

BILBY COMMUNITY DEVELOPMENT LTD.

Unique Entity Number: 201942228D
(Incorporated in the Republic of Singapore)

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2023**

BILBY COMMUNITY DEVELOPMENT LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS

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BILBY COMMUNITY DEVELOPMENT LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT

We are pleased to present this statement to the members of Bilby Community Development Ltd. (the "Company") together with the audited financial statements for the financial year ended 31 March 2023.

In our opinion,

- (a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2023 and the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act 1967, the Singapore Charities Act 1994 and Singapore Financial Reporting Standards; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

DIRECTORS

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

Chan Wen Jie
Mah Chin Siang
Lai Mun Loon
Samantha Tan Hui Xian
Rahul Mehndiratta
Guo Wanling
Ong Kek Seng Roger

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

OPTIONS

The Company is a company limited by guarantee. As such, there are no share options and unissued shares under option.

AUDITOR

The auditor, Pinnally PAC, has indicated its willingness to accept re-appointment.

On behalf of the Board of Directors



Ong Kek Seng Roger
Director



Chan Wen Jie
Director

Singapore
8 June 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BILBY COMMUNITY DEVELOPMENT LTD.**
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bilby Community Development Ltd. (the "Company"), which comprise the statement of financial position as at 31 March 2023, the statement of comprehensive income, statement of changes in accumulated 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 "Companies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") 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 March 2023 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 Matter

The financial statements of the Company for the year ended 31 March 2022 were audited by another auditor who expressed an unqualified opinion on those statements on 7 June 2022.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement (set out on page 1), but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BILBY COMMUNITY DEVELOPMENT LTD.**
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

Other Information (cont'd)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of 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 Companies Act, the Charities Act and Regulations, and FRSSs, 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.

The directors' 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BILBY COMMUNITY DEVELOPMENT LTD.**
(Incorporated in the Republic of Singapore)

Report on the Audit of the Financial Statements

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

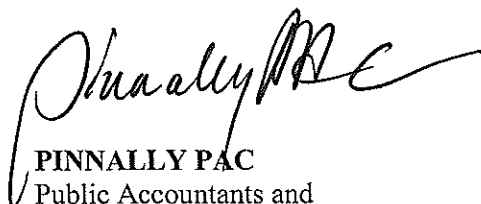
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies 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.

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.

The engagement partner on the audit resulting in this independent auditor's report is Nick Lai Yew Len.



PINNALLY PAC
Public Accountants and
Chartered Accountants

Singapore
8 June 2023

BILBY COMMUNITY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

**STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2023**

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
ASSETS			
Current assets			
Trade receivables	(4)	18,598	17,987
Prepayments		1,000	1,000
Cash and bank balances	(5)	28,148	31,004
		<u>47,746</u>	<u>49,991</u>
Total assets		<u>47,746</u>	<u>49,991</u>
FUNDS AND LIABILITIES			
Funds			
Accumulated fund		<u>31,193</u>	<u>32,938</u>
Total funds		<u>31,193</u>	<u>32,938</u>
Current liabilities			
Other payables	(6)	15,626	16,126
Income tax payable		927	927
		<u>16,553</u>	<u>17,053</u>
Total funds and liabilities		<u>47,746</u>	<u>49,991</u>

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

BILBY COMMUNITY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
Income			
Programmes income	(7)	131,566	133,174
Donations		7,606	2,158
Government grants		15,482	21,855
Others		100	485
		<u>154,754</u>	<u>157,672</u>
Expenditure			
Programme expenses	(8)	54,351	73,549
Employee benefit expenses	(9)	93,423	53,743
Other expenses		8,313	7,290
		<u>156,087</u>	<u>134,852</u>
(Deficit)/Surplus before tax		(1,333)	23,090
Less: Income tax	(10)	(412)	(974)
(Deficit)/Surplus after tax		<u>(1,745)</u>	<u>22,116</u>
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive income for the financial year		<u>(1,745)</u>	<u>22,116</u>

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

BILBY COMMUNITY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	Accumulated <u>fund</u> S\$	<u>Total</u> S\$
Balance at 1 April 2021	10,822	10,822
Total comprehensive income	22,116	22,116
Balance at 31 March 2022	32,938	32,938
Total comprehensive income	(1,745)	(1,745)
Balance at 31 March 2023	31,193	31,193

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

BILBY COMMUNITY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
Cash flows from operating activities			
(Deficit)/Surplus before tax, representing operating (deficit)/surplus before working capital changes		(1,333)	23,090
Changes in working capital:			
Trade receivables		(611)	(5,781)
Contract cost		-	640
Prepayments		-	217
Other payables		(500)	3,880
Cash flows generated from operations		(2,444)	22,046
Income tax paid		(412)	(47)
Net cash from operating activities		(2,856)	21,999
Net increase in cash and cash equivalents		(2,856)	21,999
Cash and cash equivalents at beginning of the financial year		31,004	9,005
Cash and cash equivalents at end of the financial year		28,148	31,004

Cash and cash equivalents as at end of the financial year comprised of bank balances.

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

BILBY COMMUNITY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

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

The financial statements were authorised for issue by the Board of Directors on the date of the Directors' Statement.

