



## **EQUAL-ARK SINGAPORE LTD.**

(Registered under the Companies Act 1967 and the Charities Act 1994)  
(Registration No: 201536378N)

### **Statement by Directors and Financial Statements**

Reporting Year Ended 30 June 2022

#### **RSM Chio Lim LLP**

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**EQUAL-ARK SINGAPORE LTD.**

**Statement by Directors and Financial Statements**

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## **EQUAL-ARK SINGAPORE LTD.**

### **Statement by Directors**

The directors of the company are pleased to present the accompanying financial statements of the company for the reporting year ended 30 June 2022.

#### **1. Opinion of the directors**

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and financial activities of the company for the reporting year covered by the financial statements; and
- (b) at the date of the 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 approved and authorised these financial statements for issue.

#### **2. Directors**

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

Lai Huen Poh  
Chay Yee Meng  
Chng Yi Ta  
Clarinda Chor-Yin Tjia-Dharmadi  
Loon Wai Mae  
Tan Keng Seng Benjamin  
Widgery Belinda Joy (Appointed on 31 January 2022)  
Yu Bernard

#### **3. Directors' interests in shares and debentures, and arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures**

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

#### **4. Options**

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

**EQUAL-ARK SINGAPORE LTD.**

**5. Independent auditor**

RSM Chio Lim LLP has expressed its willingness to accept re-appointment.

On behalf of the directors



.....  
Lai Huen Poh  
Director

5 December 2022



.....  
Chay Yee Meng  
Director

**RSM Chio Lim LLP**

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**Independent Auditor's Report to the Members of  
EQUAL-ARK SINGAPORE LTD.**

**Report on the audit of the financial statements**

**Opinion**

We have audited the accompanying financial statements of Equal-Ark Singapore Ltd. (the "company") which comprise the statement of financial position as at 30 June 2022, and the statement of financial activities and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the 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 1994 and other relevant regulations (the "Charities Act and Regulations") and Singapore Financial Reporting Standards ("SFRS") so as to give a true and fair view of the financial position of the company as at 30 June 2022 and of the financial activities changes in funds and cash flows of the company for the reporting 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 statement by directors but does not include the financial statements and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will 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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Independent Auditor's Report to the Members of  
EQUAL-ARK SINGAPORE LTD.**

**Other information (cont'd)**

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and take appropriate actions in accordance with SSAs.

**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 Regulations and financial reporting standards, 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:

- a) 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



**Independent Auditor's Report to the Members of  
EQUAL-ARK SINGAPORE LTD.**

**Auditor's responsibilities for the audit of the financial statements (cont'd)**

- 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.
- e) 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.

We have provided the board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

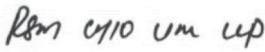
**Report on other legal and regulatory requirements**

In our opinion, the accounting and other records required to be kept by the company have been properly kept in accordance with the provision of the Act, and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (a) The company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) The company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Tan Wei Ling.

DocuSigned by:  
  
817B2FD849CB45B...  
RSM Chio Lim LLP  
Public Accountants and  
Chartered Accountants  
Singapore

5 December 2022

**EQUAL-ARK SINGAPORE LTD.****Statement of Financial Activities  
Reporting Year Ended 30 June 2022**

	Notes	2022		2021	
		Unrestricted Fund \$	Restricted Funds \$	Unrestricted Fund \$	Restricted Funds \$
			Total \$		Total \$
<b><u>INCOMING RESOURCES:</u></b>					
Voluntary income – donations	4	30,506	–	270,960	–
Fund generating activities	4	360,893	–	329,691	–
Grant income	5	224,637	1,643,061	794,680	895,598
Amortisation of deferred capital grants	15	120,322	–	121,151	–
Interest income		5,701	–	11,432	–
Miscellaneous income		2,827	–	1,484	–
<b>Total incoming resources</b>		<b>744,886</b>	<b>1,643,061</b>	<b>1,529,398</b>	<b>895,598</b>
			2,387,947		2,424,996
<b><u>RESOURCES EXPENDED:</u></b>					
<b>Cost of charitable activities</b>					
Charitable activities expenses	6	303,734	1,854,223	297,148	1,636,408
<b>Total resources expended</b>		<b>303,734</b>	<b>1,854,223</b>	<b>297,148</b>	<b>1,636,408</b>
<b>Surplus / (deficit) for the year</b>		<b>441,152</b>	<b>(211,162)</b>	<b>1,232,250</b>	<b>(740,810)</b>
Balance at beginning of the year		3,421,996	–	1,102,937	1,827,619
Reclassification of funds	13	–	–	1,827,619	(1,827,619)
Transfer of funds		–	–	(740,810)	740,810
Balance at end of the year		<b>3,863,148</b>	<b>(211,162)</b>	<b>3,421,996</b>	<b>–</b>
			3,651,986		3,421,996

