

**SPACES COUNSELING AND COMMUNITY LIMITED**

*Company Registration Number: 200402955N*

FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2022

**CONTENTS**

**PAGE**

Directors' Statement	1 - 2
Independent Auditor's Report	3 - 5
Statement of Financial Activities	6
Statement of Financial Position	7
Statement of Changes in Funds	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 - 29

**SPACES COUNSELING AND COMMUNITY LIMITED**

*Company Registration No.: 200402955N*

**DIRECTORS' STATEMENT**

*For the financial year ended 31 December 2022*

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The directors are pleased to present their statement to the members together with the audited financial statements of Spaces Counseling and Community Limited (the "Company") for the financial year ended 31 December 2022.

**1 OPINION OF THE DIRECTORS**

In the opinion of the directors,

- (i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and the financial performance, changes in funds and cash flows of the Company for the year then ended; and
- (ii) 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.

**2 DIRECTORS**

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

Toh Leh Lim  
Choong Chee Hong  
Chen Lingshen

**3 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES**

The Company is a public company limited by guarantee and has no share capital. 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 objects 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.

**4 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES**

As the Company is a public company limited by guarantee and has no share capital, none of the directors holding office at the end of the reporting period had an interest in the shares or debentures of the Company or any related corporations either at the beginning or end of financial year.

**5 SHARE OPTIONS**

As the Company is a public company limited by guarantee and does not have a share capital, matters relating to the issue of shares or share options are not applicable.

**SPACES COUNSELING AND COMMUNITY LIMITED**

*Company Registration No.: 200402955N*

**DIRECTORS' STATEMENT**

*For the financial year ended 31 December 2022*

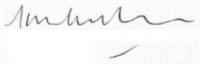
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**6 AUDITOR**

Helmi Talib LLP has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors

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**TOH LEH LIM**

Director

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**CHOONG CHEE HONG**

Director

15 June 2023

*Helmi Talib LLP*



Registration No. (UEN): T20LL1986E  
Chartered Accountants of Singapore  
An Independent Member Firm of IAPA

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## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBERS OF SPACES COUNSELING AND COMMUNITY LIMITED**

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

#### *Opinion*

We have audited the financial statements of SPACES COUNSELING AND COMMUNITY LIMITED (the "Company"), which comprise the statement of financial position as at 31 December 2022, 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 Companies Act 1967 (the "Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulation"), and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2022 and of the financial performance, changes in funds and cash flows of the Company 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 Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Information*

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1 to 2.

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.



## *Helmi Talib LLP*

### *Responsibilities of Management and Directors 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 Regulation 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 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 comprise of the directors of the Company. 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.
- 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 the directors 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.

# *Helmi Talib LLP*

## **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 financial year:

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

DocuSigned by:

*Helmi Talib LLP*

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**HELMI TALIB LLP**  
Public Accountants and  
Chartered Accountants

Singapore

15 June 2023

Partner-in-charge : Bautista Jaypee Lolong  
PA No. : 01977

**SPACES COUNSELING AND COMMUNITY LIMITED***Company Registration No.: 200402955N***STATEMENT OF FINANCIAL ACTIVITIES***For the financial year ended 31 December 2022*


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	<b>Note</b>	<b><u>2022</u></b> \$	<b><u>2021</u></b> \$
<b><u>INCOME</u></b>			
Income from generated funds			
- Voluntary income		219,393	220,142
Income from charitable activities		226,868	213,159
Other income		3,387	15,409
<b>Total income</b>	5	<b><u>449,648</u></b>	<b><u>448,710</u></b>
<b><u>EXPENDITURES</u></b>			
Cost of charitable activities		369,791	335,201
Governance and administrative costs		26,483	26,312
Finance cost		2,031	939
<b>Total expenditures</b>	5	<b><u>398,305</u></b>	<b><u>362,452</u></b>
Net income for the year	5	<b><u>51,343</u></b>	<b><u>86,258</u></b>
<b><u>RECONCILIATION OF FUNDS</u></b>			
Total funds brought forward		<u>563,855</u>	<u>477,597</u>
<b>Tota funds carried forward</b>		<b><u>615,198</u></b>	<b><u>563,855</u></b>

