Yayasan MENDAKI

Celebrating 40 Years

OUR JOURNEY TOWARDS SUCCESS

FINANCIAL REPORT 2022

Yayasan MENDAKI
and its Subsidiaries
Registration Number: 198902633C

Annual Report
Year ended 31 December 2022

Registered office

51 Kee Sun Avenue
Singapore 457056

Auditors

KPMG LLP

Bankers

DBS Bank Ltd
12 Marina Boulevard, #42-00
DBS Asia Central@
Marina Bay Financial Centre Tower 3
Singapore 018982

Maybank Singapore
2 Battery Road
Maybank Tower
Singapore 049907

OCBC Securities Private Limited
18 Church Street
#01-00 OCBC Centre South
Singapore 049479

RHB Bank Berhad
RHB Bank Building
90 Cecil Street
#01-00
Singapore 069531

CIMB Bank Berhad
50 Raffles Place, #09-01
Singapore Land Tower
Singapore 048623

Standard Chartered Bank (Singapore) Limited
8 Marina Boulevard, #27-01,
Marina Bay Financial Centre
Singapore 018981

Lawyer

Dentons Rodyk & Davidson LLP
80 Raffles Place
#33-00 UOB Plaza 1
Singapore 048624

Directors' statement

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 December 2022.

In our opinion:

(a) the financial statements set out on pages FS1 to FS60 are drawn up so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group for the year ended on that date in accordance with the provisions of the Companies Act 1967, the Singapore Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

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

Directors

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

Mr Masagos Zulkifli Masagos Mohamad	
Mr Zaqy Mohamad	
Mdm Zuraidah Abdullah	
Ms Rahayu Mahzam	
Mr Saktiandi Supaat	
Mr Azriman Mansor	
Mr D'Cruz Firdaus Lionel Wilfred	
Ms Hazlina Abdul Halim Mrs Hazlina Amran	
Dr Hirman Mohamed Khamis	
Mr Kadir Maideen Mohamed	
Mr Muhammad Azri Azman	
Mr Muhammad Danial Hakim Rosli	(Appointed on 18 March 2023)
Mr Muhammad Fadhlullah Daud	(Appointed on 18 June 2022)
Mr Muhammad Syahiran Rohajat	(Appointed on 18 June 2022)
Mr Nassar Mohamad Zain	(Appointed on 18 June 2022)
Mr Norazlan Ibrahim	
Ms Nurul 'Izzah Khamsani	
Mr Sallim Abdul Kadir	
Mr Sultan Mohamed Ghouse	
Ms Yeo Nadia	(Appointed on 18 June 2022)
Ms Zarina Begam Abdul Razak	

Directors' interests

According to the register kept by the Company for the purposes of Section 164 of the Companies Act 1967 ('the Act'), no director who held office at the end of the financial year (including those held by their spouses and children) had interests in shares or share options of the Company or of related corporations, either at the beginning of the financial year, or at date of appointment if later, or at the end of the financial year.

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

Share options

The Company is limited by guarantee and has not issued any share options. During the financial year under review, there were no options granted, exercised or outstanding with respect to the subsidiaries.

Audit Committee

The members of the Audit Committee during the year and at the date of this statement are:

- Mr Azriman Mansor (Chairman), non-executive director
- Mr Halil Haji Mansor
- Mr Sallim Abdul Kadir, non-executive director

The Audit Committee was established by the Board of Directors. The members of the Audit Committee are all non-executive directors.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. In performing its functions, the Audit Committee met with the Company's external auditors to discuss the scope of their work, the results of their examination and evaluation of the internal accounting control system. The Audit Committee has also reviewed the financial statements of the Company and the consolidated financial statements of the Group for the financial year, together with the auditors' report thereon.

The Audit Committee is satisfied with the independence and objectivity of the external auditors and has recommended to the Board of Directors that the auditors, KPMG LLP, be nominated for re-appointment as auditors at the forthcoming Annual General Meeting of the Company.

Corporate governance

Board members and staff are required in their respective capacities to act at all times in the best interest of the Company. Policies and procedures are designed to prevent and address potential conflict of interest situation while promoting ethical conduct of officers and staff.

Auditors

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors

Mr Masagos Zulkifli Masagos Mohamad
Director

Mdm Zuraidah Abdullah
Director

1 June 2023

KPMG LLP
12 Marina View #15-01
Asia Square Tower 2
Singapore 018961

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Independent auditors' report

Members of the Company
Yayasan MENDAKI

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Yayasan MENDAKI ('the Company') and its subsidiaries (the 'Group'), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2022, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in funds and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS60.

In our opinion, the accompanying consolidated financial statements and the statement of financial position are properly drawn up in accordance with the provisions of the Companies Act 1967 ('the Companies Act'), the Charities Act, Chapter 37 and other relevant regulations ('the Charities Act and Regulations') and Financial Reporting Standards in Singapore ('FRSs') so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2022 and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group for the year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ('SSAs'). Our responsibilities under those standards are further described in the '*Auditors' responsibilities for the audit of the financial statements'* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *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 contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained all other information prior to the date of this auditors' report.

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.

Responsibilities of management and directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, Charities Act and Regulations and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group'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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

- Obtain an understanding of internal controls 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 Group's internal controls.

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 controls that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act and the Charities Act and Regulations.

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

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
1 June 2023

Statements of financial position
As at 31 December 2022

	Note	Group 2022 $	Group 2021 $	Company 2022 $	Company 2021 $
Non-current assets					
Property and equipment	4	1,333,913	17,190,490	1,333,913	2,128,335
Right-of-use assets	5	1,028,971	494,205	1,028,971	480,588
Intangibles	6	849,226	755,260	849,226	720,891
Investment property	7	13,500,000	–	13,500,000	–
Investment in subsidiaries	8	–	–	809,000	11,951,314
Interest in associate	9	1,250,000	1,250,000	1,250,000	1,250,000
Other financial assets	10	64,119,771	49,110,457	64,119,771	49,110,457
Term loans	11	8,027,319	10,196,358	8,027,319	10,196,358
Non-current assets		90,109,200	78,996,770	90,918,200	75,837,943
Current assets					
Term loans	11	3,331,730	3,833,058	3,331,730	3,833,058
Trade and other receivables	12	44,522,130	6,060,969	44,518,496	5,899,558
Cash and cash equivalents	13	70,254,358	87,661,706	69,386,232	83,980,154
Current assets		118,108,218	97,555,733	117,236,458	93,712,770
Total assets		208,217,418	176,552,503	208,154,658	169,550,713
Funds and reserve					
General Corpus Fund	14	2,000,000	2,000,000	2,000,000	2,000,000
General Fund		12,555,317	11,658,382	16,584,122	8,871,056
Unrestricted funds		14,555,317	13,658,382	18,584,122	10,871,056
Education Development Fund (‘EDF’)	15	110,543,744	110,404,991	109,249,900	109,111,149
Malay/Muslim Community Development Fund (‘MMCDF’)	16	15,132,347	11,796,936	12,325,957	8,990,546
Education Trust Fund (‘ETF’)	17	10,193,472	8,990,513	12,693,477	11,490,519
ETF Endowment Fund	18	27,066,451	7,570,676	24,566,451	5,070,676
Harun Ghani Education Fund (‘HGEF’)	19	227,190	165,648	227,190	165,648
Institute of Singapore Chartered Accountants Scholarship Fund (‘ISCAF’)	20	20,142	20,142	20,142	20,142
Restricted funds		163,183,346	138,948,906	159,083,117	134,848,680
Fair value reserve	21	(3,949,383)	180,636	(3,949,383)	180,636
Total funds and reserve		173,789,280	152,787,924	173,717,856	145,900,372

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

Statements of financial position (continued)
As at 31 December 2022

	Note	Group 2022 $	Group 2021 $	Company 2022 $	Company 2021 $
Non-current liabilities					
Lease liabilities	22	657,175	53,652	657,175	53,652
Deferred tax liabilities	23	–	9,354	–	–
		657,175	63,006	657,175	53,652
Current liabilities					
Trade and other payables	24	32,413,831	21,654,618	32,422,532	21,575,654
Malay Language Learning and Promotion Committee ('MLLPC') Fund	25	983,700	1,576,860	983,700	1,576,860
Lease liabilities	22	373,395	458,829	373,395	444,175
Current tax payable		37	11,266	–	–
Current liabilities		33,770,963	23,701,573	33,779,627	23,596,689
Total liabilities		34,428,138	23,764,579	34,436,802	23,650,341
Total funds and liabilities		208,217,418	176,552,503	208,154,658	169,550,713

