

**NEW LIFE STORIES LIMITED**  
(Company Limited by Guarantee)  
(Company Registration No. 201411304Z)  
(Incorporated in the Republic of Singapore)

**AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED  
31 DECEMBER 2021**

**NEW LIFE STORIES LIMITED**  
(Incorporated in the Republic of Singapore)

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**NEW LIFE STORIES LIMITED**  
(Incorporated in the Republic of Singapore)

**DIRECTORS' STATEMENT**

The directors present their statement to the members together with the accompanying audited financial statements of New Life Stories Limited (the "Company") for the financial year ended 31 December 2021.

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Companies Act"), the Charities Act, Chapter 37 (the "Charities Act") and the Charities Accounting Standard ("CAS") so as to give a true and fair view of the state of affairs of the Company as at 31 December 2021 and the financial activities, changes in funds and cash flows of the Company for the financial year then ended; 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 in office at the date of this report are as follows:

Graham John Kelly	
K Veerapandiyam	
Ong Sok Chzeng @ Su Chzeng Booth Ong	
K H Majeed Bin Maiden	
Saleemah Bte Ismail	(Appointed on 12/08/2021; Resigned 11/08/2022)
Azmeen Moiz	(Appointed on 3/01/2021)
Zakiah Binte Abdul Halim	(Appointed on 3/01/2021)

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

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

**DIRECTORS' INTERESTS IN SHARES OR DEBENTURES**

As the Company is a company limited by guarantee and has no share capital, the statutory information required to be disclosed by the directors under Schedule 12(9) of the Singapore Companies Act, Chapter 50 does not apply.

**NEW LIFE STORIES LIMITED**  
(Incorporated in the Republic in Singapore)

**DIRECTORS' STATEMENT**

**INDEPENDENT AUDITOR**

The independent auditor, True Assurance PAC, has expressed its willingness to accept re-appointment.

**On behalf of the Board of Directors**



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Graham John Kelly  
Director



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K Veerapandiyan  
Director

Singapore

22 AUG 2022

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NEW LIFE STORIES LIMITED**

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

*Opinion*

We have audited the accompanying financial statements of New Life Stories Limited (the "Company") which comprise the statement of financial position as at 31 December 2021, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Companies Act), the Charities Act, Chapter 37 (the "Charities Act") and the Charities Accounting Standard ("CAS") so as to give a true and fair view of the financial position of the Company as at 31 December 2021 and the financial performance, changes in fund and cash flows of the Company for the financial year then ended.

*Basis for Opinion*

We conducted our audit in accordance with the Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other information*

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

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

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

**INDEPENDENT AUDITOR'S REPORT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
NEW LIFE STORIES LIMITED (Continued)**

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act 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 operation, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

*Auditors' 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 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 skepticism 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.



## INDEPENDENT AUDITOR'S REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

### INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEW LIFE STORIES LIMITED (Continued)

#### *Auditors' Responsibilities for the Audit of the Financial Statements (continued)*

- 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. 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the regulations enacted under the Act to be kept by the Company, have been properly kept in accordance with the provisions of the Companies Act and the Charities Act.

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

- (a) the Company has not used the donation moneys in accordance with the objectives of the Company 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 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

TRUE ASSURANCE PAC  
Public Accountants and  
Chartered Accountants

Singapore  
22 August 2022

**NEW LIFE STORIES LIMITED**  
(Incorporated in the Republic in Singapore)

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2021**

	<u>Note</u>	<u>2021</u> S\$	<u>2020</u> S\$
<b>ASSETS</b>			
<b>Non-current asset</b>			
Plant and equipment	3	9,348	11,525
<b>Current assets</b>			
Donation, grant and other receivables	4	240,823	44,834
Refundable deposits		46,176	6,984
Cash and bank balances		171,243	396,238
		458,242	448,056
<b>Total Assets</b>		467,590	459,581
<b>FUND AND LIABILITIES</b>			
<b>Funds</b>			
Unrestricted fund:			
General fund	5	263,414	402,268
Restricted fund:			
NCSS Fund	6	-	15,952
		263,414	418,220
<b>Current liabilities</b>			
Other payables and accruals	7	204,176	41,361
<b>Total funds and liabilities</b>		467,590	459,581