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



**SPACES COUNSELING AND COMMUNITY LIMITED**

Company Registration No.: 200402955N

**STATEMENT OF FINANCIAL POSITION**

As at 31 December 2022

	Note	<u>2022</u> \$	<u>2021</u> \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	6	634,381	586,379
Receivables	7	11,628	10,826
Total current assets		<u>646,009</u>	<u>597,205</u>
<b>Non-current asset</b>			
Plant and equipment	8	126,802	11,234
Total non-current asset		<u>126,802</u>	<u>11,234</u>
Total assets		<u>772,811</u>	<u>608,439</u>
<b>Liabilities and funds</b>			
<b>Liabilities</b>			
<b>Current liabilities</b>			
Payables	9	31,504	33,090
Lease liability	10(b)	37,454	11,494
Total current liabilities		<u>68,958</u>	<u>44,584</u>
<b>Non-current liability</b>			
Lease liability	10(b)	88,655	-
Total non-current liability		<u>88,655</u>	<u>-</u>
Total liabilities		<u>157,613</u>	<u>44,584</u>
<b>Funds</b>			
<b>Unrestricted funds</b>			
Accumulated funds		615,198	563,855
Total funds		<u>615,198</u>	<u>563,855</u>
Total liabilities and funds		<u>772,811</u>	<u>608,439</u>

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

**SPACES COUNSELING AND COMMUNITY LIMITED***Company Registration No.: 200402955N***STATEMENT OF CHANGES IN FUNDS***For the financial year ended 31 December 2022*


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	Unrestricted funds			Total accumulated funds	
	<u>Oogachaga</u>	<u>Spaces Counseling</u>	<u>A Nation in Concert</u>		<u>Sometimes Light</u>
	\$	\$	\$	\$	
<b>At 31 December 2020</b>	462,042	1,352	17,323	(3,120)	477,597
Net income (loss) for the year	86,695	(284)	(153)	-	86,258
<b>At 31 December 2021</b>	548,737	1,068	17,170	(3,120)	563,855
Net income (loss) for the year	51,789	(406)	(40)	-	51,343
<b>At 31 December 2022</b>	600,526	662	17,130	(3,120)	615,198

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

**SPACES COUNSELING AND COMMUNITY LIMITED**

Company Registration No.: 200402955N

**STATEMENT OF CASH FLOWS**

For the financial year ended 31 December 2022

	<b>Note</b>	<b>2022</b> \$	<b>2021</b> \$
<b>Cash flows from operating activities</b>			
Net income for the year		51,343	86,258
<b>Adjustments for:</b>			
Depreciation of plant and equipment	5,8	40,216	38,702
Interest expense on lease liability	5,10(c)	2,031	939
Total adjustments		42,247	39,641
Total operating cash flows before changes in working capital		93,590	125,899
<b>Changes in working capital</b>			
(Increase) decrease in receivables		(802)	6,041
Decrease in payables		(1,586)	(8,159)
Total changes in working capital		(2,388)	(2,118)
Cash generated from operations		91,202	123,781
Net cash generated from operating activities		91,202	123,781
<b>Cash flows from investing activity</b>			
Purchase of plant and equipment		(3,600)	-
Cash used in investing activity		(3,600)	-
<b>Cash flows from financing activities</b>			
Payment of principal portion of lease liability		(38,206)	(38,661)
Interest expense paid on lease liability		(1,394)	(939)
Cash used in financing activities		(39,600)	(39,600)
Net increase in cash and cash equivalents		48,002	84,181
Cash and cash equivalents at 1 January		586,379	502,198
Cash and cash equivalents at 31 December	6	634,381	586,379
<b>Net cash flows</b>			
Net cash generated from operating activities		91,202	123,781
Cash used in investing activity		(3,600)	-
Cash used in financing activities		(39,600)	(39,600)

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

## **SPACES COUNSELING AND COMMUNITY LIMITED**

*Company Registration No.: 200402955N*

### **NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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

#### **1 GENERAL**

Spaces Counseling and Community Limited (the "Company") is domiciled and incorporated in Singapore on 12 March 2004 with its registered office at 57B Pagoda Street, Singapore 059216. The Company is a public company limited by guarantee.

In addition, the Company is registered under the Charities Act, Chapter 37 since 25 September 2004.