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

Consolidated income statement
Year ended 31 December 2022

	Note	Unrestricted Funds	---Restricted Funds---					
		General Fund $	EDF $	MMCDF $	ETF $	ETF Endowment Fund $	HGEF $	Total $
2022								
Income								
Income from generated funds								
Voluntary income:								
- Donations via CPF contribution		1,536,349	–	8,552,487	–	–	–	10,088,836
- Donation income		41,946	168,870	36,460	304,702	365,000	–	916,978
- Donation fundraising		–	–	56,917	825,156	14,519,980	132,056	15,534,109
Finance income	28	361,402	894,653	414,295	–	–	–	1,670,350
Other income		120,181	126	2,568	–	–	–	122,875
Income from charitable activities								
Income from approved projects:								
- Fees	27	1,245	67,788	–	–	–	–	69,033
Government grants:								
- Ministry of Culture, Community and Youth ('MCCY') Matching Grant		1,600,000	–	2,600,000	–	–	–	4,200,000
- MCCY temporary occupation licence fee		324,000	–	–	–	–	–	324,000
- MCCY Self Help Group Top Up		213,516	267,602	622,500	452,779	–	–	1,556,397
- MCCY Others		29,069	843,250	20,677	–	–	–	892,996
- Ministry of Social and Family Development ("MSF")		53,317	110,296	69,808	–	–	–	233,421
- Undisbursed tertiary tuition fees subsidy ('TTFS')	24	–	24,642,917	–	–	–	–	24,642,917
- Others		71,027	378,016	345,854	358,327	–	–	1,153,224
Other grants		3,719	93,755	4,365	–	–	–	101,839
Total income		4,355,771	27,467,273	12,725,931	1,940,964	14,884,980	132,056	61,506,975

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

Consolidated income statement (continued)
Year ended 31 December 2022

	Note	Unrestricted Funds	Restricted Funds					
		General Fund $	EDF $	MMCDF $	ETF $	ETF Endowment Fund $	HGEF $	Total $
2022								
Expenditures								
Cost of activities	29	(2,714,759)	(20,560,843)	(8,519,174)	(738,005)	–	(70,514)	(32,603,295)
Governance costs		(113,313)	(205,059)	(123,035)	–	–	–	(441,407)
Impairment loss on term loans and trade receivables (net)		1,675	(551,266)	–	–	–	–	(549,591)
Reversal of impairment loss on debt investments		–	3,351	–	–	–	–	3,351
Fair value loss on investment property	7	(360,884)	(706,077)	(423,646)	–	–	–	(1,490,607)
Finance costs	28	(281,123)	(697,831)	(324,665)	–	–	–	(1,303,619)
Total expenditures		(3,468,404)	(22,717,725)	(9,390,520)	(738,005)	–	(70,514)	(36,385,168)
Net income before tax	30	887,367	4,749,548	3,335,411	1,202,959	14,884,980	61,542	25,121,807
Tax credit	32	9,568	–	–	–	–	–	9,568
Net income for the year		896,935	4,749,548	3,335,411	1,202,959	14,884,980	61,542	25,131,375

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

Consolidated income statement (continued)
Year ended 31 December 2022

	Note	Unrestricted Funds General Fund $	-----Restricted Funds----- EDF $	MMCDF $	ETF $	HGEF $	Total $
2021							
Income							
Income from generated funds							
Voluntary income:							
- Donations via CPF contribution		1,180,397	–	7,608,669	–	–	8,789,066
- Donation income		46,989	410,250	377,385	286,475	22,295	1,143,394
- Donation fundraising		–	–	–	964,340	–	964,340
Finance income	28	61,842	699,700	52,346	–	–	813,888
Other income		82,293	6,923	–	999	–	90,215
Income from charitable activities							
Income from approved projects:							
- Fees	27	155,563	577,070	77,910	–	–	810,543
Government grants:							
- MCCY Matching Grant		1,600,000	–	2,600,000	–	–	4,200,000
- MCCY temporary occupation licence fee		341,955	–	–	–	–	341,955
- MCCY Self Help Group Top Up		151,907	617,706	389,296	837,441	–	1,996,350
- MCCY Cari Kerja campaign		468,237	–	–	–	–	468,237
- MCCY Others		189,468	457,742	7,400	400,000	–	1,054,610
- MSF		73,662	130,315	195,914	50,000	–	449,891
- Inland Revenue Authority of Singapore (“IRAS”)		746,874	–	–	–	–	746,874
- Undisbursed TTFS	24	–	20,425,502	–	–	–	20,425,502
- Others		553,390	35,795	25,071	104,818	–	719,074
Other grants		22,164	100,431	42,443	–	–	165,038
Total income		5,674,741	23,461,434	11,376,434	2,644,073	22,295	43,178,977

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

Consolidated income statement (continued)
Year ended 31 December 2022

	Note	Unrestricted Funds General Fund $	----Restricted Funds---- EDF $	MMCDF $	ETF $	HGEF $	Total $
2021							
Expenditures							
Cost of activities	29	(3,637,868)	(17,439,395)	(8,729,238)	(824,416)	(19,756)	(30,650,673)
Governance costs		(110,553)	(169,581)	(131,267)	–	–	(411,401)
Reversal of impairment loss on term loans and trade receivables (net)		(1,633)	1,114,936	–	–	–	1,113,303
Impairment loss on debt investments		–	(115,080)	–	–	–	(115,080)
Finance costs	28	(2,838)	(5,496)	(5,718)	–	–	(14,052)
Total expenditures		(3,752,892)	(16,614,616)	(8,866,223)	(824,416)	(19,756)	(30,077,903)
Net income before tax	30	1,921,849	6,846,818	2,510,211	1,819,657	2,539	13,101,074
Tax expense	32	(6,600)	–	(16,253)	–	–	(22,853)
Net income for the year		1,915,249	6,846,818	2,493,958	1,819,657	2,539	13,078,221

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

Consolidated statement of comprehensive income
Year ended 31 December 2022

	Unrestricted Funds	---- Restricted Funds				----		
	General Fund	**EDF**	**MMCDF**	**ETF**	**ETF Endowment Fund**	**HGEF**	**Fair value reserve**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**	**$**
2022								
Net income for the year	896,935	4,749,548	3,335,411	1,202,959	14,884,980	61,542	–	25,131,375
Other comprehensive income								
Items that are or may be reclassified subsequently to profit or loss								
Debt investments at fair value through other comprehensive income (“FVOCI”) – net change in fair value	–	–	–	–	–	–	(4,094,283)	(4,094,283)
Debt investments at FVOCI – reclassified to profit or loss	–	–	–	–	–	–	(35,736)	(35,736)
Total comprehensive income for the year	896,935	4,749,548	3,335,411	1,202,959	14,884,980	61,542	(4,130,019)	21,001,356

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

Consolidated statement of comprehensive income (continued)
Year ended 31 December 2022

	Unrestricted Funds	Restricted Funds					
	General Fund	**EDF**	**MMCDF**	**ETF**	**HGEF**	**Fair value reserve**	**Total**
	$	**$**	**$**	**$**	**$**	**$**	**$**
2021							
Net income for the year	1,915,249	6,846,818	2,493,958	1,819,657	2,539	–	13,078,221
Other comprehensive income							
Items that are or may be reclassified subsequently to profit or loss							
Debt investments at FVOCI – net change in fair value	–	–	–	–	–	(501,645)	(501,645)
Total comprehensive income for the year	1,915,249	6,846,818	2,493,958	1,819,657	2,539	(501,645)	12,576,576

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

Consolidated statement of changes in funds
Year ended 31 December 2022

	-- Unrestricted Funds --		---- Restricted Funds ----							
	General Corpus Fund $	**General Fund $**	**EDF $**	**MMCDF $**	**ETF $**	**ETF Endowment Fund $**	**HGEF $**	**ISCAF $**	**Fair value reserve $**	**Total funds and reserve $**
At 1 January 2022	2,000,000	11,658,382	110,404,991	11,796,936	8,990,513	7,570,676	165,648	20,142	180,636	152,787,924
Total comprehensive income for the year										
Net income for the year	–	896,935	4,749,548	3,335,411	1,202,959	14,884,980	61,542	–	–	25,131,375
Other comprehensive income	–	–	–	–	–	–	–	–	(4,130,019)	(4,130,019)
Total comprehensive income for the year	–	896,935	4,749,548	3,335,411	1,202,959	14,884,980	61,542	–	(4,130,019)	21,001,356
Transfer between funds	–	–	(4,610,795)	–	–	4,610,795	–	–	–	–
At 31 December 2022	2,000,000	12,555,317	110,543,744	15,132,347	10,193,472	27,066,451	227,190	20,142	(3,949,383)	173,789,280

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

Consolidated statement of changes in funds (continued)
Year ended 31 December 2022

	-- Unrestricted Funds --		Restricted Funds							
	General Corpus Fund $	**General Fund $**	**EDF $**	**MMCDF $**	**ETF $**	**ETF Endowment Fund $**	**HGEF $**	**ISCAF $**	**Fair value reserve $**	**Total funds and reserve $**
At 1 January 2021	2,000,000	9,743,133	105,269,878	9,302,978	7,170,856	5,858,971	163,109	20,142	682,281	140,211,348
Total comprehensive income for the year										
Net income for the year	–	1,915,249	6,846,818	2,493,958	1,819,657	–	2,539	–	–	13,078,221
Other comprehensive income	–	–	–	–	–	–	–	–	(501,645)	(501,645)
Total comprehensive income for the year	–	1,915,249	6,846,818	2,493,958	1,819,657	–	2,539	–	(501,645)	12,576,576
Transfer between funds	–	–	(1,711,705)	–	–	1,711,705	–	–	–	–
At 31 December 2021	2,000,000	11,658,382	110,404,991	11,796,936	8,990,513	7,570,676	165,648	20,142	180,636	152,787,924