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



**NEW LIFE STORIES LIMITED**  
(Incorporated in the Republic in Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Note	Unrestricted Fund S\$	Restricted Fund S\$	Total Funds S\$
<b>Income</b>				
Voluntary income:				
General donations		462,665	-	462,665
Grants:				
IRAS		152,428	-	152,428
NCSS Funding	6	-	662,633	662,633
BCF		179,815	-	179,815
		<u>794,908</u>	<u>662,633</u>	<u>1,457,541</u>
Income from generating funds:				
Fund-raising projects		-	-	-
Other income:				
Miscellaneous income		2,548	-	2,548
<b>Total income</b>		<u>797,456</u>	<u>662,633</u>	<u>1,460,089</u>
<b>Less: Operating expenses</b>				
Cost from generating funds:				
Bank & credit card charges		169	141	310
Marketing and website expenses		9,157	-	9,157
		<u>9,326</u>	<u>141</u>	<u>9,467</u>
Charitable activities:				
Beneficiaries & volunteers		43,259	35,945	79,204
Employee benefits	8	613,444	602,348	1,215,792
Volunteer training materials		820	681	1,501
		<u>657,523</u>	<u>638,974</u>	<u>1,296,497</u>
Governance costs:				
Accounting fee		28,525	1,475	30,000
Audit fee:				
- Statutory		8,500	-	8,500
- Others		832	-	832
Employee benefits	8	107,925	-	107,925
Secretarial fee		1,070	-	1,070
		<u>146,852</u>	<u>1,475</u>	<u>148,327</u>
Other expenditure:				
Depreciation	3	17,071	-	17,071
Miscellaneous assets		1,606	1,334	2,940
Office rental & utilities		42,247	35,105	77,352
Office expenses		10,009	8,317	18,326
Office move & refit		3,654	3,036	6,690
Professional fees		1,408	1,170	2,578
Tele-communication expenses		8,022	6,666	14,688
Transportation		809	20,150	20,959
		<u>84,826</u>	<u>75,778</u>	<u>160,604</u>
<b>Total expenses</b>		<u>898,527</u>	<u>716,368</u>	<u>1,614,895</u>

**NEW LIFE STORIES LIMITED**  
(Incorporated in the Republic in Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021 (CONT'D)**

	<u>Note</u>	Unrestricted <u>Fund</u> S\$	Restricted <u>Fund</u> S\$	Total <u>Funds</u> S\$
Net income/(expense) before tax expense		(101,071)	(54,035)	(154,866)
Tax expense	9	-	-	-
Net income/(expense) for the financial year		<u>(101,071)</u>	<u>(53,735)</u>	<u>(154,806)</u>
Total Funds brought forward		402,268	15,952	418,220
Transfer from General Fund		(37,783)	37,783	-
<b>Total Funds carried forward</b>		<u><u>263,414</u></u>	<u><u>-</u></u>	<u><u>263,414</u></u>