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

**EQUAL-ARK SINGAPORE LTD.****Statement of Financial Position  
As at 30 June 2022**

	<u>Notes</u>	<u>2022</u> \$	<u>2021</u> \$
<b><u>ASSETS</u></b>			
<b><u>Non-current assets</u></b>			
Property, plant and equipment	8	557,688	780,953
Right-of-use assets	9	192,216	194,008
<b>Total non-current assets</b>		<u>749,904</u>	<u>974,961</u>
<b><u>Current assets</u></b>			
Other receivables	10	203,787	398,748
Other non-financial assets	11	97,441	92,109
Cash and cash equivalents	12	3,955,708	3,512,962
<b>Total current assets</b>		<u>4,256,936</u>	<u>4,003,819</u>
<b>Total assets</b>		<u>5,006,840</u>	<u>4,978,780</u>
<b><u>FUNDS AND LIABILITIES</u></b>			
<b><u>Funds</u></b>			
Unrestricted fund	13	3,863,148	3,421,996
Restricted funds	13	(211,162)	–
<b>Total funds</b>		<u>3,651,986</u>	<u>3,421,996</u>
<b><u>Non-current liabilities</u></b>			
Lease liabilities, non-current	14	112,429	143,234
Deferred capital grants	15	191,698	312,020
Other liabilities, non-current	16	133,650	133,746
<b>Total non-current liabilities</b>		<u>437,777</u>	<u>589,000</u>
<b><u>Current liabilities</u></b>			
Lease liabilities, current	14	91,046	60,820
Other payables	17	192,576	192,943
Other liabilities, current	16	633,455	714,021
<b>Total current liabilities</b>		<u>917,077</u>	<u>967,784</u>
<b>Total liabilities</b>		<u>1,354,854</u>	<u>1,556,784</u>
<b>Total funds and liabilities</b>		<u>5,006,840</u>	<u>4,978,780</u>

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

**EQUAL-ARK SINGAPORE LTD.****Statement of Cash Flows  
Reporting Year Ended 30 June 2022**

	<u>2022</u>	<u>2021</u>
	\$	\$
<b><u>Cash flows from operating activities</u></b>		
Surplus for the year	229,990	491,440
Adjustments for:		
Donation-in-kind	(1)	–
Interest income	(5,701)	(11,432)
Interest expense	10,674	12,062
Loss on disposal of plant and equipment	644	–
Depreciation expense of property, plant and equipment	261,844	267,740
Depreciation expense of right-of-use assets	74,991	61,266
Amortisation of deferred capital grants	(120,322)	(121,151)
Operating cash flow before changes in working capital	452,119	699,925
Other receivables	190,983	(307,603)
Other non-financial assets	(5,332)	(25,713)
Other liabilities	(80,662)	267,407
Other payables	(367)	(6,554)
<b>Net cash flows from operating activities</b>	<u>556,741</u>	<u>627,462</u>
<b><u>Cash flows from investing activities</u></b>		
Purchase of plant and equipment	(39,222)	(2,888)
Interest income received	9,679	39,029
<b>Net cash flows (used in) / from investing activities</b>	<u>(29,543)</u>	<u>36,141</u>
<b><u>Cash flows from financing activities</u></b>		
Cash restricted in use	80,566	959,358
Interest expense paid	(10,674)	(12,062)
Lease liabilities – principal portion paid	(73,778)	(57,716)
<b>Net cash flows (used in) / from financing activities</b>	<u>(3,886)</u>	<u>889,580</u>
<b>Net increase in cash and cash equivalents</b>	523,312	1,553,183
Cash and cash equivalents, beginning balance	3,143,841	1,590,658
<b>Cash and cash equivalents, ending balance (Note 12A)</b>	<u>3,667,153</u>	<u>3,143,841</u>