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

Consolidated statement of cash flows
Year ended 31 December 2022

	Note	2022 $	2021 $
Cash flows from operating activities			
Net income before tax		25,121,807	13,101,074
Adjustments for:			
Finance income	28	(1,670,350)	(813,888)
Gain arising from unwinding of term loans discount		(301,999)	(412,631)
Depreciation of property and equipment and right-of-use of assets	4, 5	1,422,921	1,614,998
Amortisation of intangibles	6	361,513	341,492
Loss on disposal of property and equipment and right-of-use of assets		25,371	565
Fair value loss on investment property	7	1,490,607	–
Finance costs	28	1,303,619	14,052
Allowance for/(reversal of) impairment losses on term loans	11	573,936	(1,236,588)
(Reversal of)/impairment loss on trade receivables	12	(24,345)	123,285
(Reversal of)/impairment loss on debt investment		(3,351)	115,080
Undisbursed TTFS	24	(24,642,917)	(20,425,502)
		3,656,812	(7,578,063)
Changes in:			
Trade and other receivables		(38,436,816)	4,308,974
Trade and other payables		10,759,213	(817,584)
TTFS received/receivable	24	67,505,644	65,449,720
Refund of TTFS from tertiary institutions	24	78,092	114,606
Disbursement/accrual of TTFS	24	(42,940,819)	(45,138,824)
Term loans granted		(2,244,103)	(2,871,871)
Repayment of term loans		4,642,533	5,116,387
MLLPC grants and donations received	25	676,850	938,341
Disbursement and interest to MLLPC Fund	25	(1,270,010)	(653,063)
Tax paid		(11,015)	(234,705)
Net cash flows from operating activities		2,416,381	18,633,918
Cash flows from investing activities			
Investment income received		464,774	272,269
Interest income received		1,169,840	650,321
Purchase of property and equipment		(170,397)	(247,832)
Purchase of intangibles		(489,848)	(671,848)
Proceeds from sale of property and equipment		40,227	–
Proceeds from sale of intangible assets		34,369	–
Proceeds from disposal of other financial assets		7,627,447	–
Acquisition of other financial assets		(28,027,961)	(34,602,110)
Fixed deposits matured/(placed) as investment		10,195,627	(9,987,582)
Net cash flows used in investing activities		(9,155,922)	(44,586,782)
Cash flows from financing activities			
Payment of lease liabilities	22	(468,829)	(460,191)
Interest paid	22	(3,351)	(14,052)
Net cash flows used in financing activities		(472,180)	(474,243)
Net decrease in cash and cash equivalents		(7,211,721)	(26,427,107)
Cash and cash equivalents at 1 January		65,835,918	92,263,025
Cash and cash equivalents at 31 December	13	58,624,197	65,835,918

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

Notes to the financial statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 1 June 2023.

1 Domicile and activities

Yayasan MENDAKI (the 'Company') is incorporated in Singapore. The address of the Company's registered office is 51 Kee Sun Avenue, Singapore 457056.

Yayasan MENDAKI is a public company limited by guarantee and not having a share capital. Each member's liability is limited to $100.

The consolidated financial statements for the year ended 31 December 2022 comprise the Company and its subsidiaries (together referred to as the 'Group' and individually as 'Group entities').

The principal activities of the Company are to promote, foster, support, safeguard and protect the educational, social, economic, religious and cultural development and achievement of the Malay/Muslim community. On religious matters, the Company liaises and works closely with Majlis Ugama Islam Singapura. The principal activities of the subsidiaries are described in note 8 to the financial statements.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore ('FRSs'). The changes to significant accounting policies are described in note 2.5.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described below.

2.3 Functional and presentation currency

These financial statements are presented in Singapore dollars, which is the Company's functional currency. All financial information is presented in Singapore dollars, unless otherwise stated.

2.4 Use of estimates and judgements

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following notes:

- Note 9 – interest in associate

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are included the following notes:

- Note 11 – valuation of term loans

2.5 Changes in accounting policies

The Group has applied the following FRSs, amendments to and interpretations of FRS for the first time for the annual period beginning on 1 January 2022:

- Amendments to FRS 113: *Reference to the Conceptual Framework*
- Amendments to FRS 16: *Property, Plant and Equipment – Proceeds before Intended Use*
- Amendments to FRS 37: *Onerous Contracts – Cost of Fulfilling a Contract*
- Annual Improvements to FRSs 2018-2020

The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

3 Significant accounting policies

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

3.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a set of particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree, over the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration payable is recognised at fair value at the date of acquisition and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Costs related to the acquisition, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with policies adopted by the Group.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Investment in equity-accounted investees

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies of these entities. Significant influence is presumed to exist when the Group holds between 20% or more of the voting power of another entity.

Investment in an associate is accounted for using the equity method. They are recognised initially at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss of equity accounted investee, after adjustments to align the accounting policies with those of the Group, from the date that significant influence commences until the date that significant influence ceases.

When the Group's share of losses exceeds its investment in an equity-accounted investee, the carrying amount of the investment, together with any long-term interests that form part thereof, is reduced to zero, and the recognition of further losses is discontinued except to the extent that the Group has an obligation to fund the investee's operations or has made payments on behalf of the investee.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income or expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries and associates in the separate financial statements

Investments in subsidiaries and associates are stated in the Company's statement of financial position at cost less accumulated impairment losses.

3.2 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on translation are generally recognised in profit or loss.

3.3 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ('FVTPL'), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at amortised cost; FVOCI – debt investment; FVOCI – equity investment or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in other comprehensive income ('OCI'). On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Financial assets at FVTPL

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Non-derivative financial liabilities

Financial liabilities are classified as measured at amortised cost.

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

(iii) Derecognition

Financial assets

The Group derecognises a financial asset when:

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

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

Financial liabilities

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

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

Interest rate benchmark reform

When the basis for determining the contractual cash flows of a financial asset or financial liability measured at amortised cost changes as a result of interest rate benchmark reform, the Group updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by the reform. No immediate gain or loss is recognised. A change in the basis for determining the contractual cash flows is required by interest rate benchmark reform if the following conditions are met:

- the change is necessary as a direct consequence of the reform; and
- the new basis for determining the contractual cash flows is economically equivalent to the previous basis – i.e. the basis immediately before the change.

When changes were made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Group first updates the effective interest rate of the financial asset or financial liability to reflect the change that is required by interest rate benchmark reform. After that, the Group applies the policies on accounting for modifications to the additional changes.

(iv) Offsetting

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

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits that are subject to an insignificant risk of changes in their fair value and are used by the Group in the management of its short-term commitments.

3.4 Property and equipment

Recognition and measurement

Items of property and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment.

The gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property and equipment unless it is included in the carrying amount of another asset. Freehold land and construction-in-progress are not depreciated.

Depreciation is recognised from the date that the property and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

- Building 50 years
- Building improvements 5 years
- Furniture and fittings 5 years
- Office equipment 5 years
- Computer equipment 2-3 years
- Books and materials 3-5 years
- Motor vehicles 5 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.5 Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Group and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated over the cost of the asset, less its residual value.

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use. The estimated useful lives for the current and comparative years are as follows:

- Computer software 3 years

Amortisation method, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.6 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to accumulated funds.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

3.7 Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As a lessee

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group recognises a right-of-use ('ROU') asset and a lease liability at the lease commencement date. The ROU asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The ROU asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the ROU asset reflects that the Group will exercise a purchase option. In that case the ROU asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the ROU asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The ROU asset is subsequently stated at cost less accumulated depreciation and impairment losses.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines the lessee's incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the ROU asset, or is recorded in profit or loss if the carrying amount of the ROU asset has been reduced to zero.

Short-term leases and leases of low-value assets

The Group has elected not to recognise ROU assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acted as a lessor, it is determined at lease inception whether each lease was a finance lease or operating lease.

To classify each lease, the Group made an overall assessment of whether the lease transferred substantially all of the risks and rewards incidental to ownership of the underlying asset. If this was the case, then the lease was a finance lease; if not, then it was an operating lease. As part of this assessment, the Group considered certain indicators such as whether the lease was for the major part of the economic life of the asset.

Rental income from leasing of buildings is recognised on a straight-line basis over the term of the lease.

3.8 Impairment

Non-derivative financial assets

The Group recognises loss allowances for expected credit loss ('ECL') on:

- financial assets measured at amortised cost; and
- debt investments measured at FVOCI.

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

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

Simplified approach

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

General approach

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

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

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

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

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

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

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

Measurement of ECLs

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

Credit-impaired financial assets

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

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

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

Presentation of allowance for ECLs in the statements of financial position

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

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

Write-off

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

Associates

An impairment loss in respect of an associate is measured by comparing the recoverable amount of the investment with its carrying amount in accordance with the requirements for non-financial assets. An impairment loss is recognised in profit or loss. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount and only to the extent that the recoverable amount increases.

Non-financial assets

The carrying amounts of the Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit ('CGU') exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGU.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. 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 determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.9 Employee benefits

Compensated absences

A liability is made for compensated absences arising from services rendered by employees up to the reporting date. Compensated absences expected to be settled within one year arising from annual leave have been measured at their nominal amount.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

3.10 Income

Income from approved projects

Revenue is recognised when the Group satisfies a performance obligation ('PO') by transferring control of a promised service to the other party. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO. Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised services.

Donations

Donations are recognised as and when the Group's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability.

Grants

Grants are initially recognised as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Capital grants

These grants are then recognised in profit or loss as income on a systematic basis over the useful life of the asset.

Income grants

Grants that compensate the Group for expenses incurred are recognised in profit or loss as income on a systematic basis in the same periods in which the expenses are recognised.