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

**NEW LIFE STORIES LIMITED**  
(Incorporated in the Republic in Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

	Note	Note 11 ----- (Restated) -----		Total Funds S\$
		Unrestricted Fund S\$	Restricted Fund S\$	
<b>Income</b>				
Voluntary income:				
General donations		193,652	-	193,652
Grants:				
IRAS		75,425	-	75,425
NCSS Funding	6	-	383,268	383,268
SCORE		(14,743)	-	(14,743)
BCF		202,903	-	202,903
		<u>457,237</u>	<u>383,268</u>	<u>840,505</u>
Income from generating funds:				
Fund-raising projects		-	-	-
Other income:				
Miscellaneous income		160	-	160
<b>Total income</b>		<u>457,397</u>	<u>383,268</u>	<u>840,665</u>
<b>Less: Operating expenses</b>				
Cost from generating funds:				
Bank & credit card charges		226	226	452
Marketing and website expenses		8,123	8,123	16,246
		<u>8,349</u>	<u>8,349</u>	<u>16,698</u>
Charitable activities:				
Beneficiaries & volunteers		26,199	26,199	52,398
Employee benefits	8	261,958	261,958	523,916
		<u>288,157</u>	<u>288,157</u>	<u>576,314</u>
Governance costs:				
Audit fee:				
- Statutory		6,500	-	6,500
- Others		862	-	862
Employee benefits	8	66,487	66,487	132,974
Secretarial fee		712	-	712
		<u>74,561</u>	<u>66,487</u>	<u>141,048</u>
Other expenditure:				
Depreciation	3	4,630	-	4,630
Insurance		1,336	1,336	2,672
Office rental & utility		21,073	21,073	42,146
Office expenses		3,847	3,847	7,694
Tele-communication expenses		5,405	5,405	10,810
Transportation		2,630	2,630	5,260
		<u>38,921</u>	<u>34,291</u>	<u>73,212</u>
<b>Total expenses</b>		<u>409,988</u>	<u>397,284</u>	<u>807,272</u>

**NEW LIFE STORIES LIMITED**  
(Incorporated in the Republic in Singapore)

**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020 (CONT'D)**

	<u>Note</u>	Note 11 ----- (Restated) -----		<u>Total Funds</u> S\$
		<u>Unrestricted Fund</u> S\$	<u>Restricted Fund</u> S\$	
Net income/(expense) before tax expense		47,409	(14,016)	33,393
Tax expense	9	-	-	-
Net income/(expense) for the financial year		47,409	(14,016)	33,393
Total Funds brought forward		354,859	29,968	384,827
<b>Total Funds carried forward</b>		<u>402,268</u>	<u>15,952</u>	<u>418,220</u>

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

**NEW LIFE STORIES LIMITED**  
(Incorporated in the Republic in Singapore)

**STATEMENT OF CHANGES IN FUNDS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	Unrestricted <u>fund</u> S\$	Restricted <u>fund</u> S\$	Total <u>funds</u> S\$
Balance at 1 January 2020	354,859	29,968	384,827
Net income/(expense) for the financial year	<u>188,437</u>	<u>(155,044)</u>	<u>33,393</u>
Balance at 31 December 2020	402,268	15,952	418,220
Net income/(expense) for the financial year	(101,071)	(53,735)	(154,806)
Transfer from General Fund	(37,783)	37,783	-
Balance at 31 December 2021	<u><u>263,414</u></u>	<u><u>-</u></u>	<u><u>263,414</u></u>

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

**NEW LIFE STORIES LIMITED**  
(Incorporated in the Republic in Singapore)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

	<u>2021</u>	<u>2020</u>
	S\$	S\$
<b>Cash flows from operating activities</b>		
Net (expense)/income before tax expense	(154,806)	33,393
Adjustment for:		
Depreciation of plant and equipment	17,071	4,630
Operating (expense)/ income before working capital changes	(137,735)	38,023
Changes in working capital:		
Donation, grant and other receivables	(195,989)	73,189
Other current assets	(39,192)	(5,600)
Other payables and accruals	162,815	21,619
<b>Cash (used in)/generated from operations, representing net cash from operating activities</b>	<u>(210,101)</u>	<u>127,231</u>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(14,894)	(13,631)
Amount due from a related party	-	-
<b>Net cash used in investing activities</b>	<u>(14,894)</u>	<u>(13,631)</u>
Net (decrease)/increase in cash and cash equivalents	(224,995)	113,600
Cash and cash equivalents at beginning of the financial year	396,238	282,638
<b>Cash and cash equivalents at end of financial year</b>	<u>171,243</u>	<u>396,238</u>

Note: Cash and cash equivalents comprised cash and bank balances.