The principal activities of the Company are those of counseling and community works and training courses for healthcare, education, community and social services.

The financial statements of the Company for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Board of Directors of the Company as at the date of Directors' Statement.

#### **2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

##### **2.1 Basis of preparation**

The financial statements of the Company have been drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), the Charities Act and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The Company has applied Charities Accounting Standards ("CAS") for the presentation of the statement of financial activities which differs from FRS 1 presentation of Statement of Profit or Loss and Other Comprehensive Income.

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

##### **2.2 Adoption of new and amended standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on 1 January 2022. The adoption of these standards did not have any material effect on the financial statements of the Company.

##### **2.3 Standards issued but not yet effective**

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

**SPACES COUNSELING AND COMMUNITY LIMITED***Company Registration No.: 200402955N***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2022***2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.4 Plant and equipment**

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

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

	<u>Years</u>
Computer	1
Furniture and fittings	5
Office equipment	5
Renovation	3
Office premises	Over the remaining lease term

For right-of-use assets for which ownership of the underlying asset is not transferred to the Company by the end of the lease term, the depreciation method and period is disclosed in Note 2.12 to the financial statements.

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

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

**2.5 Impairment of non-financial assets**

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

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

Impairment losses are recognised in profit or loss.

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

**SPACES COUNSELING AND COMMUNITY LIMITED**

Company Registration No.: 200402955N

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.6 Financial instruments****(a) Financial assets****Initial recognition and measurement**

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

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

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

**Subsequent measurement*****Investments in debt instruments***

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

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

**Derecognition**

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

**(b) Financial liabilities****Initial recognition and measurement**

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

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

**SPACES COUNSELING AND COMMUNITY LIMITED***Company Registration No.: 200402955N***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2022*

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.6 Financial instruments (Continued)****(b) Financial liabilities (Continued)**Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in 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 discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

**2.7 Impairment of financial assets**

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

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-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 receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company 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 Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**2.8 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks which are subject to an insignificant risk of changes in value.

**2.9 Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of past events where it is probable that it will result in an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

**SPACES COUNSELING AND COMMUNITY LIMITED***Company Registration No.: 200402955N***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2022*

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.9 Provisions (Continued)**

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

**2.10 Government grants**

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

When loans or similar assistance are provided by governments or related institutions with an interest rate below the currency applicable market rate, the effect of this favourable interest is regarded as additional government grant.

**2.11 Employee benefits****(a) Defined contribution plans**

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

**(b) Employee leave entitlement**

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

**2.12 Leases**

The Company 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 a lessee**

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



**SPACES COUNSELING AND COMMUNITY LIMITED***Company Registration No.: 200402955N***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2022*

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**2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.12 Leases (Continued)****As a lessee (Continued)****Right-of-use assets**

The Company 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 Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.5.

The Company's right-of-use assets are presented within property, plant and equipment (Note 8).

**Lease liabilities**

At the commencement date of the lease, the Company 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 Company and payments of penalties for terminating the lease, if the lease term reflects the Company 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 Company 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.

The Company's lease liabilities are disclosed in Note 10(b) to the financial statements.

**2.13 Funds**

The accumulated funds are used for the general purposes of the Company as set out in its governing document. It is unrestricted and is for the purpose of meeting the expenditure in accordance with the objectives of the Company.

**2.14 Income**

Income is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

**SPACES COUNSELING AND COMMUNITY LIMITED***Company Registration No.: 200402955N***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2022***2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)****2.14 Income (Continued)**

Income is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

**(a) Income from counseling fees and programme income**

Income from services is recognised when the services have been performed and rendered.

**(b) Donations**

Donations are recognised when received.

**2.15 Recognition of expenditure**

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

**(a) Classification****(i) Charitable activities expenses**

All resources applied in undertaking activities to meet the Company's charitable objectives are classified under charitable activities expenses.

**(ii) Governance and administrative costs**

This includes costs of governance arrangements that relate to the general running of the Company as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. These activities provide the governance infrastructure, which allows the charity to operate, and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the Company.

**(b) Allocation of costs**

Where appropriate, expenditures that are specifically identifiable to each cost classification are allocated directly to the type of costs incurred.

**2.16 Taxes**

As a registered charity under the Charities Act, Cap 37, the Company is exempted from income tax under Section 13 (1)(zm) of the Income tax Act, Cap 134.

