

**PRESBYTERIAN PRESCHOOL
SERVICES LTD.**

[UEN. 202128741D]

[A company limited by guarantee and not having
share capital]

[Incorporated in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM
17 AUGUST 2021 (DATE OF INCORPORATION) TO
31 MARCH 2022**

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Fiducia LLP

[UEN. T10LL0955L]

Public Accountants and
Chartered Accountants of Singapore

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

DIRECTORS' STATEMENT

The directors present their first statement to the members together with the audited financial statements of **Presbyterian Preschool Services Ltd.** (the "Company") for the financial period from 17 August 2021 (date of incorporation) to 31 March 2022.

In the opinion of the directors,

- a) 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 March 2022 and the financial performance, changes in fund and cash flows of the Company for the financial period from 17 August 2021 (date of incorporation) to 31 March 2022; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

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

Wee Yoke Thong	(Appointed on 17 August 2021)
Lee Soo Ann	(Appointed on 17 August 2021)
Lim Eng Hian	(Appointed on 17 August 2021)
Keith Lai Chee Kheong	(Appointed on 17 August 2021)
Kok Hei Mun Jonathan	(Appointed on 17 August 2021)
Tan Chee Koon Samuel	(Appointed on 17 August 2021)
Liom Heng Pow	(Appointed on 17 August 2021)
Goh Ching Wah	(Appointed on 17 August 2021)
Ang Eng Hoe	(Appointed on 17 August 2021 and resigned on 24 March 2022)
Lim Chye Kee	(Appointed on 17 August 2021 and resigned on 24 March 2022)
Yeo Yew Jen	(Appointed on 17 August 2021 and resigned on 24 March 2022)
Wee Char Lee	(Appointed on 17 August 2021 and resigned on 24 March 2022)
Thang Leng Leng	(Appointed on 17 August 2021 and resigned on 24 March 2022)
Leong Kok Ho	(Appointed on 17 August 2021 and resigned on 24 March 2022)
Lau Hwa Park Johnny	(Appointed on 24 March 2022)

Arrangements to enable directors to acquire shares and debentures

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

Other matters

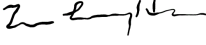
As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.


DIRECTORS' STATEMENT (CONT'D)

Independent auditor

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

On behalf of the Board of Directors,

DocuSigned by:

C925910F40244DC...
Lim Eng Hian
Director

DocuSigned by:

DEC970A4371A407...
Tan Chee Koon Samuel
Director

Singapore, 29 September 2022.

Fiducia LLP

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Independent auditor's report to the members of:

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Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Presbyterian Preschool Services Ltd.** (the "Company") which comprise the statement of financial position as at 31 March 2022, and the statement of financial activities, statement of changes in fund and statement of cash flows of the Company for the financial period from 17 August 2021 (date of incorporation) to 31 March 2022, 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 Charities Accounting Standard in Singapore ("CAS") so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and of the financial performance, changes in the funds and cash flows of the Company for the financial 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 ("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 audit opinion.

Other information

Management is responsible for the other information. The other information comprises the Directors' Statement (set out on pages 2 and 3).

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

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

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(CONT'D)

Independent auditor's report to the members of:

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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, Charities Act and Regulations 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.

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

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


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

We communicate with 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.

DocuSigned by:


Fiducia LLP

Public Accountants and
Chartered Accountants

Singapore, 29 September 2022.

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

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL PERIOD FROM 17 AUGUST 2021 (DATE OF INCORPORATION) TO 31 MARCH 2022

	17.08.2021 to 31.03.2022 S\$
	Note
OTHER INCOME	
Waiver on professional fee paid by a related party	<u>3,172</u>
EXPENDITURE	
<u>Governance cost</u>	
Professional fee	<u>(3,172)</u>
NET INCOME FOR THE FINANCIAL PERIOD	<u><u>0</u></u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2022

	Note	2022 S\$
ASSETS		
Current assets		
Cash and cash equivalents	5	0
Other receivables	6	<u>0</u>
		<u>0</u>
Total assets		<u>0</u>
LIABILITIES		
Current liabilities		
Accruals	7	<u>0</u>
Total liabilities		<u>0</u>
NET ASSETS		<u>0</u>
FUND		
<u>Unrestricted fund</u>		
Accumulated general fund	8	<u>0</u>