1. GENERAL

Bilby Community Development Ltd. (the "Company") is a company limited by guarantee and is domiciled in the Republic of Singapore.

The address of the Company's registered office is 267 Pasir Ris Street 21 #08-418 Singapore 510267.

The principal activity of the Company are those of supporting youth in the development of their social emotional learning by conducting workshops for youth and individual.

Every member has undertaken to contribute such amounts not exceeding S\$2 to the assets of the Company in the event the Company is wound up and the monies are required for payment of liabilities of the Company.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention, except as otherwise described in the accounting policies below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore Dollar (S\$), which is the Company's functional currency. All financial information is presented in Singapore Dollar, unless otherwise stated.

BILBY COMMUNITY DEVELOPMENT LTD.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgements

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, 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.

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.

Impairment of loans and receivables

The impairment of loans and receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

The carrying amount of the Company's other receivables as at 31 March 2023 disclosed in Note 4 to the financial statements.

BILBY COMMUNITY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023****3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments**(i) Recognition and initial measurement*****Non-derivative financial assets and financial liabilities***

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company 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.

(ii) Classification and subsequent measurement***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 Company 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.

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.

BILBY COMMUNITY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

Equity investments at FVOCI

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

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 Company 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.

Financial assets: Business model assessment

The Company 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:

- 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 Company'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 Company'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.

BILBY COMMUNITY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

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 Company 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 Company considers:

- 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 Company'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 this 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, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

BILBY COMMUNITY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(ii) Classification and subsequent measurement (cont'd)

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.

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.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

(iii) Derecognition

Financial assets

The Company derecognises a financial asset when:

- the contractual rights to the cash flows from the financial asset expire, or
- it transfers the rights to receive the contractual cash flows in a transaction in which either:
 - substantially all of the risks and rewards of ownership of the financial asset are transferred; or
 - the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

BILBY COMMUNITY DEVELOPMENT LTD.

(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.1 Financial instruments (cont'd)

(iii) Derecognition (cont'd)

Transferred assets are not derecognised when the Company enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Company's cash management are included in cash and cash equivalents.

3.2 Impairment

Non-derivative financial assets and contract assets

The Company recognises loss allowances for expected credit losses (ECLs) on:

- financial assets measured at amortised costs;
- debt investments measured at FVOCI;
- contract assets (as defined in FRS115); and
- intra-group financial guarantee contracts (FGC).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Impairment (cont'd)

Non-derivative financial assets and contract assets (cont'd)

Loss allowances of the Company are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset

Simplified approach

The Company applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Company applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Company assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Impairment (cont'd)

Non-derivative financial assets and contract assets (cont'd)

The Company considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The Company considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Company in full, without recourse by the Company to actions such as realising security (if any is held).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2023**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Impairment (cont'd)

Non-derivative financial assets and contract assets (cont'd)

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3.3 Employee benefits

(i) Defined contribution plans

The Company makes contributions to the Central Provident Fund scheme, a defined contribution plan in Singapore. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Annual leave

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

3.4 Provisions

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3.5 Revenue

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

Revenue is recognized 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 revenue recognised is the amount allocated to the satisfied performance obligation.

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3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Revenue (cont'd)

(i) Rendering of services

The Company organises programmes and workshops. Revenue from rendering of services is recognised when the services have been performed and rendered.

(i) Donation

Donations are accounted for when received, except for committed donations and corporate cash sponsorships that are recognised when the commitments are signed.

3.6 Government grants

Government grants related to assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant. These grants are then recognised in profit or loss as 'other income' on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses incurred are recognised in profit or loss as 'other income' on a systematic basis in the same periods in which the expenses are recognised.

3.7 Income tax

As an approved charity under the Charities Act 1994, the Company is exempted from income tax under Section 13(1)(zm) of the Income Tax Act 1947.

3.8 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except 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 or after 1 April 2022. The adoption of these standards did not have any material effect on the financial performance and position of the Company.

3.9 New standards and interpretations not adopted

A number of new standards, interpretations and amendments to standards are issued but effective for annual periods beginning after 1 April 2023, and have not been applied in preparing these financial statements. The Company does not plan to early adopt these standards. The Company is currently assessing the potential impact of adopting these standards and interpretations, on the financial statements of the Company. None of these are expected to have a significant effect on the financial statements of the Company.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. TRADE RECEIVABLES

	<u>2023</u> S\$	<u>2022</u> S\$
Third parties	4,585	4,165
Unbilled receivables	14,013	13,822
	<u>18,598</u>	<u>17,987</u>

Trade receivables are non-interest bearing and are generally on 30 (2022: 30) days' terms.

Unbilled receivables are the Company's right to consideration that are unconditional. A right to consideration is unconditional if only the passage of time is required before payment of that consideration is due.

