791	-	-	1,791	6,898
Utilities	7,158	8,861	4,992	8,861	1,110	2,316	33,298	24,226
Web site development	-	-	-	-	-	-	-	659
Interest on lease	9	218	229	229	-	-	685	998
	121,079	109,489	84,429	117,889	70,011	599,144	1,102,818	652,088

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15. RELATED PARTY TRANSACTIONS

In addition to the related party transactions disclosed elsewhere in these financial statements, the following transactions with related parties took place during the financial period at terms agreed between the parties:

Related party balances and transaction shown	Type of relationship between the Society and the related party	Group 2022	Group 2021	Society 2022	Society 2021
the accounts as		S\$	S\$	S\$	S\$
AIC grant received on behalf of a related party	Common committee members	7,073,127	3,683,209	7,073,127	3,683,209
AIC grant transferred to a related party	Common committee members	(7,073,127)	(4,057,815)	(7,073,127)	(4,057,815)
Donation service fees income	Common committee members	1,659,364	877,689	1,659,364	877,689
Rent and office expenses	Common committee members	(48,521)	(27,957)	(48,521)	(27,957)

Key Management Compensation:

	Group 2022	Group 2021	Society 2022	Society 2021
	S\$	S\$	S\$	S\$
Allowances paid to chairman, secretary, treasurer and committee members	159,200	84,700	159,200	84,700

16. INCOME TAX

The Co-operative Society is exempted from income tax under Section 13(1) (f) (ii) of the Singapore Income Tax Act 1947.

17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Financial risk management objectives and policies

The main risks arising from the Group's financial instrument are credit and liquidity risks. The Management Committee conducts regular reviews and agrees policies for managing each of these risks to minimise the potential adverse impact of these exposures.

Credit risk

Credit risk is the risk of financial loss to the Group if a member or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's loans to members and other receivables. For other financial assets, including cash, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

Cash at bank is placed with licensed banks in Singapore.

The Group has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days.

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17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES – continued

Financial risk management objectives and policies – continued

Credit risk – continued

The Group determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The Group categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 365 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

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

<u>Category</u>	<u>Definition of category</u>	<u>Basis for recognising expected credit loss (ECL)</u>
I	Counterparty has a low risk of default and does not have any past-due amounts.	12 Month ECL
II	Amount is < 90 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is > 90 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit risk significantly impaired / credit - impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Group's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

<u>Group</u>	<u>Note</u>	<u>Category</u>	<u>12-month and /or lifetime ECL</u>	<u>Gross carrying amount</u>	<u>Loss allowance</u>	<u>Net carrying amount</u>
				S\$	S\$	S\$
<u>2022</u>						
Trade receivables	Note A		Lifetime ECL (simplified)	48,360	(16,185)	32,175
Trade receivables - Related party	Note A		Lifetime ECL (simplified)	204,496	-	204,496
Deposits and Other receivables		I	12 month ECL	78,928	-	78,928
				(16,185)		

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17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES – continued

Financial risk management objectives and policies – continued

Credit risk – continued

<u>Group</u>	<u>Note</u>	<u>Category</u>	<u>12-month and /or lifetime ECL</u>	<u>Gross carrying amount</u> S\$	<u>Loss allowance</u> S\$	<u>Net carrying amount</u> S\$
2021						
Trade receivables		Note A	Lifetime ECL (simplified)	13,819	-	13,819
Other receivables- others		I	12 month ECL	177,084	-	177,084
Other receivables- Related party		III	Lifetime ECL – credit impaired	143,539	-	143,539
					-	
					-	
<u>Society</u>	<u>Note</u>	<u>Category</u>	<u>12-month and /or lifetime ECL</u>	<u>Gross carrying amount</u> S\$	<u>Loss allowance</u> S\$	<u>Net carrying amount</u> S\$
2022						
Trade receivables		Note A	Lifetime ECL (simplified)	9,577	-	9,577
Trade receivables - Related party		Note A	Lifetime ECL (simplified)	204,496	-	204,496
Deposits and Other receivables		I	12 month ECL	44,896	-	44,896
					-	
					-	
	<u>Note</u>	<u>Category</u>	<u>12-month and /or lifetime ECL</u>	<u>Gross carrying amount</u> S\$	<u>Loss allowance</u> S\$	<u>Net carrying amount</u> S\$
2021						
Trade receivables		Note A	Lifetime ECL (simplified)	13,819	-	13,819
Other receivables- others		I	12 month ECL	177,084	-	177,084
Other receivables- Related party		III	Lifetime ECL – credit impaired	143,539	-	143,539
					-	
					-	