**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 revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. 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.

**SPACES COUNSELING AND COMMUNITY LIMITED***Company Registration No.: 200402955N***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2022***3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)****3.1 Judgements made in applying accounting policies**

Management is of the opinion that there are no significant judgements made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

**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 period 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.

**Government funding receivables**

The Company has recognised its receivables from government agencies on the basis that the Company will meet and comply with all the regulatory requirements of the funding agreements and the full amount fund allocated will be received by the Company. The management has relied on past experiences, knowledge and judgement in making these estimates. The carrying amount of the assets arising from the government funding receivables at the end of the reporting period is nil (2021: nil).

**4 RELATED PARTY TRANSACTIONS**

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year.

**Compensation of key management personnel**

The directors and executive director are the key management personnel. The executive have received the following compensation during the financial year:

	<u>2022</u>	<u>2021</u>
	\$	\$
Salaries and bonus	76,075	74,900
Employer's CPF contributions	12,936	11,829
	<u>89,011</u>	<u>86,729</u>

**SPACES COUNSELING AND COMMUNITY LIMITED**

Company Registration No.: 200402955N

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds				Total funds
	Oogachaga	Spaces Counseling	A Nation in Concert	Sometimes Light	
	\$	\$	\$	\$	\$
<b>2022</b>					
<b><u>INCOME</u></b>					
<b>Income from generated funds</b>					
<u>Voluntary income</u>					
- Donation	219,393	-	-	-	219,393
<b>Income from charitable activities</b>					
Education programme grants	131,022	-	-	-	131,022
Room rental fee income	50,211	-	-	-	50,211
Counseling fees	45,635	-	-	-	45,635
	<u>226,868</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>226,868</u>
<b>Other income</b>					
Job Support Scheme	2,085	-	-	-	2,085
Other income	1,302	-	-	-	1,302
	<u>3,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,387</u>
<b>TOTAL INCOME</b>	<u>449,648</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>449,648</u>
<b><u>EXPENDITURES</u></b>					
<b>Cost of charitable activities</b>					
<u>Staff costs</u>					
Staff salaries, bonus and benefits	215,175	-	-	-	215,175
CPF contributions	36,583	-	-	-	36,583
Staff training	1,611	-	-	-	1,611
Skill development levy	463	-	-	-	463
Medical fees	73	-	-	-	73
	<u>253,905</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>253,905</u>
<u>Facilities costs</u>					
Depreciation (Note 8)	40,216	-	-	-	40,216
Utilities	3,658	-	-	-	3,658
Office supplies	3,278	-	-	-	3,278
Internet and telephone	2,796	-	-	-	2,796
Postage and courier	743	-	-	-	743
	<u>50,691</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,691</u>
<u>Programme Costs</u>					
Counseling	28,695	-	-	-	28,695
Programme expense	26,514	-	-	-	26,514
Advertising and publicity	4,593	-	-	-	4,593
Professional service	3,692	-	-	-	3,692
Insurance	722	-	-	-	722
Training	500	-	-	-	500
Transportation	479	-	-	-	479
	<u>65,195</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>65,195</u>
<b>Total cost of charitable activities</b>	<u>369,791</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>369,791</u>

**SPACES COUNSELING AND COMMUNITY LIMITED**

Company Registration No.: 200402955N

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)**

	Unrestricted funds				Total funds
	Oogachaga	Spaces Counseling	A Nation in Concert	Sometimes Light	
	\$	\$	\$	\$	\$
<b>2022 (Continued)</b>					
<b><u>EXPENDITURES</u></b> (Continued)					
<b>Governance and administrative costs</b>					
<u>Governance cost</u>					
Audit fees	5,796	-	-	-	5,796
<u>Administrative costs</u>					
Accounting services	7,809	-	-	-	7,809
Cleaning	1,331	-	-	-	1,331
Website	2,184	-	-	-	2,184
Maintenance cost	2,172	-	-	-	2,172
Bank charges	410	255	40	-	705
Entertainment and refreshment	175	-	-	-	175
IT fees	-	151	-	-	151
Other costs	6,160	-	-	-	6,160
	<u>20,241</u>	<u>406</u>	<u>40</u>	<u>-</u>	<u>20,687</u>
<b>Total Governance and administrative costs</b>	<u>26,037</u>	<u>406</u>	<u>40</u>	<u>-</u>	<u>26,483</u>
<b>Finance cost</b>					
Interest expense on lease liability representing finance cost on financial liabilities not measured at FVPL (Note 10(c))	2,031	-	-	-	2,031
<b>TOTAL EXPENDITURE</b>	<u>397,859</u>	<u>406</u>	<u>40</u>	<u>-</u>	<u>398,305</u>
<b>NET INCOME (LOSS) FOR THE FINANCIAL YEAR</b>	<u>51,789</u>	<u>(406)</u>	<u>(40)</u>	<u>-</u>	<u>51,343</u>