3.11 Expenditures

All expenditures are accounted for on an accrual basis and have been classified under headings that aggregate all cost related to that activity. Costs comprise direct expenditure including direct staff costs attributable to the activity. Where costs cannot be wholly attributable to an activity, they have been apportioned on a basis consistent with the use of resources.

Costs of generating funds

These are costs associated with generating income from all sources other than from undertaking charitable activities.

Costs of charitable activities

Expenditure on charitable activities comprises all the resources applied by the Group in undertaking its work to meet its charitable objectives as opposed to the cost of raising the funds to finance these activities and governance costs. Such costs include the direct costs of the charitable activities together with those support costs incurred that enable these activities to be undertaken. Those costs, where not wholly attributable, are apportioned between the categories of charitable expenditure in addition to the direct costs.

Support costs include costs related to central functions and have been allocated to the respective charitable funds based on the respective level of activities.

Governance costs

Governance costs comprise all costs attributable to the general running of the Group, in providing the governance infrastructure and in ensuring public accountability. These costs include costs related to constitutional and statutory requirements.

3.12 Finance income and finance costs

Interest income or expense is recognised using the effective interest method. Dividend income is recognised in profit or loss on the date on which the Group's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

3.13 Funds

The Group maintains unrestricted and restricted funds. Funds set up for specific purposes are classified as restricted funds. All income and expenses other than those attributable to restricted funds are recorded in the unrestricted fund's income statement.

3.14 Tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss; and
- temporary differences related to investments in subsidiaries and associates to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

3.15 New standards and amendments not adopted

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

The following amendments to FRSs are not expected to have a significant impact on the Group and Company's statement of financial position.

- Amendments to FRS 1*: Classification of Liabilities as Current or Non-current*
- Amendments to FRS 1 and FRS Practice Statement 2*: Disclosure of Accounting Policies*
- Amendments to FRS 8: *Definition of Accounting Estimates*
- Amendments to FRS 12: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
- FRS 117 *Insurance Contracts*
- Amendments to FRS 117 *Insurance Contracts*

4 Property and equipment

Group	Note	Freehold land $	Building $	Building improvements $	Furniture and fittings $	Office equipment $	Computer equipment $	Books and materials $	Motor vehicles $	Total $
Cost										
At 1 January 2021		11,243,364	4,425,528	4,619,041	479,825	152,745	4,795,522	398,204	52,751	26,166,980
Additions		–	–	61,886	47,320	–	138,626	–	–	247,832
Disposals/write-offs		–	–	–	–	–	(717)	–	–	(717)
At 31 December 2021		11,243,364	4,425,528	4,680,927	527,145	152,745	4,933,431	398,204	52,751	26,414,095
Additions		–	–	39,290	26,782	33,130	71,195	–	–	170,397
Disposals/write-offs		–	–	–	(104,896)	(61,139)	(750,861)	(357,900)	–	(1,274,796)
Reclassification to investment property	7	(11,243,364)	(4,425,528)	(977,259)	–	–	–	–	–	(16,646,151)
At 31 December 2022		–	–	3,742,958	449,031	124,736	4,253,765	40,304	52,751	8,663,545
Accumulated depreciation										
At 1 January 2021		–	597,448	2,446,273	421,533	88,472	4,104,399	371,592	33,401	8,063,118
Depreciation for the year		–	88,511	607,620	18,790	21,653	396,367	17,327	10,554	1,160,822
Disposals/write-offs		–	–	–	–	–	(335)	–	–	(335)
At 31 December 2021		–	685,959	3,053,893	440,323	110,125	4,500,431	388,919	43,955	9,223,605
Depreciation for the year		–	–	584,735	25,690	22,264	323,001	6,283	8,796	970,769
Disposals/write-offs		–	–	–	(99,146)	(53,514)	(701,640)	(354,898)	–	(1,209,198)
Reclassification to investment property	7	–	(685,959)	(969,585)	–	–	–	–	–	(1,655,544)
At 31 December 2022		–	–	2,669,043	366,867	78,875	4,121,792	40,304	52,751	7,329,632
Carrying amounts										
At 1 January 2021		11,243,364	3,828,080	2,172,768	58,292	64,273	691,123	26,612	19,350	18,103,862
At 31 December 2021		11,243,364	3,739,569	1,627,034	86,822	42,620	433,000	9,285	8,796	17,190,490
At 31 December 2022		–	–	1,073,915	82,164	45,861	131,973	–	–	1,333,913

	Building improvements $	Furniture and fittings $	Office equipment $	Computer equipment $	Books and materials $	Motor vehicles $	Total $
Company							
Cost							
At 1 January 2021	3,641,782	370,585	90,533	4,395,082	40,304	52,751	8,591,037
Additions	61,886	47,320	–	103,770	–	–	212,976
At 31 December 2021	3,703,668	417,905	90,533	4,498,852	40,304	52,751	8,804,013
Additions	39,290	26,782	33,130	71,195	–	–	170,397
Disposals/write-offs	–	–	–	(318,441)	–	–	(318,441)
At 31 December 2022	3,742,958	444,687	123,663	4,251,606	40,304	52,751	8,655,969
Accumulated depreciation							
At 1 January 2021	1,479,620	320,353	37,584	3,739,488	40,304	33,401	5,650,750
Depreciation for the year	604,688	16,479	17,954	375,253	–	10,554	1,024,928
At 31 December 2021	2,084,308	336,832	55,538	4,114,741	40,304	43,955	6,675,678
Depreciation for the year	584,735	25,690	22,264	322,886	–	8,796	964,371
Disposals/write-offs	–	–	–	(317,993)	–	–	(317,993)
At 31 December 2022	2,669,043	362,522	77,802	4,119,634	40,304	52,751	7,322,056
Carrying amounts							
At 1 January 2021	2,162,162	50,232	52,949	655,594	–	19,350	2,940,287
At 31 December 2021	1,619,360	81,073	34,995	384,111	–	8,796	2,128,335
At 31 December 2022	1,073,915	82,165	45,861	131,972	–	–	1,333,913

5 Right-of-use assets

	Buildings $	IT equipment $	Total $
Group			
Cost			
At 1 January 2021	1,560,621	149,650	1,710,271
Additions	20,129	35,139	55,268
Disposals/write-offs	(84,883)	(21,075)	(105,958)
At 31 December 2021	1,495,867	163,714	1,659,581
Additions	986,918	–	986,918
Disposals/write-offs	–	(62,639)	(62,639)
At 31 December 2022	2,482,785	101,075	2,583,860
Accumulated depreciation			
At 1 January 2021	740,607	76,368	816,975
Depreciation for the year	412,104	42,072	454,176
Disposals/write-offs	(84,883)	(20,892)	(105,775)
At 31 December 2021	1,067,828	97,548	1,165,376
Depreciation for the year	413,036	39,116	452,152
Disposals/write-offs	–	(62,639)	(62,639)
At 31 December 2022	1,480,864	74,025	1,554,889
Carrying amounts			
At 1 January 2021	820,014	73,282	893,296
At 31 December 2021	428,039	66,166	494,205
At 31 December 2022	1,001,921	27,050	1,028,971
Company			
Cost			
At 1 January 2021	1,560,621	87,011	1,647,632
Additions	20,129	35,139	55,268
Disposals/write-offs	(84,883)	(21,075)	(105,958)
At 31 December 2021	1,495,867	101,075	1,596,942
Additions	986,918	–	986,918
At 31 December 2022	2,482,785	101,075	2,583,860
Accumulated depreciation			
At 1 January 2021	740,607	43,687	784,294
Depreciation for the year	412,104	25,731	437,835
Disposals/write-offs	(84,883)	(20,892)	(105,775)
As at 31 December 2021	1,067,828	48,526	1,116,354
Depreciation for the year	413,036	25,499	438,535
At 31 December 2022	1,480,864	74,025	1,554,889
Carrying amounts			
At 1 January 2021	820,014	43,324	863,338
As at 31 December 2021	428,039	52,549	480,588
As at 31 December 2022	1,001,921	27,050	1,028,971

The leases for buildings typically run for a period of 1 to 3 years. The Group also leases IT equipment with lease terms of 3 to 5 years.

6 Intangibles

Group	**Computer software $**	**Installation-in-progress $**	**Total $**
Cost			
At 1 January 2021	2,556,923	–	2,556,923
Additions	564,268	107,580	671,848
At 31 December 2021	3,121,191	107,580	3,228,771
Additions	353,198	136,650	489,848
Disposal/Write-offs	(37,120)	–	(37,120)
At 31 December 2022	3,437,269	244,230	3,681,499
Accumulated amortisation			
At 1 January 2021	2,132,019	–	2,132,019
Amortisation charge	341,492	–	341,492
At 31 December 2021	2,473,511	–	2,473,511
Amortisation charge	361,513	–	361,513
Disposal/Write-offs	(2,751)	–	(2,751)
At 31 December 2022	2,832,273	–	2,832,273
Carrying amounts			
At 1 January 2021	424,904	–	424,904
At 31 December 2021	647,680	107,580	755,260
At 31 December 2022	604,996	244,230	849,226

Company			
Cost			
At 1 January 2021	2,556,923	–	2,556,923
Additions	527,148	107,580	634,728
At 31 December 2021	3,084,071	107,580	3,191,651
Additions	353,198	136,650	489,848
At 31 December 2022	3,437,269	244,230	3,681,499
Accumulated amortisation			
At 1 January 2021	2,132,019	–	2,132,019
Amortisation charge	338,741	–	338,741
At 31 December 2021	2,470,760	–	2,470,760
Amortisation charge	361,513	–	361,513
At 31 December 2022	2,832,273	–	2,832,273
Carrying amounts			
At 1 January 2021	424,904	–	424,904
At 31 December 2021	613,311	107,580	720,891
At 31 December 2022	604,996	244,230	849,226

7 Investment property

	Note	Group $
At 1 January 2022		–
Reclassification from property, plant and equipment	4	14,990,607
Changes in fair value		(1,490,607)
At 31 December 2022		13,500,000

	Company $
At 1 January 2022	–
Additions	13,500,000
At 31 December 2022	13,500,000

Investment property consists of a commercial property that is leased to a third party with an initial non-cancellable period of 3 years.