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

**STATEMENT OF CHANGES IN FUND
 FOR THE FINANCIAL PERIOD FROM 17 AUGUST 2021 (DATE OF INCORPORATION) TO 31 MARCH
 2022**

	17.08.2021 to 31.03.2022 S\$
FUND	
<u>Unrestricted fund</u>	
Balance at date of incorporation (17 August 2021)	0
Net income for the financial period	<u>0</u>
Balance at end of financial period	<u>0</u>

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

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL PERIOD FROM 17 AUGUST 2021 (DATE OF INCORPORATION) TO 31 MARCH 2022

	Note	17.08.2021 to 31.03.2022 S\$
Cash flow from operating activities		
Net income before income tax		0
Changes in working capital		
- Other receivables		0
- Other payables		0
Net cash flow generated from operating activities		<u>0</u>
Net increase in cash and cash equivalents		0
Cash and cash equivalents at date of incorporation		0
Cash and cash equivalents at end of financial period	4	<u>0</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL PERIOD FROM 17 AUGUST 2021 (DATE OF INCORPORATION) TO 31 MARCH
2022**

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

1. General information

Presbyterian Preschool Services Ltd. (the "Company") was incorporated on 17 August 2021 and domiciled in Singapore.

It is a company limited by guarantee whereby the liabilities of the members is limited. Every member of the Company undertakes to contribute to the assets of the Company, in the event of it being wound up while he is a member, or within one year after he ceases to be a member, for payment of debts and liabilities of the Company contracted before he ceases to be a member, and the costs, charges and expenses of winding-up, and for the adjustment of the rights of the contributories among as may be required not exceeding S\$1. As at 31 March 2022, the Company has 9 members.

The Company is a charity registered under the Charities Act 1994 since 1 March 2022.

The Company's registered office and principal place of business is at 105 Jalan Bukit Merah, #01-1912 Tiong Bahru Orchard, Singapore 160105.

The principal activities of the Company are to:

- provision of quality and affordable early childhood development services;
- provide training and consultancy work in early childhood development services.

The Company has yet to commence business operations as at 31 March 2022. It commences operations on 1 April 2022 and childcare operations on 1 May 2022.

2. Significant accounting policies**2.1 Basis of preparation**

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

These financial statements are presented in Singapore Dollar, which is the Company's functional and presentation currency.

The preparation of the financial statements in conformity with CAS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

2. Significant accounting policies (Cont'd)**2.2 Income recognition**

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

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

2.2.1 Other income

Other income is recognised when received.

2.3 Expenditure recognition

All expenditure is recognised when and to the extent that a liability is incurred or increased without a commensurate increase in recognised assets or a reduction liabilities, or an asset is reduced without a commensurate decrease in recognised liabilities or increase in another asset.

2.3.1 Governance costs

Governance costs include the costs of governance arrangements, which 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. Expenditure on the governance of the Company will normally include both direct and related support costs which include internal and external audit, apportioned manpower costs and general costs in supporting the governance activities, legal advice for governing board members and cost associated with constitutional and statutory requirements.

2.4 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the reporting date.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a tax authority will accept an uncertain tax treatment. The Company measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

2. Significant accounting policies (Cont'd)**2.4 Income taxes (Cont'd)**

Deferred income tax is measured:

- a) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the reporting date; and
- b) based on the tax consequence that will follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amounts of its assets and liabilities except for investment properties. Investment property measured at fair value is presumed to be recovered entirely through sale.

Current and deferred income taxes are recognised as income or expenses in profit or loss, except to the extent that the tax arises from a transaction which is recognised directly in equity.

2.5 Financial assets**2.5.1 Recognition and measurement**

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

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

2.5.2 Derecognition

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

2.5.3 Impairment

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

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

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

2. Significant accounting policies (Cont'd)**2.6 Cash and cash equivalents**

Cash and cash equivalents include cash on hand, and deposits with financial institutions and are stated at cost.