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**SPACES COUNSELING AND COMMUNITY LIMITED**

Company Registration No.: 200402955N

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)**

	Unrestricted funds				Total funds
	Oogachaga	Spaces Counseling	A Nation in Concert	Sometimes Light	
	\$	\$	\$	\$	\$
<b>2021</b>					
<b><u>INCOME</u></b>					
<b>Income from generated funds</b>					
<u>Voluntary income</u>					
- Donation	220,142	-	-	-	220,142
<b>Income from charitable activities</b>					
Education programme grants	153,758	-	-	-	153,758
Counseling fees	31,600	-	-	-	31,600
Room rental fee income	27,801	-	-	-	27,801
	<u>213,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>213,159</u>
<b>Other income</b>					
Job Support Scheme	15,329	-	-	-	15,329
Other income	80	-	-	-	80
	<u>15,409</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,409</u>
<b>TOTAL INCOME</b>	<u>448,710</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>448,710</u>
<b><u>EXPENDITURES</u></b>					
<b>Cost of charitable activities</b>					
<u>Staff costs</u>					
Staff salaries, bonus and benefits	204,244	-	-	-	204,244
CPF contributions	34,733	-	-	-	34,733
Staff training	2,079	-	-	-	2,079
Medical fees	1,240	-	-	-	1,240
Skill development levy	449	-	-	-	449
	<u>242,745</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>242,745</u>
<u>Facilities costs</u>					
Depreciation (Note 8)	38,702	-	-	-	38,702
Office supplies	2,843	-	-	-	2,843
Internet and telephone	2,471	-	-	-	2,471
Utilities	1,174	-	-	-	1,174
Postage and courier	663	-	-	-	663
	<u>45,853</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,853</u>
<u>Programme Costs</u>					
Counseling	27,416	-	-	-	27,416
Advertising and publicity	10,540	-	-	-	10,540
Professional service	3,017	-	-	-	3,017
Programme expense	2,903	-	-	-	2,903
Insurance	1,711	-	-	-	1,711
Training	859	-	-	-	859
Transportation	157	-	-	-	157
	<u>46,603</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,603</u>
<b>Total cost of charitable activities</b>	<u>335,201</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>335,201</u>

**SPACES COUNSELING AND COMMUNITY LIMITED**

Company Registration No.: 200402955N

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**5 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (Continued)**

	Unrestricted funds				Total funds
	Oogachaga	Spaces Counseling	A Nation in Concert	Sometimes Light	
	\$	\$	\$	\$	\$
<b>2021 (Continued)</b>					
<b><u>EXPENDITURES</u></b> (Continued)					
<b>Governance and administrative costs</b>					
<u>Governance cost</u>					
Audit fees	3,424	-	-	-	3,424
<u>Administrative costs</u>					
Accounting services	7,380	-	-	-	7,380
Website	4,720	-	-	-	4,720
Bank charges	303	135	91	-	529
Cleaning	660	-	-	-	660
IT fees	-	149	-	-	149
Entertainment and refreshment	77	-	-	-	77
Admin fees	-	-	62	-	62
Other costs	9,311	-	-	-	9,311
	<u>22,451</u>	<u>284</u>	<u>153</u>	<u>-</u>	<u>22,888</u>
<b>Total Governance and administrative costs</b>	<u>25,875</u>	<u>284</u>	<u>153</u>	<u>-</u>	<u>26,312</u>
<b>Finance cost</b>					
Interest expense on lease liability representing finance cost on financial liabilities not measured at FVPL (Note 10(c))	939	-	-	-	939
<b>TOTAL EXPENDITURE</b>	<u>362,015</u>	<u>284</u>	<u>153</u>	<u>-</u>	<u>362,452</u>
<b>NET INCOME (LOSS) FOR THE FINANCIAL YEAR</b>	<u>86,695</u>	<u>(284)</u>	<u>(153)</u>	<u>-</u>	<u>86,258</u>

**6 CASH AND CASH EQUIVALENTS**

	<u>2022</u>	<u>2021</u>
	\$	\$
Cash at bank	<u>634,381</u>	<u>586,379</u>

Cash at bank is held in non-interest bearing accounts.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the balances as shown above.