Measurement of fair value

The fair value of investment property was determined by an external, independent valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued. The independent valuers provide the fair value of the Group's investment property annually.

The fair value measurement for the investment property of $13,500,000 has been categorised as a Level 2 fair value based on the inputs to the valuation technique used.

The fair value of the investment property was estimated using the direct comparison method. The direct comparison method involves an analysis of comparable sales of similar properties, adjusted for factors such as size, location, transaction date, tenure, floor location and year built of property.

8 Investment in subsidiaries

	Company	
	2022 $	2021 $
Unquoted equity shares, at cost	809,000	809,000
Loan to a subsidiary	–	11,142,314
Deemed investment in a subsidiary	1,490,607	–
	2,299,607	11,951,314
Allowance for impairment losses	(1,490,607)	–
	809,000	11,951,314

The Company has appointed Mdm Zuraidah Abdullah to the Board of Directors of the subsidiaries. Details of the subsidiaries, incorporated in Singapore, are as follows:

Name of subsidiaries	**Principal activities**	**Ownership interest**	
		2022	**2021**
		%	**%**
SENSE College Pte Ltd	To promote the economic development of the Malay/Muslim community in Singapore. The subsidiary was dormant during the year.	100	100
MENDAKI Social Enterprise Network Singapore Pte Ltd ('MSPL') *	Provision of employment services, skills training programme, social enterprise, research, advisory, organising seminars and conferences and all activities relating to publishing.	100	100

* MSPL is wholly-owned by SENSE College Pte Ltd.

The loan to a subsidiary was unsecured, interest free and formed part of the Company's net investment in the subsidiary.

During the year, the Company has acquired an investment property from its subsidiary at a consideration above the fair value of $13.5 million. The capital transaction was accounted for as a deemed investment in the subsidiary. Following the acquisition, the loan to the subsidiary was fully repaid.

As the subsidiary has incurred operating losses and became inactive by year end, the Company has performed an assessment of the recoverable amount of its investment in the subsidiary based on the fair value less cost to sell approach. The recoverable amount was estimated to be insignificant, which are determined based on the fair value of the monetary assets and liabilities. Management has considered the carrying amount of these assets and liabilities to be a reasonable approximation of its level 3 fair value due to its short term nature. Accordingly, an impairment loss of $1,490,607 was recognised in profit or loss.

9 Interest in associate

In October 2015, the Company entered into a memorandum of understanding ('MOU'), together with Chinese Development Assistance Council, Singapore Indian Development Association and the Eurasian Association (together Self-Help Groups ('SHGs')), to incorporate Self Help Groups Student Care Limited ('SHGSCL').

The objective of setting up the associate is for the SHGs to jointly operate student care centres in schools that serve students from all races.

SHGSCL's mandate is to provide educational and family related support services to students from low income families. Programmes to be conducted by SHGSCL will be inclusive and multi-racial.

SHGSCL is a company limited by guarantee. The Company has appointed Mr Sallim Abdul Kadir and Mdm Zuraidah Abdullah to the Board of Directors of SHGSCL. The Company is entitled to 25% of total voting rights at the Board of Directors meetings of SHGSCL.

Management has exercised judgement in determining the extent of its significant influence over SHGSCL and concluded that the Company has significant influence over SHGSCL. Accordingly, SHGSCL is accounted for as an associate in the consolidated financial statements of the Group.

Details of the associate are as follows:

Name	**Principal activities**	**Place of incorporation**	**Voting rights held**	
			2022	**2021**
			%	**%**
SHGSCL	Operate school-based student care centres in Singapore	Singapore	25	25

The summarised financial information of the associate which is prepared in accordance with FRS is as follows:

	2022	**2021**
	$	**$**
<u>Statement of comprehensive income</u>		
Revenue	16,009,365	14,030,261
Profit and total comprehensive income for the year	2,500,387	3,099,376
<u>Statement of financial position</u>		
Non-current assets	1,291,286	697,903
Current assets	16,124,957	12,853,911
Non-current liabilities	(5,538,113)	(5,257,461)
Current liabilities	(4,966,145)	(3,882,755)
Net surplus	6,911,985	4,411,598
Interest in net assets of investee	–	–
Loan to associate	1,250,000	1,250,000
	1,250,000	1,250,000

The Memorandum of Association of SHGSCL prohibits the Company, together with other SHGs, from obtaining any variable returns in the form of profits, dividends, or residual interest in net assets in the event of liquidation or winding-down.

The Group's financial statements include its share of losses of the associate at 25%, based on the Company's proportionate share of loan commitment to the associate as set out in the MOU. The Group does not account for its share of profits, as the investment is not meant to be a commercially driven transaction with the purpose of profit takings. The Group's exposure to losses is limited to the carrying amount of the investment, together with its loan to associate.

Loan to associate represents the Group's commitment to the associate which is made in the form of an unsecured and interest free loan. As the associate has plans to scale up its operation, the settlement of the loan is not expected to occur in the foreseeable future.

10 Other financial assets

	Group and Company	
	2022	2021
	$	$
Internally managed financial assets		
- quoted debt at FVOCI	56,775,126	35,470,495
- quoted debt at FVTPL	7,344,645	13,639,962
	64,119,771	49,110,457

Credit risk assessment is performed based on data that is determined to be predictive of the risk of loss (including but not limited to external ratings and available press information). Such assessment requires experienced credit judgement.

11 Term loans

	Group and Company	
	2022	2021
	$	$
Term loans	17,974,211	20,075,516
Allowance for impairment losses	(6,615,162)	(6,046,100)
	11,359,049	14,029,416
Represented by:		
Current loans	3,331,730	3,833,058
Non-current loans	8,027,319	10,196,358
	11,359,049	14,029,416

The Group provides interest-free study loans to the Malay/Muslim community. The current loan recipients are from the general public with no relationship with the Group and Directors. Each study loan is supported by 2 guarantors except for courses from local national tertiary institution that is supported by 1 guarantor. For loans disbursed commencing February 2022, the repayment term starts 1 month after the first loan disbursement. An annual progressive increment of repayment amount is applicable 6 months after the course completion. Prior to that, repayment term started 6 months after completion of study.

Movement in allowance for impairment losses in respect of term loans is as follows:

	Group and Company	
	2022	2021
	$	$
At beginning of the year	6,046,100	7,287,262
Allowance for/(reversal of) impairment losses	573,936	(1,236,588)
Amount written off	(4,874)	(4,574)
At end of the year	6,615,162	6,046,100

Judgement is required when determining the amount of impairment loss as a result of the inability of the loan recipients to make the required payments. The Group determines the estimates based on the ageing of loans receivables, creditworthiness, changes in macro-economic conditions and historical write-off experience. If the financial conditions of the loan recipients were to deteriorate, actual write-offs would be higher than estimated.

12 Trade and other receivables

	Group 2022 $	Group 2021 $	Company 2022 $	Company 2021 $
Trade receivables				
- Third parties	265,722	537,613	252,687	501,199
- Subsidiary	–	–	7,094	–
	265,722	537,613	259,781	501,199
Allowance for impairment losses	(8,084)	(157,386)	(999)	(148,625)
Net trade receivables	257,638	380,227	258,782	352,574
Other receivables:				
- Government matching grants	6,300,000	2,100,000	6,300,000	2,100,000
- Donations via CPF contribution	3,041,068	2,574,945	3,041,068	2,574,945
- Job Support and Wage Credit Schemes	–	167,182	–	137,802
- TTFS	33,752,822	–	33,752,822	–
- Others	899,498	584,837	899,498	494,370
Deposits	128,659	120,832	124,599	115,838
	44,379,685	5,928,023	44,376,769	5,775,529
Prepayments	142,445	132,946	141,727	124,029
	44,522,130	6,060,969	44,518,496	5,899,558

Movement in allowance for impairment losses in respect of trade receivables is as follows:

	Group 2022 $	Group 2021 $	Company 2022 $	Company 2021 $
At beginning of the year	157,386	88,590	148,625	79,829
Impairment losses recognised	4,195	148,625	–	148,625
Reversal of impairment losses	(28,540)	(25,340)	(28,540)	(25,340)
Amount written off	(124,957)	(54,489)	(119,086)	(54,489)
At end of the year	8,084	157,386	999	148,625

13 Cash and cash equivalents

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Cash at bank and in hand	58,624,197	65,835,918	57,756,071	62,354,366
Fixed deposits	11,630,161	21,825,788	11,630,161	21,625,788
Cash and cash equivalents in the statements of financial position	70,254,358	87,661,706	69,386,232	83,980,154
Investments in fixed deposits	(11,630,161)	(21,825,788)		
Cash and cash equivalents in the consolidated statement of cash flows	58,624,197	65,835,918		

The interest rates per annum relating to fixed deposits at the reporting date is 0.85% (2021: 0.60%). Interest rate is re-priced at interval of 6 to 12 months (2021: 6 to 12 months).