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

## **EQUAL-ARK SINGAPORE LTD.**

### **Notes to the Financial Statements 30 June 2022**

#### **1. General**

Equal-Ark Singapore Ltd. (“the “company”) is incorporated in Singapore under the Companies Act 1967. The company is also a charity registered under the Charities Act 1994 and is an approved institution of a public character under the Income Tax Act 1947. The financial statements are presented in Singapore Dollar.

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

Each member of the company has undertaken to contribute such amounts not exceeding \$1 to the assets of the company in the event the company is wound up and the monies are required for payment of the liabilities of the company. The company had 2 (2021: 2) members at the end of the reporting year.

The memorandum and articles of the company restricts the use of fund monies to the furtherance of the objects of the company. They prohibit the payment of dividends to members.

The principal objective of the company is to help persons at-risk with intellectual disability, in particular, children and youths, to improve their chances at social integration and economic self-sufficiency.

The registered office of the company is located at 100 Jalan Mashhor, Singapore 299177. The company is registered and situated in Singapore.

#### **The Covid-19 pandemic and its aftermath**

Management has reviewed the estimated potential impact and plausible downside scenarios, along with its responses as a result of the Covid-19 pandemic. No material uncertainties were identified in connection with the company’s ability to continue in operational existence for the foreseeable future.

#### **Statement of compliance with financial reporting standards**

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“SFRS”) and the related interpretations to SFRS (“INT SFRS”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act 1967 and the Charities Act 1994.

#### **Accounting convention**

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

**EQUAL-ARK SINGAPORE LTD.****1. General (cont'd)****Basis of preparation of the financial statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the company's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 2C below, where applicable.

**2. Significant accounting policies and other explanatory information****2A. Significant accounting policies****Income recognition****(i) Rendering of services**

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Revenue from the rendering of services including program fees that are of short duration is recognised when services are completed, i.e. at point in time.

**(ii) Donations, fund raising income and corporate cash sponsorships**

Revenue from donations, fund raising projects and corporate cash sponsorships are accounted for as and when received, except for committed donations and corporate cash sponsorships that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations.

**(iii) Donation-in-kind**

Donation in kind is included in the statement of financial activities based on an estimate of the fair value at the date of receipt of the gift of the non-monetary asset. The donation is recognised if the amount of the donation can be measured reliably and there is certainty that it will be received. No value is ascribed to volunteer services.

## **EQUAL-ARK SINGAPORE LTD.**

### **2. Significant accounting policies and other explanatory information (cont'd)**

#### **2A. Significant accounting policies (cont'd)**

##### **Income recognition (cont'd)**

(v) Government grants

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in statement of financial activities on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

(vi) Interest income

Interest income is recognised on a time-proportion basis using the effective interest rate method.

##### **Employee salaries and benefits**

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The company's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

##### **Borrowing costs**

Borrowing costs are interest and other costs incurred in connection with the borrowings and are recognised as an expense in the period in which they are incurred. Interest expense is calculated using the effective interest rate method.

##### **Income tax**

As a charity, the company is exempt from tax on income and gains falling within section 13(1)(zm) of the Income Tax Act 1947 to the extent that these are applied to its charitable objects. No tax charges have arisen in the company.

**EQUAL-ARK SINGAPORE LTD.****2. Significant accounting policies and other explanatory information (cont'd)****2A. Significant accounting policies (cont'd)****Property, plant and equipment**

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses.