Cash and cash equivalents are denominated in Singapore Dollar.

**SPACES COUNSELING AND COMMUNITY LIMITED**

Company Registration No.: 200402955N

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**7 RECEIVABLES**

	<u>2022</u>	<u>2021</u>
	\$	\$
Deposits	10,380	10,600
Prepayments	1,248	226
	<u>11,628</u>	<u>10,826</u>
Total receivables (excluding prepayments)	10,380	10,600
Add: Cash and cash equivalents (Note 6)	<u>634,381</u>	<u>586,379</u>
Total financial assets measured at amortised cost	<u>644,761</u>	<u>596,979</u>

Expected credit losses ("ECL")

As at 31 December 2022 and 2021, there was no allowance provided on ECL of receivables based on 12-month ECL.

Receivables are denominated in Singapore Dollar.

**8 PLANT AND EQUIPMENT**

	<u>Computer</u>	<u>Furniture and fittings</u>	<u>Office equipment</u>	<u>Renovation</u>	<u>Office premises</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
At 31 December 2020						
and 31 December 2021	5,518	3,495	2,022	9,045	125,684	145,764
Additions	3,600	-	-	-	152,184	155,784
Disposal	-	-	-	-	(125,684)	(125,684)
At 31 December 2022	<u>9,118</u>	<u>3,495</u>	<u>2,022</u>	<u>9,045</u>	<u>152,184</u>	<u>175,864</u>
<b>Accumulated depreciation</b>						
At 31 December 2020	5,518	3,493	1,406	9,045	76,366	95,828
Charge for the financial year	-	2	517	-	38,183	38,702
At 31 December 2021	<u>5,518</u>	<u>3,495</u>	<u>1,923</u>	<u>9,045</u>	<u>114,549</u>	<u>134,530</u>
Charge for the financial year	2,101	-	30	-	38,085	40,216
Disposal	-	-	-	-	(125,684)	(125,684)
At 31 December 2022	<u>7,619</u>	<u>3,495</u>	<u>1,953</u>	<u>9,045</u>	<u>26,950</u>	<u>49,062</u>
<b>Net carrying amount</b>						
At 31 December 2021	<u>-</u>	<u>-</u>	<u>99</u>	<u>-</u>	<u>11,135</u>	<u>11,234</u>
At 31 December 2022	<u>1,499</u>	<u>-</u>	<u>69</u>	<u>-</u>	<u>125,234</u>	<u>126,802</u>

Right-of-use asset acquired under leasing arrangement is presented together with the owned asset of the same class. Details of such leased asset are disclosed in Note 10(a) to the financial statements.



**SPACES COUNSELING AND COMMUNITY LIMITED**

Company Registration No.: 200402955N

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**9 PAYABLES**

	<u>2022</u>	<u>2021</u>
	\$	\$
Accrued operating expenses	22,205	23,791
Provision for unutilised leave	9,299	9,299
	<u>31,504</u>	<u>33,090</u>
Payables (excluding provision for unutilised leave)	22,205	23,791
Add: Lease liability (Note 10(b))	126,109	11,494
Total financial liabilities measured at amortised cost	<u>148,314</u>	<u>35,285</u>

Payables are denominated in Singapore Dollar.

**10 LEASES**

The Company has lease contract for its office premises. The Company is restricted from assigning and subleasing the leased asset.

**(a) Carrying amounts of right-of-use assets presented within plant and equipment**

	<u>Office premises</u>
	\$
At 31 December 2020	49,318
Depreciation	(38,183)
At 31 December 2021	<u>11,135</u>
Additions	152,184
Depreciation	(38,085)
At 31 December 2022	<u>125,234</u>

**(b) Lease liability**

The carrying amounts of lease liability, the movements during the year are disclosed below, and the maturity analysis of lease liability is disclosed in Note 13(a) to the financial statements.