14 General Corpus Fund (Unrestricted)

The General Corpus Fund was formed by transfers from the accumulated funds of Yayasan MENDAKI, the predecessor society, following the dissolution of that society in 1989, and further transfer from the accumulated funds in 1991.

15 Education Development Fund ('EDF') (Restricted)

The EDF is mainly made up of undisbursed TTFS and any interest and investment income derived from EDF each year. It is used for education-related activities aimed at raising the educational level of the Malay community. Only the interest and investment income derived from EDF can be used for education-related activities to benefit the non-Malay/Muslim community, provided that at least 75% of the aggregate total of all participants of the activities are from the Malay community.

16 Malay/Muslim Community Development Fund ('MMCDF') (Restricted)

The MMCDF was set up to provide financial assistance to programmes which support the mission objectives of the Group and the Company, which can make a difference to the performance of the Malay/Muslim community. Portion of the funds are utilised for the approved projects of the institutional members subject to the approval of MMCDF Committee. The fund comes from monthly contributions through the CPF arrangements, donations and income raised from approved projects.

With effect from 2014, a portion of the monthly contributions through the CPF arrangements, along with other donations raised by institutional members of the Company, are entitled to a matching grant from the Government of $4.2 million. $2.6 million is allocated to MMCDF while the remaining $1.6 million is unrestricted in its usage.

17 Education Trust Fund ('ETF') (Restricted)

The ETF was set up to provide financial assistance for the education of the children of low-income Malay/Muslim families. This fund was initiated by the Malay/Muslim Members of Parliament and endorsed by the Prime Minister. The ETF arises from the donations from the public and government grants. All disbursements are in accordance with the strict guidelines formulated by the ETF Committee. The ETF will not be used to fund the Group's operations.

18 ETF Endowment Fund (Restricted)

Formerly known as the ETF Corpus Fund, the ETF Endowment Fund was formed by transfers from EDF amounting to 25% of net income or $2,500,000, whichever is lower; or additional amounts approved separately by the Board. The source of ETF Endowment Fund can also come from contributions from donors who desire to set up endowment funds. The ETF Endowment Fund serves as the capital for investment. Returns from the investment can then be used to fund the various programmes administered by ETF. Upon dissolution of ETF Endowment Fund, the entire fund shall be transferred to EDF.

19 Harun Ghani Education Fund ('HGEF') (Restricted)

The HGEF was set up to provide financial assistance to children of drug offenders and former drug offenders to complete their school education. The source of fund is from donations. The HGEF will not be used to fund the Group's operations.

20 Institute of Singapore Chartered Accountants Scholarship Fund ('ISCAF') (Restricted)

The ISCAF was set up by ISCA to provide scholarships to qualifying individuals pursuing studies in accountancy.

21 Fair value reserve

The fair value reserve comprises:

- the cumulative net change in the fair value of equity investments designated at FVOCI previously disposed; and
- the cumulative net change in fair value of debt investments at FVOCI until the assets are derecognised or reclassified. This amount is reduced by the amount of loss allowance.

22 Lease liabilities

	Group		Company	
	2022	2021	2022	2021
	$	$	$	$
Current	373,395	458,829	373,395	444,175
Non-current	657,175	53,652	657,175	53,652
Total	1,030,570	512,481	1,030,570	497,827

Terms and conditions of the lease liabilities are as follows:

	Effective interest rate	Year of maturity
Group		
2022		
Lease liabilities	1.68% to 3.98%	2023 to 2025
2021		
Lease liabilities	1.68% to 5.00%	2021 to 2024
Company		
2022		
Lease liabilities	1.68% to 3.98%	2023 to 2025
2021		
Lease liabilities	1.68% to 2.48%	2021 to 2024

Reconciliation of movements to cash flows arising from financing activities

	Group	
	2022	2021
	$	$
Balance at 1 January	512,481	917,404
Changes from financing cash flows		
Interest paid	(3,351)	(14,052)
Payment of lease liabilities	(468,829)	(460,191)
Total changes from financing cash flows	(472,180)	(474,243)
New leases (note 5)	986,918	55,268
Interest expense	3,351	14,052
Balance at 31 December	1,030,570	512,481

23 Deferred tax liabilities

Movement in deferred tax during the year

	At 1 January 2021 $	Recognised in profit or loss (note 32) $	At 31 December 2021 $	Recognised in profit or loss (note 32) $	At 31 December 2022 $
Group					
Property and equipment	2,120	(11,474)	(9,354)	9,354	–

24 Trade and other payables

	Group		Company	
	2022 $	2021 $	2022 $	2021 $
Trade payables				
- Third parties	2,272,293	1,159,822	2,268,130	1,111,583
- Subsidiary	–	–	31,703	170,708
	2,272,293	1,159,822	2,299,833	1,282,291
Short-term accumulating compensated absence	445,138	346,114	445,138	346,114
TTFS payable to tertiary institutions	23,655,070	13,312,443	23,655,070	13,312,443
Accruals	4,264,415	4,095,417	4,245,576	3,893,984
	30,636,916	18,913,796	30,645,617	18,834,832
Deferred grant income	1,776,915	2,740,822	1,776,915	2,740,822
	32,413,831	21,654,618	32,422,532	21,575,654

TTFS

This subsidy is granted by MCCY under certain guidelines for the disbursement of tuition fee subsidies to Malay students. Undisbursed tertiary tuition fee is the difference between tuition fee granted based on all Malay students studying in approved local tertiary institutions in the academic year and the tuition fee subsidy disbursed/accrued in accordance with the MCCY guidelines. Under these guidelines, any undisbursed amounts are to be transferred to the EDF and to be utilised for education related activities for the Malay community.

	Group and Company	
	2022 $	2021 $
At beginning of the year	–	–
Amount received / receivable	(67,505,644)	(65,449,720)
TTFS disbursed/accrued for current academic year	42,940,819	45,138,824
Refund of TTFS from tertiary institutions	(78,092)	(114,606)
Undisbursed TTFS transferred to EDF	24,642,917	20,425,502
At end of the year	–	–

TTFS are refunded by tertiary institutions to the Group and the Company for students who have prematurely terminated their studies in tertiary institutions.

25 Malay Language Learning and Promotion Committee Fund ('MLLPC') (Restricted)

The MLLPC Fund was set up by the Ministry of Education ('MOE') in February 2006 to rally the support of Malay language community organisations to promote the use of Malay language beyond school. The Company acts as the host organisation to administer the MLLPC Fund. The funds received are in custody of the Company and to be utilised for Malay language, literature and cultural programmes that will promote closer community engagement in education to help in the teaching and learning of the Malay language. These are not reflected in profit or loss.

	Group and Company	
	2022	**2021**
	$	**$**
At beginning of the year	1,576,860	1,291,582
Grants received from MOE	676,850	938,341
Interest earned	2	18
Disbursements	(1,270,012)	(653,081)
At end of the year	983,700	1,576,860
Represented by:		
Cash at bank	983,700	1,576,860

26 Tax-exempt donations

Tax-exempt donations received during the year amounted to $16,124,803 (2021: $10,412,297).

27 Income from approved projects

Revenue represents the invoiced value of services rendered to customers. The following table provides information about the nature and timing of the satisfaction of performance obligations in revenue contracts with customers, including significant payment terms, and the related revenue recognition policies:

Nature of goods or services	The Group generates revenue from provision of tuition, skills training programme, seminars and conferences.
When revenue is recognised	Revenue is recognised over the course of service rendered.
Significant payment terms	Invoices are due for payment upon registration. In the prior year, the Group provided credit terms of 30 days which was common market credit terms.

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by type of services.

	Group	
	2022	2021
	$	$
Tuition fee	68,387	569,546
Workfare Skills Qualification ('WSQ')	–	63,179
Non-WSQ	646	86,428
Others	–	91,390
	69,033	810,543

28 Finance income and finance costs

	Group	
	2022	2021
	$	$
Finance income	1,670,350	813,888
Finance costs	(1,303,619)	(14,052)
Net finance income recognised in profit or loss	366,731	799,836
Comprise of:		
Interest income:		
- Fixed deposits placement	265,241	124,898
- FVOCI	904,599	525,423
Other investment income		
- FVTPL	464,774	272,269
Financial assets at FVOCI – gain on disposal reclassified from OCI	35,736	–
Financial assets at FVTPL – net change in fair value	(1,300,268)	(108,702)
Interest expense on lease liabilities	(3,351)	(14,052)
	366,731	799,836

29 Costs of activities

Group	General Fund $	EDF $	MMCDF $	ETF $	HGEF $	Total $
2022						
Youth	–	1,973,361	–	–	–	1,973,361
Family	–	2,158,324	–	–	–	2,158,324
Employability	–	–	72,508	–	–	72,508
Education/Scholarship/Awards/Education Assistance Scheme	–	9,701,469	–	738,005	70,514	10,509,988
Enhance research capability	–	805,733	–	–	–	805,733
Strengthening partnership and relationship	–	1,433,695	5,427,817	–	–	6,861,512
Support costs	2,714,759	4,488,261	3,018,849	–	–	10,221,869
Total	2,714,759	20,560,843	8,519,174	738,005	70,514	32,603,295
2021						
Youth	–	1,010,734	406,091	–	–	1,416,825
Family	–	2,155,341	–	–	–	2,155,341
Employability	219,478	–	14,565	–	–	234,043
Education/Scholarship/Awards/Education Assistance Scheme	–	7,085,350	46,808	824,416	19,756	7,976,330
Enhance research capability	–	813,976	–	–	–	813,976
Strengthening partnership and relationship	–	918,475	4,407,912	–	–	5,326,387
Support costs	3,418,390	5,455,519	3,853,862	–	–	12,727,771
Total	3,637,868	17,439,395	8,729,238	824,416	19,756	30,650,673

Directly attributable costs are allocated to the respective Funds. Support costs are allocated using the department headcount and number of students/participants as basis of allocation.