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

**NEW LIFE STORIES LIMITED**  
(Incorporated in the Republic in Singapore)

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

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

1. **GENERAL**

New Life Stories Limited (the “Company”) was incorporated in the Republic of Singapore as a company limited by guarantee without a share capital. Every member of the Company undertakes to contribute to the assets of the Company such amount as may be required not exceeding the sum of S\$1 in the event of the Company being wound up during the time he is a member or within one year after he ceases to be a member, for payment of the debts and liabilities of the Company contracted before he ceases to be a member, and for the costs, charges and expenses of winding up and for adjustment of the rights of the contributories among themselves.

The Company became an Institution of a Public Character (“IPC”) on 1 July 2016 with its Sector Administrator being the Ministry of Social and Family Development.

The principal activity of the Company is to conduct in-prison and out-prison Social Development Programme for incarcerated mothers and children aged 3 to 10 years old.

The registered office and principal place of business are located at 73 Haji Lane, Singapore 189266.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) *Basis of accounting*

The financial statements have been prepared in accordance with Singapore Charities Act, Chapter 37 (the “Charities Act”) and Charities Accounting Standard (“CAS”).

The financial statements, which are presented in Singapore dollars (“S\$”), have been prepared on historical cost basis except as disclosed in the accounting policies below. All financial information presented are denominated in Singapore dollars unless otherwise stated.

The accounting policies have been consistently applied by the Company and are consistent with those used in the previous financial years.

The preparation of financial statements in conformity with CAS requires the use of 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 income and expenses during the financial year. Although these estimates are based on the Company’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. There are no critical accounting estimates and assumptions used that are significant to the financial statements, and areas involving a higher degree of judgement.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(b) *Functional currency*

Items included in the financial statements are measured using the currency best reflects the economic substance of the underlying events and circumstances relevant to the Company (the “functional currency”). The financial statements are presented in Singapore dollars, which is the functional currency of the Company.

(c) *Plant and equipment*

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Useful lives</u>
Computers	2 years
Furniture and fittings	3 years
Office equipment	3 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstance indicate that the carrying value may not be recoverable.

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

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate. During the financial year, the Company changed the useful lives for computers from three (3) years to two (2) years. The change in accounting estimates is adjusted for prospectively from date of change.

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

(d) *Impairment of non-financial assets*

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(d) *Impairment of non-financial assets (cont'd)*

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

Impairment losses of continuing operations are recognised in statement of financial activities, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in statement of financial activities unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

(e) *Financial instruments*

(i) *Financial assets*

Financial assets are recognised when, and only when, the Company becomes a party to the contractual provision of the financial instrument. The Company's financial assets include donation, grant and other receivables, amount due from a related party, refundable deposits and cash and bank balances.

At initial recognition, the Company measures a financial asset at the transaction price, excluding transaction costs. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred. Subsequent to initial measurement, financial assets are measured at cost less any accumulated impairment losses.

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

*(e) Financial instruments (cont'd)*

*(ii) Financial liabilities*

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

All financial liabilities are recognised initially at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred.

*(f) Impairment of financial assets*

The Company assesses at each end of the reporting period whether there is any objective evidence that a financial asset is impaired. If there is objective evidence of impairment (including significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates), the Company shall recognise an impairment loss (i.e. expenditure) immediately in the statement of financial activities.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that come to the attention of the charity about the following loss events:

- (i) Significant financial difficulty of the issuer or obligor.
- (ii) A breach of contract, such as a default or delinquency in interest or principal payments.
- (iii) The Creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the creditor would not otherwise consider.
- (iv) It has become probable that the debtor will enter bankruptcy or other financial reorganisation.
- (v) Observable data indicating that there has been a measurable decrease in the estimated future cash flows from the group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

For all other financial assets, the impairment loss are recognised in the statement of financial activities whenever carrying amount of the financial asset is lesser than the undiscounted future cash flows (excluding unearned interest in the case of an interest-bearing financial asset) that the Company expects to receive from the financial asset.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(f) *Impairment of financial assets (cont'd)***

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement), the Company shall reverse the previously recognised impairment loss. The reversal shall not result in a 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 Company shall recognise the amount of the reversal in the statement of financial activities immediately.