Cost also includes acquisition cost and any cost 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. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold properties	–	Over lease terms
Plant fixtures and equipment	–	20% – 33%
Horses	–	14%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Renovation work-in-progress is not depreciated. Fully depreciated assets still in use are retained in the financial statements.

The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

The gain or loss arising from the derecognition of an item of property, plant and equipment is recognised in statement of financial activities.

**Right-of-use assets**

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The annual rates of depreciation are as follows:

Land	–	Over the term of the lease (approximately 20%)
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**Leases of lessee**

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised right-of-use asset is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. An interest expense is recognised on the lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term.



**EQUAL-ARK SINGAPORE LTD.****2. Significant accounting policies and other explanatory information (cont'd)****2A. Significant accounting policies (cont'd)****Carrying amounts of non-financial assets**

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

**Financial instruments**

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the company becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. A financial asset is derecognised 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 substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

Classification and measurement of financial assets:

1. Financial asset classified as measured 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 fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.

## **EQUAL-ARK SINGAPORE LTD.**

### **2. Significant accounting policies and other explanatory information (cont'd)**

#### **2A. Significant accounting policies (cont'd)**

Classification and measurement of financial assets (cont'd):

3. Financial asset that is an equity investment classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

#### **Cash and cash equivalents**

Cash and cash equivalents include bank and cash balances, and on demand deposits. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction, if any.

#### **Fair value measurement**

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

**EQUAL-ARK SINGAPORE LTD.****2. Significant accounting policies and other explanatory information (cont'd)****2A. Significant accounting policies (cont'd)****Fair value measurement (cont'd)**

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

**2B. Other explanatory information****Provisions**

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

**Funds**

Funds balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated for specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so.

**2C. Critical judgements, assumptions and estimation uncertainties**

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

**EQUAL-ARK SINGAPORE LTD.****2. Significant accounting policies and other explanatory information (cont'd)****2C. Critical judgements, assumptions and estimation uncertainties (cont'd)****Allocation of expenses to unrestricted funds and restricted funds**

The company classifies grant income received from National Council of Social Service (NCSS) and external parties to support the running of specific programmes under restricted funds. All other incoming resources, including programme income arising from the running of such specific programmes are classified under unrestricted fund.

Management's assumption is required to allocate the corporate expenses incurred between the unrestricted funds and restricted funds. Assumptions made include whether the expenditures of individual unrestricted funds and restricted fund are a representative basis of allocation of expenses. Such assumption is subject to judgements and may develop materially differently than expected and therefore resulting in significant impact on the unrestricted and restricted fund balances at the reporting year end.

Expenses incurred in the running of the specific programmes are classified under the restricted funds and are not allocated to the unrestricted fund.

The fund balances at the reporting year end are disclosed in Note 13.

**3. Related party relationships and transactions**

The financial reporting standard on related party disclosures requires the company to disclose: (a) related party relationships, transactions and outstanding balances, including commitments (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

A related party includes the board of directors and key management of the company. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

It is not the normal practice for the trustees/office bearers, or people connected with them, to receive remuneration, or other benefits, from the company for which they are responsible, or from institutions connected with the company except as disclosed below.

**3A. Related party transactions**

The company paid for the individual expenses incurred by the office bearer, either by reimbursement of the office bearer concerned or by direct payment to a third party. The aggregate amount of those expenses are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Reimbursement of expenses to director	<u>—</u>	<u>29,700</u>

**EQUAL-ARK SINGAPORE LTD.****3. Related party relationships and transactions (cont'd)****3B. Key management compensation**

	<u>2022</u>	<u>2021</u>
	\$	\$
Salaries and other short-term employee benefits	<u>192,108</u>	<u>249,042</u>

The above amounts are included under employee benefits expense.

Included in the above amounts are the following items:

	<u>2022</u>	<u>2021</u>
Number of key management in compensation bands:		
\$100,001 - \$150,000	1	1
Below \$100,000	<u>2</u>	<u>2</u>

Key management personnel are the chief executive, key employees and the directors of the company having authority and responsibility for planning, directing and controlling the activities of the company directly or indirectly. The board of directors, or people connected with them, have not received remuneration, or other benefits, from the company for which they are responsible, or from institutions connected with the company, except for reimbursement of out-of-pocket expenses, if claimed, as disclosed above.