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Lease liability</u>		
- Current	37,454	11,494
- Non-current	88,655	-
	<u>126,109</u>	<u>11,494</u>

**SPACES COUNSELING AND COMMUNITY LIMITED**

Company Registration No.: 200402955N

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**10 LEASES (Continued)****(b) Lease liability (Continued)**

A reconciliation of liability arising from leases is as follows:

2022	At 1	Additions	Cash flows	Non-cash changes		At 31
	January			Interests	Others	December
	\$	\$	\$	\$	\$	\$
Lease liability						
- Current	11,494	152,184	(39,600)	2,031	(88,655)	37,454
- Non-current	-	-	-	-	88,655	88,655
	<u>11,494</u>	<u>152,184</u>	<u>(39,600)</u>	<u>2,031</u>	<u>-</u>	<u>126,109</u>

2021	At 1	Additions	Cash flows	Non-cash changes		At 31
	January			Interest	Others	December
	\$	\$	\$	\$	\$	\$
Lease liability						
- Current	38,661	-	(39,600)	939	11,494	11,494
- Non-current	11,494	-	-	-	(11,494)	-
	<u>50,155</u>	<u>-</u>	<u>(39,600)</u>	<u>939</u>	<u>-</u>	<u>11,494</u>

Lease liability is denominated in Singapore Dollar.

**(c) Amounts recognised in profit or loss**

	<u>2022</u>	<u>2021</u>
	\$	\$
Depreciation of right-of-use assets (Note 8)	38,085	38,183
Interest expense on lease liabilities (Note 5)	<u>2,031</u>	<u>939</u>
Total amount recognised in profit or loss	<u>40,116</u>	<u>39,122</u>

**(d) Total cash outflows**

During the financial year, the Company had total cash outflows for leases of \$39,600 (2021:\$39,600).

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**SPACES COUNSELING AND COMMUNITY LIMITED***Company Registration No.: 200402955N***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2022***11 FUNDS**

The unrestricted fund represents the accumulated income for meeting the expenditure in accordance with the objective of the Company.

Unrestricted funds comprise of the following:

**(a) Oogachaga**

This is for the counseling and support related to sexuality issues for lesbian, gay, bisexual, transgender and questioning communities as well as those who seek understanding on sexuality and sexual health issues.

**(b) A Nation in Concert**

This is an all-inclusive platform for all people to showcase their talents and abilities, embrace diversity, celebrate lives and foster the spirit of sharing and giving.

**(c) Sometimes Light**

This focus on providing corporate training services and motivational course as well as leadership development and training programs.

**12 RESERVES POSITION AND POLICY**

The Company's reserves position for financial years ended 31 December 2022 and 2021 is as follows:

	<u>2022</u>	<u>2021</u>	<u>Increase</u>
	\$	\$	%
Unrestricted funds (reserves), representing total funds	<u>615,198</u>	<u>563,855</u>	9
Total annual operating expenditure			
- Spent out of unrestricted fund, representing total annual operating expenditure	<u>398,305</u>	<u>362,452</u>	10
Ratio of reserves to annual operating expenditure	1.54	1.56	

The Board of Directors has examined the Company's requirements for reserves to provide financial stability and the means for the development of the Company's principal activity. The current strategy is to build reserves through planned operating surpluses. The reserves are needed to meet the working capital requirements of the Company and the Board of Directors are confident that at this level they would be able to continue the current activities of the Company in the event of a significant drop in funding.

**SPACES COUNSELING AND COMMUNITY LIMITED**

*Company Registration No.: 200402955N*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**12 RESERVES POSITION AND POLICY (Continued)**

The Company's reserves detailed policy is as follows:

- (a) The Company regards its unrestricted fund/accumulated fund as its reserves.
- (b) The Company shall set aside sufficient reserves to provide financial stability to the organisation and the means for the development of its principal activities.
- (c) The Company shall maintain its reserves at a level which is equivalent to a year's annual operating expenses in view of the 18 months' lead time for grants to be approved and disbursed. The Board of Directors regularly reviews the level of reserves to ensure that they are adequate to fulfil the Company's continuing obligations.