30 Net income before tax

The following items have been included in arriving at net income before tax:

		Group	
		2022	**2021**
	Note	**$**	**$**
Depreciation			
- Property and equipment	4	970,769	1,160,822
- ROU assets	5	452,152	454,176
Amortisation	6	361,513	341,492
Rental income		(32,087)	(32,359)
Maintenance expense for investment property		42,636	–
Fair value loss on investment property	7	1,490,607	–
Employee benefits expense		13,034,819	13,196,284
Allowance for/(reversal of) impairment losses on term loans	11	573,936	(1,236,588)
(Reversal of)/impairment losses on trade receivables (net)	12	(24,345)	123,285
(Reversal of)/impairment losses on debt investments		(3,351)	115,080

Employee benefits expense		
Salaries, wages and other benefits	11,293,018	11,464,062
Contributions to defined contribution plans	1,741,801	1,732,222
	13,034,819	13,196,284

Included in staff costs is the Executive Director's remuneration comprising:

	Group	
	2022	**2021**
	$	**$**
Salaries, wages and other benefits	302,850	271,792
Contributions to defined contribution plans	12,495	13,395
	315,345	285,187

31 Employees'/Director's remuneration

Key management personnel of the Group are those having the authority and responsibility for planning, directing and controlling the activities of the Group. The Board of Directors, members of the Audit Committee and the Executive Director of the Group are considered as key management personnel of the Group. Other than as disclosed in note 30, the Board of Directors and members of the Audit Committee did not receive any form of compensation during the year.

The number of employees and director whose remuneration amounted to over $100,000 during the year is as follows:

	Group		Company	
	2022	**2021**	**2022**	**2021**
Number of employees/ directors in bands:				
$100,000 to $200,000	8	9	8	9
$200,001 to $300,000	1	1	1	1
$300,001 to $400,000	1	–	1	–

The number of permanent staff employed by the Company and the Group as at 31 December 2022 was 65 (2021: 82) and 91 (2021: 105), respectively. There were no paid staff who were close members of the family of the Chairman or Board Members, who each received more than $50,000 during the year.

32 Tax credit/expense

The Company is an approved charity organisation under the Charities Act, Chapter 37 and an Institution of a Public Character under the Income Tax Act, Chapter 134.

No provision for tax has been made in the financial statements as the Company is exempt from income tax. The tax expense of the Group arises from the subsidiaries.

		Group	
	Note	**2022**	**2021**
		$	**$**
Current tax (credit)/expense			
Current year		–	11,266
(Over)/under provision in prior year		(214)	113
		(214)	11,379
Deferred tax (credit)/expense			
Origination and reversal of temporary differences	23	(9,354)	11,474
Income tax (credit)/expense		(9,568)	22,853
Reconciliation of effective tax rate			
Net income before tax		25,121,807	13,101,074
Tax using the Singapore tax rate of 17% (2021: 17%)		4,270,707	2,227,183
Tax exemption for charity		(4,285,279)	(2,203,176)
Non-deductible expenses		5,232	17,839
Tax exempt income		–	(19,106)
Utilisation of previously unrecognised tax losses		(14)	–
(Over)/under provision in prior year		(214)	113
		(9,568)	22,853

At the reporting date, a subsidiary had unutilised tax losses and capital allowance amounting to approximately $932,022 (2021: $932,105) which are available for set-off against future taxable income, subject to the agreement of the Comptroller of Income Tax and compliance with the provisions of Section 37 of the Singapore Income Tax Act, Chapter 134. Deferred tax benefits have not been recognised in the financial statements because it is not probable that future taxable profits will be available against which the subsidiary can utilise the benefits.

33 Related parties

For the purpose of financial statements, parties are considered to be related to the Group if the Group has the ability, directly, or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

Other than as disclosed elsewhere in the financial statements, the significant transactions between the Group and its related parties at terms agreed by the parties involved during the financial year include grants paid to MENDAKI Club amounting to $550,615 (2021: $446,433).

34 Leases

Leases as lessee

The Group leases many assets including buildings and IT equipment. Information about the ROU assets relating to the leased assets is in note 5. Certain leases are short-term and/or leases of low-value items. The Group has elected not to recognise ROU assets and lease liabilities for these leases.

Amounts recognised in profit or loss

	Group	
	2022	**2021**
	$	**$**
Expenses relating to short term leases	2,673	10,501
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	5,883	24,884

Extension options

Some leases contain extension options exercisable by the Group before the end of the non-cancellable contract period. Where practicable, the Group seeks to include extension options in new leases to provide operational flexibility. The extension options held are exercisable by the Group and not by the lessors. The Group assesses at lease commencement date whether it is reasonably certain to exercise the options. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

In the prior year, the Group has estimated that the potential future lease payments, should it exercise the extension option, would result in an increase in lease liability of $108,749.

Leases as lessor

The Group leases out its property consisting of its owned commercial property. The lease is classified as operating lease from the lessor's perspective because they do not transfer substantially all of the risks and rewards incidental to its ownership of the asset.

The following table sets out maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	Group	
	2022	**2021**
	$	**$**
Within 1 year	240,000	14,593
1 to 5 years	460,000	–
	700,000	14,593

35 Commitments

Term loans commitment

Term loans commitment refers to the term loans the Group and Company has approved to be disbursed to students as at 31 December.

	Group and Company	
	2022	**2021**
	$	**$**
Undrawn term loans commitment:		
Within 1 year	1,651,671	1,937,921
After 1 year but within 5 years	1,445,460	1,154,969
	3,097,131	3,092,890

Capital commitment

Capital expenditures relating to intangibles and property and equipment that are contracted for at the balance sheet date but not recognised in the financial statements amounted to $123,247 (2021: $171,778).

36 Financial risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- Credit risk
- Interest rate risk
- Liquidity risk

Risk management framework

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework. Management is responsible for developing and monitoring the Group's risk management policies. Management reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

Exposure to credit, market and liquidity risks arise in the normal course of the Group's operations. The Group has informal risk management policies and guidelines that set out the overall strategies, tolerance of risk and general risk. The management of these risks are discussed below.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations.

The carrying amount of financial assets in the statements of financial position represents the Group's and the Company's respective maximum exposure to credit risk, before taking into account any collateral held. The Group and the Company do not hold any collateral in respect of its financial assets except for term loans which mostly have personal guarantees being provided to the Group.

The Group has a credit policy in place and the exposure to credit risk is monitored through the tracking of the performance and credit ratings of investment securities and receivables. This is performed on an ongoing basis.

Cash is placed with financial institutions which are regulated.

The Group limits its exposure to credit risk by investing in a diversified multi-asset class portfolio. At the reporting date, there were no significant concentration of credit risk.

ECL assessment for trade receivables and term loans

The Group uses an allowance matrix to measure the ECLs of trade receivables and term loans, which comprise a very large number of small balances.

Loss rates for term loans are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency to write-off.

Loss rates are based on actual credit loss experience. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

The following table sets out the Group's and Company's credit exposure arising from trade receivables due from third parties:

2022	**Loss rate %**	**Gross carrying amount $**	**Impairment loss allowance $**	**Credit impaired**
Group				
Not past due	*	251,688	*	No
1 - 90 days	–	–	–	No
91 - 365 days	57.6	14,034	(8,084)	Yes
		265,722	(8,084)	
Company				
Not past due	*	251,688	*	No
1 - 90 days	–	–	–	No
91 - 365 days	100.0	999	(999)	Yes
		252,687	(999)	
2021				
Group				
Not past due	*	341,133	*	No
1 - 90 days	*	6,909	*	No
91 - 365 days	83.0	189,571	(157,386)	Yes
		537,613	(157,386)	
Company				
Not past due	*	325,902	*	No
1 - 90 days	*	5,040	*	No
91 - 365 days	87.3	170,257	(148,625)	Yes
		501,199	(148,625)	

* *insignificant*

The following table sets out the Group's and Company's credit exposure arising from term loans:

		Group and Company		
Loans that deteriorated (wholly/partially) to the age bracket of:	**Loss rate**	**Gross carrying amount**	**Impairment loss allowance**	**Credit impaired**
	%	**$**	**$**	
2022				
0 - 90 days	1.0	10,417,858	(99,249)	No
91 - 365 days	63.8	1,365,097	(871,162)	Yes
> 365 days	91.2	6,191,256	(5,644,751)	Yes
		17,974,211	(6,615,162)	
2021				
0 - 90 days	1.1	12,704,680	(142,784)	No
91 - 365 days	59.0	1,499,626	(884,430)	No
> 365 days	85.5	5,871,210	(5,018,886)	Yes
		20,075,516	(6,046,100)	

ECL assessment for debt investments

The Group monitors changes in credit risk by tracking published external credit ratings. To determine whether published ratings remain up to date and to assess whether there has been a significant increase in credit risk at the reporting date that has not been reflected in published ratings, the Group supplements this by reviewing available press or regulatory information about issuers.