Trade receivables (Note A)

For trade receivables, the Company has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Company determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

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17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES – continued

Financial risk management objectives and policies – continued

Credit risk – continued

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Exposure to credit risk

The Group has no significant concentration of credit risk. The Group has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables (Note B)

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

Liquidity risk

Liquidity risk refers to the risk that the Group is unable to meet obligations as and when they fell due. The Group monitors its cash flow and collections on a regular basis as a mean of managing liquidity risk. The Members have committed to provide continuing financial support to the Group as and when required.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including interest payments and excluding the impact of netting agreements:

<u>Group</u>	<u>Carrying Amount</u>	<u>Contractual Cash flows</u>	<u>Within 1 year</u>	<u>Between 2 and 5 years</u>	<u>Total</u>
2022	S\$	S\$	S\$	S\$	S\$
Financial liabilities					
Trade and other payables	386,263	386,263	386,263	-	386,263
Lease liabilities	10,184	10,880	4,608	6,272	10,880
	<u>614,371</u>	<u>616,749</u>	<u>600,441</u>	<u>16,308</u>	<u>616,749</u>
	<u>Carrying Amount</u>	<u>Contractual Cash flows</u>	<u>Within 1 year</u>	<u>Between 2 and 5 years</u>	<u>Total</u>
2021	S\$	S\$	S\$	S\$	S\$
Financial liabilities					
Trade and other payables	183,379	183,379	183,379	-	183,379
Lease liabilities	14,928	14,928	4,744	10,184	14,928
	<u>614,371</u>	<u>616,749</u>	<u>600,441</u>	<u>16,308</u>	<u>616,749</u>

**SINGAPORE AMALGAMATED SERVICES CO-OPERATIVE
ORGANISATION LIMITED AND ITS SUBSIDIARIES**

(Registered under the Co-operative Societies Act 1979 Singapore)
(Unique Entity Number: S33CS0022K)

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

17. FINANCIAL ASSETS AND FINANCIAL LIABILITIES – continued

Financial risk management objectives and policies – continued

Liquidity risk– continued

<u>Society</u>	<u>Carrying Amount</u>	<u>Contractual Cash flows</u>	<u>Within 1 year</u>	<u>Between 2 and 5 years</u>	<u>Total</u>
2022	S\$	S\$	S\$	S\$	S\$
Financial liabilities					
Trade and other payables	368,825	368,825	368,825	-	368,825
Lease liabilities	10,184	10,880	4,608	6,272	10,880
	<u>614,371</u>	<u>616,749</u>	<u>600,441</u>	<u>16,308</u>	<u>616,749</u>
	<u>Carrying Amount</u>	<u>Contractual Cash flows</u>	<u>Within 1 year</u>	<u>Between 2 and 5 years</u>	<u>Total</u>
2021	S\$	S\$	S\$	S\$	S\$
Financial liabilities					
Trade and other payables	183,379	183,379	183,379	-	183,379
Lease liabilities	14,928	14,928	4,744	10,184	14,928
	<u>614,371</u>	<u>616,749</u>	<u>600,441</u>	<u>16,308</u>	<u>616,749</u>

Interest risk

The income and operating cash flows of the Group is substantially independent of changes in market interest rates. The fixed deposits are interest bearing at the bank's prevailing interest rates.

18. FAIR VALUES OF ASSETS AND LIABILITIES

Fair value hierarchy

The Group measures fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. As price) or indirectly (i.e. derived from prices), and
- Level 3 – Inputs for the asset or liability that are not based on observable market rate (unobservable inputs)

a) Investment at FVOCI

The carrying value of S\$8,097/- of the investment as at 31 December 2022 disclosed in Note 6 is the fair value as based on the actual market price as at the balance sheet date.

b) Cash and Cash Equivalents, Other Receivables and Other Payables

The carrying amounts of these items approximate fair value due to their short term nature.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

19. CAPITAL MANAGEMENT

The management considers the capital of the Society mainly consist of general fund, community project fund, reserve fund and fair value reserves.

The management manages the capital to ensure the Society will be able to continue as a going concern.

The management's overall strategy remains unchanged from the end of last financial year.