The Company intends to use the reserves in the following manner in the next 12 months:

- (a) cover the necessary operational expenses to carry out our charitable work;
- (b) conduct fundraising activities to raise more funds;
- (c) ensure our partners and stakeholders that we are financially stable to continue our charitable work; and
- (d) meet any administrative cost required to maintain our charitable status.

**13 FINANCIAL INSTRUMENTS**

**(a) Financial risk management**

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk.

The directors review and agree policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposures to these financial risks or the manner in which it manages and measures the risks.

***Credit risk***

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

**SPACES COUNSELING AND COMMUNITY LIMITED**

*Company Registration No.: 200402955N*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**13 FINANCIAL INSTRUMENTS (Continued)**

**(a) Financial risk management (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 Company's performance to developments affecting a particular industry.

*Exposure to credit risk*

The carrying amount of cash and cash equivalents, represents the Company's maximum exposure to credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

*Receivables*

The Company 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 credit risk since the initial recognition of the financial assets. Accordingly, the Company 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 Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The Company monitors and maintains a level of cash and bank balances deemed adequate by the Management Committee to finance the Company's operations and mitigate the effects of fluctuations in cash flow.

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**SPACES COUNSELING AND COMMUNITY LIMITED**

Company Registration No.: 200402955N

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial year ended 31 December 2022

**13 FINANCIAL INSTRUMENTS (Continued)****(a) Financial risk management (Continued)****Liquidity risk (Continued)**Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Notes	2022			
		Carrying amount \$	Contractual cash flows \$	One year or less \$	One to five years \$
<b>Financial assets</b>					
Cash and cash equivalents	6	634,381	634,381	634,381	-
Receivables (excluding prepayments)	7	10,380	10,380	10,380	-
Total undiscounted financial assets		<u>644,761</u>	<u>644,761</u>	<u>644,761</u>	<u>-</u>
<b>Financial liabilities</b>					
Payables (excluding provision for unutilised leave)	9	22,205	22,205	22,205	-
Lease liability	10(b)	126,109	130,350	39,600	90,750
Total undiscounted financial liabilities		<u>148,314</u>	<u>152,555</u>	<u>61,805</u>	<u>90,750</u>
Total net undiscounted financial assets (liabilities)		<u>496,447</u>	<u>492,206</u>	<u>582,956</u>	<u>(90,750)</u>
	Notes	2021			
		Carrying amount \$	Contractual cash flows \$	One year or less \$	One to five years \$
<b>Financial assets</b>					
Cash and cash equivalents	6	586,379	586,379	586,379	-
Receivables (excluding prepayments)	7	10,600	10,600	10,600	-
Total undiscounted financial assets		<u>596,979</u>	<u>596,979</u>	<u>596,979</u>	<u>-</u>
<b>Financial liabilities</b>					
Payables (excluding provision for unutilised leave)	9	23,791	23,791	23,791	-
Lease liability	10(b)	11,494	11,550	11,550	-
Total undiscounted financial liabilities		<u>35,285</u>	<u>35,341</u>	<u>35,341</u>	<u>-</u>
Total net undiscounted financial assets		<u>561,694</u>	<u>561,638</u>	<u>561,638</u>	<u>-</u>

**SPACES COUNSELING AND COMMUNITY LIMITED**

*Company Registration No.: 200402955N*

**NOTES TO THE FINANCIAL STATEMENTS**

*For the financial year ended 31 December 2022*

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**13 FINANCIAL INSTRUMENTS (Continued)**

**(b) Fair value of financial assets and financial liabilities**

The fair value of financial assets and financial liabilities reported in the statement of financial position approximates the carrying amounts of those assets and liabilities, as these are short term in nature, except for lease liability.

*Lease liability*

Lease liability approximate its fair value as it is subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

During the financial year, no amount (2021: nil) has been recognised in profit or loss in relation to the change in fair value of financial assets or financial liabilities estimated using a valuation technique.

The Company has no fair value measurement hierarchy (2021: nil) recognised in the statement of financial position as at the end of the reporting period.

**14 FINANCIAL INSTRUMENTS BY CATEGORY**

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities carried at amortised cost were disclosed in Notes 7 and 9 to the financial statements.

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