The exposure to credit risk for debt investments at FVOCI at the reporting date by credit rating is as shown:

	Group and Company	
	2022	**2021**
	$	**$**
Credit rating		
BBB+ to AAA	36,879,421	10,794,845
Not available	19,895,705	24,675,650
	56,775,126	35,470,495

ECL assessment for other receivables, loan to a subsidiary, loan to associate and cash and cash equivalents

Impairment on these financial assets has been measured on the 12-month expected loss basis. The Group considers such financial assets to have low credit risk based on the credit ratings of the counterparties. The amount of the allowance on these balances are negligible. The Group uses a similar approach of ECL assessment for these balances to those used for debt investments.

Interest rate risk

The Group's exposure to market risk for changes in interest rates relates primarily to the placement in fixed deposits. The Group does not hedge against this risk exposure.

	Group		Company	
	2022	**2021**	**2022**	**2021**
	$	**$**	**$**	**$**
Fixed deposits	11,630,161	21,825,788	11,630,161	21,625,788

An increase of 100 basis points in interest rates at the reporting date would have increased net income for the year by $116,302 (2021: $218,258) and $116,302 (2021: $216,258) for the Group and Company, respectively. This analysis assumes that all other variables remain constant.

A decrease of 100 basis points in interest rates at the reporting date would have had the equal but opposite effect on the amounts shown above, on the basis that all other variables remain constant. The analysis is performed on the same basis for 2021.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or other financial assets. The Group's main sources of funding are various grants and donations received. The Group manages its liquidity risk by maintaining a high level of cash and cash equivalents.

The contractual maturities of financial liabilities, including estimated interest payments, are as follows:

			Cash flows			
	Note	**Carrying amount**	**Contractual cash flows**	**Within 1 year**	**Within 1 to 5 years**	**More than 5 years**
		$	**$**	**$**	**$**	**$**
Group						
2022						
Lease liabilities	22	1,030,570	(1,036,594)	(377,447)	(659,147)	–
Trade and other payables*	24	30,636,916	(30,636,916)	(30,636,916)	–	–
MLLPC Fund	25	983,700	(983,700)	(983,700)	–	–
		32,651,186	(32,657,210)	(31,998,063)	(659,147)	–
2021						
Lease liabilities	22	512,481	(521,903)	(467,643)	(54,260)	–
Trade and other payables*	24	18,913,796	(18,913,796)	(18,913,796)	–	–
MLLPC Fund	25	1,576,860	(1,576,860)	(1,576,860)	–	–
		21,003,137	(21,012,559)	(20,958,299)	(54,260)	–

	Note	Carrying amount $	Cash flows: Contractual cash flows $	Within 1 year $	Within 1 to 5 years $	More than 5 years $
Company						
2022						
Lease liabilities	22	1,030,570	(1,036,594)	(377,447)	(659,147)	–
Trade and other payables*	24	30,645,617	(30,645,617)	(30,645,617)	–	–
MLLPC Fund	25	983,700	(983,700)	(983,700)	–	–
		32,659,887	(32,665,911)	(32,006,764)	(659,147)	–
2021						
Lease liabilities	22	497,827	(506,973)	(452,713)	(54,260)	–
Trade and other payables*	24	18,834,832	(18,834,832)	(18,834,832)	–	–
MLLPC Fund	25	1,576,860	(1,576,860)	(1,576,860)	–	–
		20,909,519	(20,918,665)	(20,864,405)	(54,260)	–

* *excludes deferred grant income*

Accounting classifications and fair values

Fair value hierarchy

The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Estimation of fair value

Term loans

The fair value of term loans is calculated based on the present value of future principal and interest cash flows (where applicable), discounted at market rate of interest at the reporting dates. The fair value measurement is categorised under Level 2. Key input corresponds to reliability of cash outflows and discount rate.

Debt investments

Fair values of debt investments are determined by reference to their quoted closing bid prices at the reporting date.

Other financial assets and liabilities

The carrying amounts of financial assets and liabilities with maturity of less than one year are assumed to approximate fair values because of the short period to maturity.

The carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy are as follows. It does not include fair value information of financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

		Carrying amount					Fair value		
	Note	**Amortised cost $**	**FVTPL $**	**FVOCI $**	**Other financial liabilities $**	**Total $**	**Level 1 $**	**Level 2 $**	**Level 3 $**
Group									
2022									
Loan to associate	9	1,250,000	–	–	–	1,250,000			
Other financial assets	10	–	7,344,645	56,775,126	–	64,119,771	64,119,771	–	–
Term loans	11	11,359,049	–	–	–	11,359,049	–	11,359,049	–
Trade and other receivables^	12	44,379,685	–	–	–	44,379,685			
Cash and cash equivalents	13	70,254,358	–	–	–	70,254,358			
		127,243,092	7,344,645	56,775,126	–	191,362,863			
Trade and other payables*	24	–	–	–	(30,636,916)	(30,636,916)			
MLLPC Fund	25	–	–	–	(983,700)	(983,700)			
		–	–	–	(31,620,616)	(31,620,616)			

^ *Excludes prepayments*
* *Excludes deferred grant income*

		Carrying amount					Fair value		
	Note	**Amortised cost $**	**FVTPL $**	**FVOCI $**	**Other financial liabilities $**	**Total $**	**Level 1 $**	**Level 2 $**	**Level 3 $**
Group									
2021									
Loan to associate	9	1,250,000	–	–	–	1,250,000			
Other financial assets	10	–	13,639,962	35,470,495	–	49,110,457	49,110,457	–	–
Term loans	11	14,029,416	–	–	–	14,029,416	–	14,029,416	–
Trade and other receivables^	12	5,928,023	–	–	–	5,928,023			
Cash and cash equivalents	13	87,661,706	–	–	–	87,661,706			
		108,869,145	13,639,962	35,470,495	–	157,979,602			
Trade and other payables*	24	–	–	–	(18,913,796)	(18,913,796)			
MLLPC Fund	25	–	–	–	(1,576,860)	(1,576,860)			
		–	–	–	(20,490,656)	(20,490,656)			

^ *Excludes prepayments*
* *Excludes deferred grant income*

		Carrying amount					Fair value		
	Note	**Amortised cost $**	**FVTPL $**	**FVOCI $**	**Other financial liabilities $**	**Total $**	**Level 1 $**	**Level 2 $**	**Level 3 $**
Company									
2022									
Loan to associate	9	1,250,000	–	–	–	1,250,000			
Other financial assets	10	–	7,344,645	56,775,126	–	64,119,771	64,119,771	–	–
Term loans	11	11,359,049	–	–	–	11,359,049	–	11,359,049	–
Trade and other receivables^	12	44,376,769	–	–	–	44,376,769			
Cash and cash equivalents	13	69,386,232	–	–	–	69,386,232			
		126,372,050	7,344,645	56,775,126	–	190,491,821			
Trade and other payables*	24	–	–	–	(30,645,617)	(30,645,617)			
MLLPC Fund	25	–	–	–	(983,700)	(983,700)			
		–	–	–	(31,629,317)	(31,629,317)			

^ *Excludes prepayments*
* *Excludes deferred grant income*

		Carrying amount					Fair value		
	Note	**Amortised cost $**	**FVTPL $**	**FVOCI $**	**Other financial liabilities $**	**Total $**	**Level 1 $**	**Level 2 $**	**Level 3 $**
Company									
2021									
Loan to a subsidiary	8	11,142,314	–	–	–	11,142,314			
Loan to associate	9	1,250,000	–	–	–	1,250,000			
Other financial assets	10	–	13,639,962	35,470,495	–	49,110,457	49,110,457	–	–
Term loans	11	14,029,416	–	–	–	14,029,416	–	14,029,416	–
Trade and other receivables^	12	5,775,529	–	–	–	5,775,529			
Cash and cash equivalents	13	83,980,154	–	–	–	83,980,154			
		116,177,413	13,639,962	35,470,495	–	165,287,870			
Trade and other payables*	24	–	–	–	(18,834,832)	(18,834,832)			
MLLPC Fund	25	–	–	–	(1,576,860)	(1,576,860)			
		–	–	–	(20,411,692)	(20,411,692)			

^ *Excludes prepayments*
* *Excludes deferred grant income*

Reserves management

The reserves of the Group and Company are the unrestricted funds available to the Group and Company (also referred to as 'General Funds'). The Company receives funds on an annual basis and the unrestricted net operating expenditure will be planned accordingly. Unutilised funds for each year will be transferred to the reserves of the Company.

There were no changes in the Group's approach to reserves management during the year.

The Company and its subsidiaries are not subject to externally imposed reserve/capital requirements.

37 Fund raising

During the year, the Group and Company held fund raising activities to raise funds for various programmes and schemes. Total donation income of $15,534,109 (2021: $964,340) was collected.