**(g) *Cash and cash equivalents***

Cash and cash equivalents comprise cash in hand, bank deposits and highly liquid investments which are readily convertible to cash and which are subject to an insignificant risk of changes in value, net of bank overdrafts which are repayable on demand and which form an integral part of the Company's cash management. Restricted deposits are excluded from cash and cash equivalents.

**(h) *Provisions***

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation at the reporting date. Any adjustments to the amounts previously recognised shall be recognised as expenditure in the statement of financial activities unless the provision was originally recognised as part of the cost of an asset. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

**(i) *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 or 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 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 the Board's discretion to apply the fund.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(i) Fund Accounting (cont'd)**

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 a method suitable to this common expense. Assets and liabilities to the specific funds are pooled in the statement of financial position.

Funds received for specific purposes such as purchase of depreciable assets are taken to 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.

**(j) Funds**

Unrestricted funds

Unrestricted funds comprise the general fund. General fund is used for the general purposes of the Company as set out in its governing document. If part of an unrestricted fund is earmarked for a particular project, it may be designated as a separate fund, but the designation has an administrative purpose only, and does not legally restrict the Board's discretion to apply the fund.

Restricted funds

Restricted funds are fund subject to specific trusts, which may be declared by the donor(s) or with their authority (e.g. in a public appeal) or created through legal process, but still within the wider objects of the Company. Restricted funds may only be utilised in accordance with the purposes established by the sources of such funds and are in contrast with unrestricted funds over which the Board retains full control to use in achieving its institutional purposes.

**(k) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the entity and the amount of revenue and related cost can be reliably measured.

Donations

Donations are recognised when received. Income recognition is only deferred when the donor specifies that the donations can only be used in future accounting periods or the donor has imposed certain conditions, which must be met before the Company has unconditional entitlement.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(k) ***Revenue recognition (cont'd)***

*Grants from Government*

Grants from Government are recognised at their fair value where there is reasonable assurance that the grant will be received and the Company will comply with all the attached conditions. Government grants, relating to specific costs are deferred and recognised in the statement of financial activities over the period necessary to match them with the costs they are intended to compensate.

*Donation assets*

These are not reflected in the financial statements due to their immateriality.

(l) ***Expenditure***

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all costs related to that activity. The basis of allocation of expenses is allocated according to the amount of manpower allocated for the respective fund.

*Cost of generating funds*

The cost of generating funds are those costs attributable to generating income for the Company, other than those costs incurred in undertaking charitable activities in furtherance of the Company's objects.

*Charitable activities*

Expenditure on charitable activities comprises all costs incurred in the pursuit of the charitable objects of the Company. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure. The total costs of each category of charitable expenditure therefore include an apportionment of support cost, where possible.

*Governance costs*

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

*Other expenditure*

Other expenditure includes the payment of any expenditure that the Company has not been able to analyse within the main expenditure categories.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(m) Employee benefits**

Defined contribution plans

As required by law, the Company makes contributions to the state pension scheme, the Central Provident Fund (“CPF”) Scheme which is a defined contribution scheme. Contributions to CPF are recognised as expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

**(n) Income taxes**

With effect from the Year of Assessment 2009, all registered charities will enjoy automatic income tax exemption without having the need to meet the 80% spending rule. They do not need to file income tax return effective from the Year of Assessment 2009.