2.7 Financial liabilities

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

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

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

2.8 Other payables

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

2.9 Fund accounting

Monies received for specific purposes, including transfers from the general fund, are credited directly to the respective fund in the financial statements. These include restricted funds and unrestricted funds. Restricted funds are funds held by the Company that can only be applied for specific purposes. These funds are subject to specific trusts which may be declared by the donors with their authority or created through legal process but are still within the wider objects of the Company. Unrestricted funds are expendable at the discretion of the Board of Directors and management in furtherance of the Company's objects. Designated fund is part of the unrestricted funds earmarked for a particular project. The designation is for administrative purpose only and does not restrict Board of Directors and Management's discretion to apply the fund.

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on the method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the balance sheet.

Funds received for specific purposes such as purchase of depreciable assets are taken to the relevant restricted fund account. This relevant fund will be reduced over the useful life of the asset in line with its depreciation. Depreciation is charged to the relevant designated funds where the asset is held.

2. Significant accounting policies (Cont'd)

2.10 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Where the possibility of an outflow of resources is not remote, the Company shall disclose for each class of contingent liability at the reporting date, a brief description of the nature of the contingent liability and, where practicable:

- a) an estimate of its financial effect;
- b) an indication of the uncertainties relating to the amount or timing of any outflow; and
- c) the possibility of any reimbursement.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.11 Events occurring after the reporting period

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

3. Critical accounting estimates, assumptions and judgements

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

There are no critical judgements, estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and there are no significant items in the financial statements which require the exercise of critical judgement on the part of management.

4. Income tax

The major components of income tax expense recognised in the statement of comprehensive income for the financial period ended 31 March 2022 was:

	17.08.2021 to 31.03.2022 S\$
Income tax expenses	
Tax expense attributable to profit is made up of:	
- Current tax expense	0

4. Income tax (Cont'd)**Relationship between tax expense and accounting loss**

The income tax expense on profit/ (loss) differs from the amount that would arise using the Singapore standard rate of income tax as explained below:

	17.08.2021 to 31.03.2022 S\$
Profit before income tax	0
Tax calculated at a tax rate of 17%	0
Effects of:	
- Expenses not deductible for tax purpose	0
Tax expenses	0

The Company has been registered as a charity under the Charities Act since 1 March 2022 and is exempt from income tax under Section 13(1)(zm) of the Income Tax Act 1947. There are no activities and maintain dormant status from the period 17 August 2021 to 28 February 2022.

5. Cash and cash equivalents

	2022 S\$
Cash at bank	0

6. Other receivables

	2022 S\$
Other receivables	0

7. Other payables

	2022 S\$
Accruals	0

8. Accumulated general fund

The accumulated general fund represents accumulated surplus and is for the purpose of meeting the operating expenses incurred by the Company.

9. Related party transaction

The Company has related party transaction as follows:

	17.08.2021
	to
	31.03.2022
	S\$
<u>Presbyterian Community Services</u>	
Waiver on professional fees paid by a related party	3,172
Liabilities settled on behalf of the Company	<u>(3,172)</u>

The directors did not receive any remuneration during the financial period.

10. Fund management

The primary objective of the Company is to ensure it maintains sufficient cash in order to support its operations. Its approach to management of funds is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

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

The COVID-19 pandemic has affected almost all countries of the world, and resulted in border closures, production stoppages, workplace closures, movement controls and other measures imposed by the various governments. The Company's operations are in Singapore which have been affected by the spread of COVID-19.

The Company has assessed that the going concern basis of preparation for this set of financial statements remains appropriate. The Board of Directors continuously monitors the COVID-19 pandemic situation and will take further action as necessary in response to the service disruption.

As the COVID-19 pandemic continues to evolve, the Company continues to be impacted by the measures taken by the government to combat the spread of the pandemic. If the situation persists beyond management's current expectations, the Company's assets may be subject to further write downs in the subsequent financial years.

12. Comparative figures

The financial statements covered the financial period from 17 August 2021 (date of incorporation) to 31 March 2022. These being the first set of financial statements prepared since incorporation, there are no comparative figures.

13. Authorisation of financial statements

The financial statements for the financial period ended 31 March 2022 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 29 September 2022.