The annual remuneration (comprising basic salary, bonuses, allowances and employer's contributions to Central Provident Fund) of the three highest paid staff classified by remuneration bands are as follows:

	<u>Number of executives</u>	
	<u>2022</u>	<u>2021</u>
Remuneration bands		
\$100,000 to \$199,999	1	1
Below \$100,000	<u>2</u>	<u>2</u>

**4. Voluntary income – donations and Income from fund generating activities**

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Recognised based on Point in time:</u>		
Donations (Note 4A)	321,788	415,223
Donation-in-kind	1	–
Programme income	<u>69,610</u>	<u>185,428</u>
	<u>391,399</u>	<u>600,651</u>
<u>Presented in statement of financial activities as follows:</u>		
Voluntary income – donations	30,506	270,960
Fund generating activities	<u>360,893</u>	<u>329,691</u>
	<u>391,399</u>	<u>600,651</u>

**EQUAL-ARK SINGAPORE LTD.****4. Voluntary income – donations and Income from fund generating activities (cont'd)****4A. Donations**

The company enjoys a concessionary tax treatment whereby qualifying donors are granted a tax deduction for the donations made to the company. The quantum of the tax deduction for each calendar year may vary in accordance with the Singapore Budget. The Institutions of a Public Character ("IPC") status granted to the company is for the period from 1 May 2021 to 31 July 2023.

	<u>2022</u>	<u>2021</u>
	\$	\$
Tax deductible receipts issued for donations collected	<u>167,789</u>	<u>397,114</u>

**5. Grant income**

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Unrestricted funds</u>		
<u>Grants from government:</u>		
Bicentennial Community Fund	–	400,000
Invictus Fund	–	50,000
Jobs Support Scheme	–	187,223
Job growth incentive	87,812	–
National Council of Social Services ("NCSS")	115,482	–
Tote Board	–	133,308
Others	<u>21,343</u>	<u>24,149</u>
Subtotal	<u>224,637</u>	<u>794,680</u>
<u>Restricted funds</u>		
<u>Grants from government:</u>		
National Council of Social Services ("NCSS")	553,631	547,982
SG Enable	–	114,589
	<u>553,631</u>	<u>662,571</u>
Grants from other organisations:	<u>1,089,430</u>	<u>233,027</u>
Subtotal	<u>1,643,061</u>	<u>895,598</u>
Total grant income	<u>1,867,698</u>	<u>1,690,278</u>

**EQUAL-ARK SINGAPORE LTD.****6. Charitable activities expenses**

The major and selected components include the following:

	<u>2022</u>	<u>2021</u>
	\$	\$
Depreciation expense of property, plant and equipment (Note 8)	261,844	267,740
Depreciation expense of right-of-use assets (Note 9)	74,991	61,266
Employee benefits expense (Note 7)	1,435,158	1,215,776
Equine costs	126,091	172,450
Interest expense – Lease liabilities (Note 14)	10,674	12,062
Programme costs	<u>12,620</u>	<u>33,885</u>

**7. Employee benefits expense**

	<u>2022</u>	<u>2021</u>
	\$	\$
Short term employee benefits expense	1,276,054	1,071,726
Contributions to defined contribution plan	<u>159,104</u>	<u>144,050</u>
Total employee benefits expense (Note 6)	<u>1,435,158</u>	<u>1,215,776</u>