**(o) Operating leases**

Where the Company is the lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to statement of financial activities on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**3. PLANT AND EQUIPMENT**

	<u>Computers</u> S\$	<u>Furniture and fitting</u> S\$	<u>Office equipment</u> S\$	<u>Total</u> S\$
<u>Cost</u>				
Balance at 1/1/2020	8,701	3,438	-	12,139
Addition	13,631	-	-	13,631
Written off	(3,406)	-	-	(3,406)
Balance at 31/12/2020	18,926	3,438	3,438	22,364
Addition	3,490	6,876	4,528	14,894
Written off	-	(3,438)	-	(3,438)
Balance at 31/12/2021	<u>22,416</u>	<u>6,876</u>	<u>7,966</u>	<u>33,820</u>
<u>Accumulated depreciation</u>				
Balance at 1/1/2020	6,177	3,438	-	9,615
Charge for the financial year	4,630	-	-	4,630
Written off	(3,406)	-	-	(3,406)
Balance at 31/12/2020	7,401	3,438	3,438	10,839
Charge for the financial year	13,270	2,292	1,509	17,071
Written off	-	(3,438)	-	(3,438)
Balance at 31/12/2021	<u>20,671</u>	<u>2,292</u>	<u>4,947</u>	<u>24,472</u>
<u>Net carrying amount</u>				
Balance at 31/12/2020	<u>11,525</u>	<u>-</u>	<u>-</u>	<u>11,525</u>
Balance at 31/12/2021	<u>1,745</u>	<u>4,584</u>	<u>4,584</u>	<u>9,348</u>

**4. DONATION, GRANT AND OTHER RECEIVABLES**

	<u>2021</u> S\$	<u>2020</u> S\$
Inland Revenue Authority of Singapore (“IRAS”)	26,573	-
National Council of Social Service (“NCSS”)	191,664	44,753
Third Party Fund raising platform	-	81
Others	2,226	-
	<u>220,463</u>	<u>44,834</u>

**NEW LIFE STORIES LIMITED**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

5. **UNRESTRICTED FUNDS**

*General Fund*

The fund is to be used for non-specific purposes at the discretion of the Board in furtherance of the Company's objects.

6. **RESTRICTED FUNDS**

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by the fund providers.

*National Council of Social Service (NCSS) Fund*

NCSS Fund covers 50% (2020: 50%) of the Company's approved expenses during the funding period for the purpose of achieving the objectives of approved programme in line with the intent of the funding.

	<u>2021</u>	<u>2020</u>
	S\$	S\$
<u>NCSS Funding</u>		
Career Conversion Programme for Social Worker	102,820	44,753
Enhanced Volunteer Manager Funding Scheme	42,619	43,275
Invictus Fund	-	50,000
President's Challenge 2021	157,000	-
Tote Board Social Service Fund:		
- Early Reader and Love without Walls	-	242,240
- Family Strengthening Programme	302,396	-
Transformation Support Scheme	54,786	-
Others	2,652	3,000
	<u>662,273</u>	<u>383,268</u>

7. **OTHER PAYABLES AND ACCRUALS**

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Accruals	110,125	6,500
CPF Board	40,112	34,861
Other payables	53,939	-
	<u>204,176</u>	<u>41,361</u>



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**8. EMPLOYEE BENEFITS**

	<u>2021</u>	<u>2020</u>
	S\$	S\$
<i>Under Charitable activities:</i>		
- Director's remuneration	41,294	-
- Staff Salaries	949,816	428,592
- Staff CPF Contribution	161,151	46,084
- Staff benefits	205	4,627
- Staff trainings	63,326	44,613
	<u>1,215,792</u>	<u>523,916</u>
<i>Under Governance costs:</i>		
- Director's remuneration	4,588	-
- Staff Salaries	91,559	100,300
- Staff CPF Contribution	8,598	32,674
- Staff trainings	3,180	-
	<u>107,925</u>	<u>132,974</u>
	<u>1,323,717</u>	<u>656,890</u>

**9. TAX EXPENSE**

The Company is an approved charity under the Charities Act, Chapter 37 and is exempted from income tax under Section 13 of the Singapore Income Tax Act, Chapter 134.

