

PROJECT X SOCIETY
UEN No.: T14SS0189D
(Registered under the Societies Act 1966)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2025

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PROJECT X SOCIETY
UEN No.: T14SS0189D
(Registered under the Societies Act 1966)

STATEMENT BY EXECUTIVE COMMITTEE
For the financial year ended 31 December 2025

In the opinion of the Executive Committee,

- (a) the financial statements of Project X Society (the “Society”) are drawn up in accordance with the provisions of the Societies Act 1966 (the “Societies Act”) and Financial Reporting Standards in Singapore (“FRSs”) so as to give a true and fair view of the state of affairs of the Society as at 31 December 2025 and the results and cash flows of the Society for the financial year then ended;
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due;
- (c) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act.
- (d) there was no fund-raising appeal held by the Society during the financial year.

The Executive Committee, comprising the following, authorised the issue of these financial statements.

President	Raksha Mahtani
Vice President	Sherqueshaa Ananya
Treasurer	Ng Shiang Nee
Vice Treasurer	Tan Su Hui
Secretary	Dion Chan Zhan Whye
Vice Secretary	Ra Syahirah
Executive Director	Vanessa Ho
Ordinary Board Member	Alvarez Herquem
Ordinary Board Member	Charissa
Ordinary Board Member	Rayner Tan Kay Jin
Ordinary Board Member	Shermaine Koh

On behalf of the Executive Committee,

Signed by:

9E269B8209094EB...
RAKSHA MAHTANI
President

Signed by:

E1F2156015DF443...
NG SHIANG NEE
Treasurer

27 April 2026

Helmi Talib LLP

Registration No. (UEN): T20LL1986E



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**INDEPENDENT AUDITOR'S REPORT
TO THE EXECUTIVE COMMITTEE OF PROJECT X SOCIETY**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Project X Society (the "Society"), which comprise the statement of financial position as at 31 December 2025, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Society as at 31 December 2025 and the results, changes in funds and cash flows of the Society for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by Executive Committee set out on page 1.

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 Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Helmi Talib LLP

Responsibilities of Management and Those Charged with Governance for the Financial Statements (Continued)

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

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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Report on Other Legal and Regulatory Requirements

In our opinion:

- (a) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act; and
- (b) there were no fund-raising appeal held by the Society during the financial year.

DocuSigned by:

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HELMI TALIB LLP
Public Accountants and
Chartered Accountants

Singapore

27 April 2026

Partner-in-charge : Bautista Jaypee Lolong
PA No. : 01977

PROJECT X SOCIETY

UEN No.: T14SS0189D

(Registered under the Societies Act 1966)

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2025

		Unrestricted funds	Restricted funds	Total	Unrestricted funds	Restricted funds	Total
		<u>2025</u>	<u>2025</u>	<u>2025</u>	<u>2024</u>	<u>2024</u>	<u>2024</u>
	Note	\$	\$	\$	\$	\$	\$
Income							
- Charitable activities income	6	455,401	116,573	571,974	412,511	115,445	527,956
- Voluntary income	7	55,406	8,994	64,400	24,862	525	25,387
- Other income	8	18,435	-	18,435	24,228	-	24,228
Total income		<u>529,242</u>	<u>125,567</u>	<u>654,809</u>	<u>461,601</u>	<u>115,970</u>	<u>577,571</u>
Expenditure							
- Charitable activities expenditure	10	(405,609)	(113,910)	(519,519)	(337,710)	(102,640)	(440,350)
- Governance costs	11	(75,713)	(798)	(76,511)	(76,387)	(263)	(76,650)
- Costs of generating voluntary income	9	(120)	-	(120)	(135)	-	(135)
Total expenditures		<u>(481,442)</u>	<u>(114,708)</u>	<u>(596,150)</u>	<u>(414,232)</u>	<u>(102,903)</u>	<u>(517,135)</u>
Net income before tax		<u>47,800</u>	<u>10,859</u>	<u>58,659</u>	<u>47,369</u>	<u>13,067</u>	<u>60,436</u>
Tax expense	13(a)	-	-	-	-	-	-
Net income, representing total movement in fund		<u>47,800</u>	<u>10,859</u>	<u>58,659</u>	<u>47,369</u>	<u>13,067</u>	<u>60,436</u>

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

PROJECT X SOCIETY

UEN No.: T14SS0189D

(Registered under the Societies Act 1966)

STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

		<u>2025</u>	<u>2024</u>
	Note	\$	\$
Assets			
Current assets			
Cash and cash equivalents	14	322,132	271,676
Trade and other receivables	15	101,482	121,283
Income tax receivable	13(b)	2,216	-
Total current assets		<u>425,830</u>	<u>392,959</u>
Non-current assets			
Property, plant and equipment	16	<u>55,576</u>	<u>25,380</u>
Total non-current assets		<u>55,576</u>	<u>25,380</u>
Total assets		<u>481,406</u>	<u>418,339</u>
Liabilities and funds			
Liabilities			
Current liabilities			
Trade and other payables	17	37,158	63,539
Lease liability	18(b)	<u>30,789</u>	<u>24,122</u>
Total current liabilities		<u>67,947</u>	<u>87,661</u>
Non-current liability			
Lease liability	18(b)	<u>24,122</u>	<u>-</u>
Total non-current liability		<u>24,122</u>	<u>-</u>
Total liabilities		<u>92,069</u>	<u>87,661</u>
Funds			
Unrestricted funds			
General fund		<u>363,235</u>	<u>315,435</u>
Total unrestricted funds		<u>363,235</u>	<u>315,435</u>
Restricted funds	19		
The Next Step Programme		10,869	9,597
Charities Aid Foundation America		8,994	-
TMT 4ST		6,239	-
Publishing the Missing Anthology		<u>-</u>	<u>5,646</u>
Total restricted funds		<u>26,102</u>	<u>15,243</u>
Total funds		<u>389,337</u>	<u>330,678</u>
Total liabilities and funds		<u>481,406</u>	<u>418,339</u>

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

PROJECT X SOCIETY

UEN No.: T14SS0189D

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STATEMENT OF CHANGES IN FUNDS

For the financial year ended 31 December 2025

	Unrestricted funds	Restricted funds								Total funds
	General fund	Office move	Raising HIV/AIDS awareness through social media	Singlit station - Writers' incubation project	The Next Step programme	Publishing the Missing Anthology	Charities Aid Foundation America	TMT 4ST Grant	Total restricted funds	Total funds
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
		(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	(Note 19)	
At 1 January 2024	269,837	2,862	(4,594)	(39)	2,176	-	-	-	405	270,242
Net income for the year	47,369	-	-	-	7,421	5,646	-	-	13,067	60,436
Transfers to (from)	(1,771)	(2,862)	4,594	39	-	-	-	-	1,771	-
At 31 December 2024	315,435	-	-	-	9,597	5,646	-	-	15,243	330,678
Net income for the year	47,800	-	-	-	1,272	(5,646)	8,994	6,239	10,859	58,659
At 31 December 2025	363,235	-	-	-	10,869	-	8,994	6,239	26,102	389,337

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

PROJECT X SOCIETY

UEN No.: T14SS0189D

(Registered under the Societies Act 1966)

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

		<u>2025</u>	<u>2024</u>
	Note	\$	\$
Cash flows from operating activities			
Net income before tax		58,659	60,436
Adjustments for:			
Depreciation of property, plant and equipment	16	32,176	34,425
Interest expense on lease liability	12,18(b)	1,117	1,911
Total adjustments		<u>33,293</u>	<u>36,336</u>
Total operating cash flows before changes in working capital		91,952	96,772
Changes in working capital:			
Decrease (increase) in trade and other receivables		19,801	(54,867)
(Decrease) increase in trade and other payables		<u>(26,381)</u>	<u>29,142</u>
Total changes in working capital		<u>(6,580)</u>	<u>(25,725)</u>
Cash generated from operations		85,372	71,047
Income tax paid	13(b)	<u>(2,216)</u>	-
Net cash generated from operating activities		<u>83,156</u>	<u>71,047</u>
Cash flows from investing activity			
Purchase of property, plant and equipment	16	-	(1,896)
Net cash used in investing activity		<u>-</u>	<u>(1,896)</u>
Cash flows from financing activities			
Payment of principal portion on lease liability		(31,583)	(30,789)
Payment of interest expense on lease liability		<u>(1,117)</u>	<u>(1,911)</u>
Net cash used in financing activities		<u>(32,700)</u>	<u>(32,700)</u>
Net increase in cash and cash equivalents		50,456	36,451
Cash and cash equivalents at 1 January		271,676	235,225
Cash and cash equivalents at 31 December	14	<u>322,132</u>	<u>271,676</u>
Net cash flows			
Net cash generated from operating activities		<u>83,156</u>	<u>71,047</u>
Net cash used in investing activity		<u>-</u>	<u>(1,896)</u>
Net cash used in financing activities		<u>(32,700)</u>	<u>(32,700)</u>

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

PROJECT X SOCIETY

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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

1 GENERAL

Project X Society (the “Society”) is registered under the Societies Act 1966 and is domiciled in Singapore with its registered office and principal place of business at 155 Kitchener Road #04-01 Singapore 208528.

The principal activities of the Society are those of providing social, emotional and health services to people in the sex industry. There has been no significant change in the nature of these activities during the financial year.

The financial statements for the financial year ended 31 December 2025 were authorised for issue in accordance with a resolution of the Executive Committee of the Society on the date of Statement by Executive Committee.