**EQUAL-ARK SINGAPORE LTD.****8. Property, plant and equipment**

	Leasehold properties \$	Plant fixtures and equipment \$	Horses \$	Renovation work-in-progress \$	Total \$
<b>Cost:</b>					
At 1 July 2020	2,174,556	73,540	131,326	–	2,379,422
Additions	–	2,888	–	–	2,888
At 30 June 2021	2,174,556	76,428	131,326	–	2,382,310
Additions	–	21,411	1	17,811	39,223
Disposals	–	(23,526)	–	–	(23,526)
At 30 June 2022	2,174,556	74,313	131,327	17,811	2,398,007
<b>Accumulated depreciation:</b>					
At 1 July 2020	1,268,267	29,148	36,202	–	1,333,617
Depreciation for the year	235,982	12,998	18,760	–	267,740
At 30 June 2021	1,504,249	42,146	54,962	–	1,601,357
Depreciation for the year	235,982	7,930	17,932	–	261,844
Disposals	–	(22,882)	–	–	(22,882)
At 30 June 2022	1,740,231	27,194	72,894	–	1,840,319
<b>Carrying value:</b>					
At 1 July 2020	906,289	44,392	95,124	–	1,045,805
At 30 June 2021	670,307	34,282	76,364	–	780,953
At 30 June 2022	434,325	47,119	58,433	17,811	557,688

The leasehold properties include the main administrative building and arena that are erected on a State Lease's land located at 100 Jalan Mashhor, Singapore 299177. The State Lease will expire on 4 August 2024.

During the current reporting year, the company received a donated horse (donation-in-kind), which the company has recorded it at a nominal value of \$1 (2021: Nil) and capitalised as part of plant and equipment, as management is unable to fair value the asset received.



**EQUAL-ARK SINGAPORE LTD.****9. Right-of-use assets**

	<u>Premises</u>
	\$
<u>Cost:</u>	
At 1 July 2020 and 30 June 2021	316,540
Addition	<u>73,199</u>
At 30 June 2022	<u>389,739</u>
<u>Accumulated depreciation:</u>	
At 1 July 2020	61,266
Depreciation for the year	<u>61,266</u>
At 30 June 2021	122,532
Depreciation for the year	<u>74,991</u>
At 30 June 2022	<u>197,523</u>
<u>Carrying value:</u>	
At 1 July 2020	<u>255,274</u>
At 30 June 2021	<u>194,008</u>
At 30 June 2022	<u>192,216</u>

**10. Other receivables**

	<u>2022</u>	<u>2021</u>
	\$	\$
Grant receivables	168,854	301,033
Interest receivables	2,173	6,151
Outside parties	<u>32,760</u>	<u>91,564</u>
	<u>203,787</u>	<u>398,748</u>

Other receivables are normally with no fixed terms and therefore there is no maturity.

Other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. These other receivables are considered to have low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. At the end of the first reporting period a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition. No loss allowance is necessary.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

**EQUAL-ARK SINGAPORE LTD.****11. Other non-financial assets**

	<u>2022</u>	<u>2021</u>
	\$	\$
Advance payments to suppliers	81,475	81,476
Prepayments	15,966	10,633
	<u>97,441</u>	<u>92,109</u>

**12. Cash and cash equivalents**

	<u>2022</u>	<u>2021</u>
	\$	\$
Not restricted in use	3,667,153	3,143,841
Cash restricted under deferred grants (Note 16C)	288,555	369,121
	<u>3,955,708</u>	<u>3,512,962</u>

The rate of interest for the cash on interest earning balances of \$2,665,000 (2021: \$1,867,478) is 0.35% (2021: 0.5%) per annum.

**12A. Non-cash transactions**

	<u>2022</u>	<u>2021</u>
	\$	\$
Donated horse capitalised within property, plant and equipment	<u>1</u>	<u>–</u>

**12B. Cash and cash equivalents in the statement of cash flows**

	<u>2022</u>	<u>2021</u>
	\$	\$
Amount as shown above	3,955,708	3,512,962
Less: Cash restricted in use	<u>(288,555)</u>	<u>(369,121)</u>
Cash and cash equivalents for purpose of statement of cash flows at end of the year	<u>3,667,153</u>	<u>3,143,841</u>

**13. Funds and reserve ratio**

	<u>2022</u>	<u>2021</u>
	\$	\$
Unrestricted fund	3,863,148	3,421,996
Restricted funds (ii)	(211,162)	–
Total accumulated funds	<u>3,651,986</u>	<u>3,421,996</u>
Ratio of total accumulated funds to annual operating expenditure* (i)	<u>1.69</u>	<u>1.77</u>

\* Annual operating expenditure represents total resources expended.