**10. RELATED PARTY TRANSACTION**

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

	<u>2021</u>	<u>2020</u>
	S\$	S\$
<i>Compensation of a Key Management Personnel:</i>		
Salaries and bonus	63,540	104,000
CPF contribution	8,309	13,600
Other benefits	205	2,331
Director's remuneration:		
- salaries, bonus and benefits	40,591	-
- CPF contribution	5,291	-
	<u>117,936</u>	<u>119,931</u>

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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021**

**11. PRIOR YEAR ADJUSTMENTS**

Prior year adjustments mainly relate to funding received from NCSS for Invictus Fund and NCSS approved programmes amounting to S\$50,000 and S\$91,028, respectively which was inadvertently recognised as unrestricted fund in 2020.

Accordingly, prior year adjustments have been raised to correct the errors referred to in the preceding paragraph. The impact of the prior year adjustments on the various accounting captions of the Company are as follows:

	----- 31/12/2020 -----	
	<u>As restated</u>	As previously <u>reported</u>
	S\$	S\$
<i>Statement of profit or loss</i>		
Unrestricted Fund		
- NCSS Funding	-	141,028
- Total Income	457,237	598,425
- Net income for the financial year	47,409	188,437
- Total unrestricted fund carried forward	402,268	543,296
Restricted Fund		
- NCSS Funding	383,268	242,240
- Total Income	383,268	242,240
- Net expense for the financial year	(14,016)	(155,044)
- Total restricted fund carried forward	<u>15,952</u>	<u>(125,076)</u>

**12. LEASE COMMITMENT**

At the end of the reporting period, the total of future minimum lease payments under non-cancellable operating leases are as follows:

	<u>2021</u>	<u>2020</u>
	S\$	S\$
Within one year	90,000	-
More than one year but less than five years	<u>103,834</u>	<u>-</u>
	<u>193,834</u>	<u>-</u>

Lease term does not contain restrictions on the Company's activities concerning dividends, additional debt or future leasing.

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**13. INSTITUTION OF A PUBLIC CHARACTER**

The Commissioner of Charities has granted the Company IPC status from 27 April 2021 to 26 April 2023. Renewal of IPC status is required to be made at least two (2) months before the expiry of the current approval.

**14. TAX DEDUCTIBLE RECEIPTS**

Tax deductible receipts issued by the Company for donation received during the financial year, pursuant to its IPC status amount to S\$296,115 (2020: S\$150,838).

**15. RESERVE POSITION AND POLICY**

	Unrestricted fund	
	<u>2021</u>	<u>2020</u>
	S\$	S\$
Reserve as at 31 December	<u>263,414</u>	<u>402,268</u>
Total operating expenses for the financial year	<u>896,527</u>	<u>409,988</u>
Reserve position (in months)	<u>3.5</u>	<u>12.0</u>

Reserve position at 3.5 months, is below the Company's policy of 18 months. This is mainly due to the Company's program expansion since the end of 2020. With having to support more families and individuals during the unprecedented COVID19 pandemic, the Company had to scale up operations to meet the urgent and immediate needs of families and individuals facing significant challenges of mental health due to job loss and family conflicts. With expanded operations, there is a corresponding increase in operating costs. Hence the Management is of the opinion that the current reserve position is appropriate in view of the unprecedented pandemic period and will work towards increasing the Company's reserve position when appropriate.

**16. MANAGEMENT OF CONFLICT OF INTEREST**

Board and Management members are required to disclose any interest that they may have whether directly or indirectly, that the Company may enter into or in any organisation that the Company has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Company's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected members may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**16. AUTHORISATION OF FINANCIAL STATEMENTS**

The financial statements of the Company for the financial year ended 31 December 2021 were authorised for issue in accordance with a resolution of the Directors on 22 August 2022.