5. CASH AND BANK BALANCES

	<u>2023</u> S\$	<u>2022</u> S\$
Cash at bank	28,148	31,004
	<u>28,148</u>	<u>31,004</u>

6. OTHER PAYABLES

	<u>2023</u> S\$	<u>2022</u> S\$
Accrued expenses	15,626	14,926
Other payables	-	1,200
	<u>15,626</u>	<u>16,126</u>

7. PROGRAMMES INCOME

	<u>2023</u> S\$	<u>2022</u> S\$
Programmes income	131,566	133,174
	<u>131,566</u>	<u>133,174</u>
<u>Timing of transfer of service</u>		
	<u>2023</u> S\$	<u>2022</u> S\$
Over time	131,566	133,174
	<u>131,566</u>	<u>133,174</u>

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8. PROGRAMME EXPENSES

	<u>2023</u> S\$	<u>2022</u> S\$
Contractors fees	42,834	73,549
Examination welfare pack	7,158	-
Other programme expenses	4,359	-
	<u>54,351</u>	<u>73,549</u>

9. EMPLOYEE BENEFIT EXPENSES

	<u>2022</u> S\$	<u>2021</u> S\$
<u>Staff costs</u>		
Salaries and bonuses	45,850	21,812
Contribution to defined contribution plan	9,672	1,173
Other staff benefits	227	91
<u>Director's remuneration</u>		
Salaries	32,200	25,440
Contribution to defined contribution plan	5,474	5,227
	<u>93,423</u>	<u>53,743</u>

10. INCOME TAX

	<u>2023</u> S\$	<u>2022</u> S\$
Tax expense attributable to (deficit)/surplus is made up to:		
- Current income tax	-	927
- Underprovision in respect of prior year	412	47
	<u>412</u>	<u>974</u>

The tax expense on (deficit)/surplus before income tax differs from the amount that would arise using the Singapore standard rate of income tax are as follows:

	<u>2023</u> S\$	<u>2022</u> S\$
(Deficit)/Surplus before tax	<u>(1,333)</u>	<u>23,090</u>
Tax calculated at a tax rate of 17% (2022: 17%)	(227)	3,925
Tax effects of:		
- Expenses not deductible for tax purposes	227	34
- Non-taxable income	-	(251)
- Statutory tax exemptions	-	(2,781)
- Underprovision in respect of prior year	412	47
	<u>412</u>	<u>974</u>

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11. RELATED PARTY TRANSACTIONS

Compensation of key management personnel

	<u>2023</u> S\$	<u>2022</u> S\$
Director's salary	32,200	25,440
Director's CPF contribution	5,474	5,227

Key management of the Company are those persons having the authority and responsibility for planning, directing and controlling the activities of the Company. The directors are considered as key management of the Company.

12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Risk management is integral to the whole business of the Company. The management continually monitors the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

No derivatives shall be undertaken except for use as hedging instruments where appropriate and cost-efficient. The Company does not apply hedge accounting.

The key financial risks include credit risk and liquidity risk. The following provide details regarding the Company's exposure to the risks and the objectives, policies and processes for the management of these risks.

12.1 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from other receivables. For other financial assets (including cash and bank balances, and fixed deposits), the Company minimises credit risk by dealing with high credit rated counterparties.

At reporting date, the carrying amounts of other receivables, fixed deposits, and cash and bank balances represent the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. There was no significant concentration of credit risk.

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12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

12.1 Credit risk (cont'd)

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

	<u>Note</u>	<u>12-month or lifetime ECL</u>	<u>Gross carrying amount</u> S\$	<u>Loss allowance</u> S\$	<u>Net carrying amount</u> S\$
31 March 2023					
Trade receivables	(6)	12-month ECL	18,598	-	18,598
Cash and bank balances	(8)	12-month ECL	28,148	-	28,148
				<u>-</u>	
31 March 2022					
Trade receivables	(6)	12-month ECL	17,987	-	17,987
Cash and bank balances	(8)	12-month ECL	31,004	-	31,004
				<u>-</u>	

Trade receivables

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. The trade receivables as at year end is not past due and the Company concluded that the ECL is insignificant.

Other non-derivative financial assets

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 the 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.

**NOTES TO THE FINANCIAL STATEMENTS
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12. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

12.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds.

To manage liquidity risk, the Company monitors its net operating cash flows and maintains an adequate level of cash and cash equivalents. Management reviews its working capital requirements regularly.

The contractual undiscounted cash flows of other payables are equivalent to their carrying amounts and are repayable within one year.

13. FINANCIAL INSTRUMENTS

Fair value

The fair value of financial assets and liabilities is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of other receivables, fixed deposits, cash and bank balances, and other payables are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Financial instruments by category

The carrying amounts of financial instruments in each of the following categories are as follows:

	<u>2023</u>	<u>2022</u>
	S\$	S\$
Financial assets measured at amortised cost:		
- Trade receivables	18,598	17,987
- Cash and bank balances	28,148	31,004
	<u>46,746</u>	<u>48,991</u>
Financial liability measured at amortised cost:		
- Other payables	<u>15,626</u>	<u>16,126</u>

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14. FUND MANAGEMENT

The Company's objective is to safeguard its assets, to effectively and efficiently manage the usage of available capital resources towards supporting the Company's principal and related activities and ensuring long-term sustainability. The Company's overall strategy remains unchanged since prior year.

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified for better comparability with the current year's presentation. The reclassification does not have any impact on the Company's results and financial position.