**EQUAL-ARK SINGAPORE LTD.****13. Funds and reserve ratio (cont'd)**

- (i) The unrestricted fund is the reserves of the company and it provides financial sustainability and the means for the development of the company's activities. The company intends to maintain the reserve at a level sufficient for its operating needs. The directors review the level of reserves regularly for the company's continuing obligations.
- (ii) Restricted funds comprise net grant income received from NCSS and external parties which are meant to support the running of the programmes of the company.

**14. Lease liabilities**

	<u>2022</u>	<u>2021</u>
	\$	\$
Current	91,046	60,820
Non-current	<u>112,429</u>	<u>143,234</u>
	<u>203,475</u>	<u>204,054</u>

Movements of the lease liabilities are as follows:

Balance at the beginning of the year	204,054	261,770
Addition	73,199	–
Accretion of interest	10,674	12,062
Lease payments – principal portion paid	(73,778)	(57,716)
Interest expense paid	<u>(10,674)</u>	<u>(12,062)</u>
Balance at the end of the year	<u>203,475</u>	<u>204,054</u>

The weighted average incremental borrowing rate applied to lease liabilities recognised is 5.25% (2021: 5.25%) per annum.

Lease liabilities are secured by the right-of-use assets because these will revert to the lessor in the event of default. The related right-of-use-assets are disclosed in Note 9.

A summary of the maturity analysis of lease liabilities is disclosed in Note 18E.

Total cash outflows from leases are shown in the statement of cash flows. There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above. At reporting year end date, there were no commitments on leases which had not yet commenced.

The total for lease liabilities and the average effective borrowing rate per year is disclosed above. The fair value (Level 2) is a reasonable approximation of the carrying amount.

**EQUAL-ARK SINGAPORE LTD.****15. Deferred capital grants**

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Cost:</u>		
Balance at beginning and end of the year	<u>1,189,345</u>	<u>1,189,345</u>
<u>Accumulated amortisation:</u>		
Balance at beginning of the year	877,325	756,174
Amortisation for the year	<u>120,322</u>	<u>121,151</u>
Balance at end of the year	<u>997,647</u>	<u>877,325</u>
<u>Carrying value:</u>		
Balance at beginning of the year	<u>312,020</u>	<u>433,171</u>
Balance at end of the year	<u>191,698</u>	<u>312,020</u>

These represent capital grants received from Tote Board and other government agencies for the purchase of plant and equipment.

**16. Other liabilities**

	<u>2022</u>	<u>2021</u>
	\$	\$
Provision for restoration costs (Note 16A)	133,650	133,746
Deferred donations (Note 16B)	344,900	344,900
Deferred grants (Note 16C)	<u>288,555</u>	<u>369,121</u>
	<u>767,105</u>	<u>847,767</u>
Presented in statement of financial position as follows:		
Current	633,455	714,021
Non-current	<u>133,650</u>	<u>133,746</u>
	<u>767,105</u>	<u>847,767</u>

**16A. Provision for restoration costs**

	<u>2022</u>	<u>2021</u>
	\$	\$
Movements in above provision:		
At beginning of the year	133,746	106,998
Additions	26,748	26,748
Utilised	<u>(26,844)</u>	<u>—</u>
At end of the year	<u>133,650</u>	<u>133,746</u>

The provision is the present value of the estimated costs, based on quotations received from external contractors, for the restoration of the leased properties upon the expiration of the lease in 2024.

**EQUAL-ARK SINGAPORE LTD.****16. Other liabilities (cont'd)****16B. Deferred donations**

	<u>2022</u> \$	<u>2021</u> \$
Balance at beginning and end of the year	<u>344,900</u>	<u>344,900</u>

Deferred donations relate to donations received for the company's Gala dinner, which had been postponed due to the on-going COVID-19 pandemic.

**16C. Deferred grants**

	<u>2022</u> \$	<u>2021</u> \$
Balance at beginning of the year	369,121	128,462
Funds received or receivable	220,000	689,959
Income recognised during the year	<u>(300,566)</u>	<u>(449,300)</u>
Balance at the end of the year	<u>288,555</u>	<u>369,121</u>
Comprising:		
Cash restricted in use	<u>288,555</u>	<u>369,121</u>

These are mainly grants received from government agencies or external parties for the running of the company's programmes.

**17. Other payables**

	<u>2022</u> \$	<u>2021</u> \$
Outside parties and accrued liabilities	<u>192,576</u>	<u>192,943</u>

**18. Financial instruments: information on financial risks****18A. Categories of financial assets and financial liabilities**

The following table categorises the carrying amount of financial assets and financial liabilities recorded at the end of the reporting year:

	<u>2022</u> \$	<u>2021</u> \$
<u>Financial assets:</u>		
At amortised cost	<u>4,159,495</u>	<u>3,911,710</u>
<u>Financial liabilities:</u>		
At amortised cost	<u>396,051</u>	<u>396,997</u>

Further quantitative disclosures are included throughout these financial statements.

**EQUAL-ARK SINGAPORE LTD.****18. Financial instruments: information on financial risks (cont'd)****18B. Financial risk management**

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the company's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The directors of the company have put in place certain practices for the management of the financial risks, to be carried out by management. However, these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff, reporting to the directors of the company where necessary.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

**18C. Fair values of financial instruments**

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

**18D. Credit risk on financial assets**

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents as disclosed in Note 12 are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

**EQUAL-ARK SINGAPORE LTD.****18. Financial instruments: information on financial risks (cont'd)****18E. Liquidity risk– financial liabilities maturity analysis**

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2021: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

	Less than <u>1 year</u> \$	<u>1 – 3 years</u> \$	<u>3 – 5 years</u> \$	<u>Total</u> \$
<u>2022:</u>				
Lease liabilities	99,125	115,647	–	214,772
Other payables	192,576	–	–	192,576
	<u>291,701</u>	<u>115,647</u>	<u>–</u>	<u>407,348</u>
<u>2021:</u>				
Lease liabilities	69,778	139,556	11,630	220,964
Other payables	192,943	–	–	192,943
	<u>262,721</u>	<u>139,556</u>	<u>11,630</u>	<u>413,907</u>

The undiscounted amounts on the borrowings with fixed floating rates are determined by reference to the conditions existing at the reporting date.

**18F. Interest rate risk**

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position.

The following table analyses the breakdown of the significant financial instruments by type of interest rate.

	<u>2022</u> \$	<u>2021</u> \$
<u>Financial assets with interest:</u>		
Fixed rates	<u>2,665,000</u>	<u>1,867,478</u>
<u>Financial liabilities with interest:</u>		
Fixed rates	<u>203,475</u>	<u>204,054</u>

Sensitivity analysis: The effect on surplus / (deficit) is not significant.

**18G. Foreign currency risk**

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, i.e. in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

The company is not exposed to significant foreign currency risks.

**EQUAL-ARK SINGAPORE LTD.****19. Changes and adoption of financial reporting standards**

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the company are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>SFRS No.</u>	<u>Title</u>
SFRS 39; 107 and 109	Interest Rate Benchmark Reform – Amendments to SFRS 39;107 and 109
SFRS 116	Covid-19 Related Rent Concessions - Amendment (The 2021 amendment extends this time limit from 30 June 2021 to 30 June 2022)

**20. New or amended standards in issue but not yet effective**

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the company for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

<u>SFRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS 16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments to SFRS 16	1 Jan 2022
SFRS 109	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)	1 Jan 2022
Various	Annual Improvements to SFRSs 2018-2020	1 Jan 2022
SFRS 1	Presentation of Financial Statements- Amendment relating to Classification of Liabilities as Current or Non-current	1 Jan 2023
SFRS 8	Definition of Accounting Estimates - Amendments to SFRS 8	1 Jan 2023
Various	Amendments to SFRS 1 and SFRS Practice Statement 2: Disclosure of Accounting Policies	1 Jan 2023