2 EXECUTIVE COMMITTEE

The Society is governed by the Executive Committee, also known as the Board. For the financial year under review, the members of the Executive Committee 2025 at the date of this statement are as follows:

President	Raksha Mahtani
Vice President	Sherqueshaa Ananya
Treasurer	Ng Shiang Nee
Vice Treasurer	Tan Su Hui
Secretary	Dion Chan Zhan Whye
Vice Secretary	Ra Syahirah
Executive Director	Vanessa Ho
Ordinary Board Member	Alvarez Herquem
Ordinary Board Member	Charissa
Ordinary Board Member	Rayner Tan Kay Jin
Ordinary Board Member	Shermaine Koh

3 MATERIAL ACCOUNTING POLICY INFORMATION**3.1 Basis of preparation**

The financial statements of the Society have been drawn up in accordance with the provisions of the Financial Reporting Standards in Singapore (“FRSs”). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (“SGD” or “\$”) which is the Society’s functional currency.

The financial statements of the Society have been prepared on the basis that it will continue to operate as a going concern.

3.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Society has adopted all the new and amended standards and interpretations which are relevant to the Society and are effective for annual period beginning on 1 January 2025. The adoption of these standards did not have any material effect on the financial statements of the Society.

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.3 Standards issued but not yet effective

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

The Board expects that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

3.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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

	Useful lives
Office equipment	3 years
Furniture and fittings	3 years
Leasehold premise (over the lease term)	2 years

The residual value, useful lives and depreciation method are reviewed at least at the end of each financial period, and adjusted prospectively, if appropriate.

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

3.5 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

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

PROJECT X SOCIETY

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**3.5 Financial instruments (Continued)****(a) Financial assets (Continued)**Subsequent measurementDebt instruments

Subsequent measurement of debt instruments depends on the Society's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Society only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilitiesInitial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

PROJECT X SOCIETY

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**3.6 Impairment of financial assets**

The Society recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Society has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Society considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

3.7 Cash and cash equivalents

Cash and cash equivalents comprise of cash at bank which are subject to an insignificant risk of changes in value.

3.8 Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.9 Employee benefits**(a) Defined contribution plans**

The Society makes contributions to the Central Provident Fund ("CPF") scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)**3.9 Employee benefits (Continued)****(b) 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 if the Society 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 Leases

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

As lessee

The Society applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Society recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use asset

The Society recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Society at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

The Society's right-of-use assets are presented within property, plant and equipment (Note 16).

Lease liabilities

At the commencement date of the lease, the Society recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Society and payments of penalties for terminating the lease, if the lease term reflects the Society exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

3 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.10 Leases (Continued)

As lessee (Continued)

Lease liabilities (Continued)

In calculating the present value of lease payments, the Society uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Society's lease liabilities are included in Note 18.

3.11 Funds

(a) Unrestricted fund

Unrestricted funds are funds from donors who do not specify how the funds are being spent. They are used for the general purposes of the Society in order to achieve its objects as set out in the Society's Constitution.

(b) Restricted funds

Restricted funds are funds subject to specific funded programmes by government and donors, but still within the wider objects of the Society.

Restricted funds may only be utilised in accordance with the purposes established by the sources of such funds and are in contrast with unrestricted funds over which the Executive Committee retains full control to use in achieving its institutional purposes.

The Society respects the donors' intended use of the funds and will endeavour to request for donors' permission should a change of use be deemed necessary.

The Society classifies the following funds as restricted funds:

- The Next Step Programme
- Publishing the Missing Anthology
- Charities Aid Foundation America
- TMT 4ST

3.12 Income

Income is measured based on the consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Income is recognised when the Society satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

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3 MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

3.12 Income (Continued)

(a) Donations income

Donations are recognised when received with unconditional entitlement to the receipts.

(b) Membership fees

Membership fees are recognised over time of membership period.

(c) Grants

Comprised of government subventions and grants for the programmes run by the Society. These are recognised as income according to the conditions of the funding agreements. The grants are recognised as income on a systematic basis over the period in which the Society recognises the expenses and related costs for which the grants are intended to compensate.

(d) Other income

Other income is recognised at a point in time.

3.13 Expenditures

Expenditures are recognised in the statement of financial activities once the services have been received unless the expenditure qualifies for capitalisation as assets such as property, plant and equipment. Expenditure on performance-related grants are recognised to the extent the specified service has been provided. Expenditures in the statement of financial activities are classified under the costs of generating funds, charitable activities' expenses and governance costs.

(a) Classification

(i) Costs of generating voluntary income

All costs associated with generating income from all sources other than from undertaking charitable activities are included under cost of generating voluntary income.

(ii) Charitable activities expenditure

All resources applied in undertaking activities to meet the Society's charitable objectives are classified under charitable activities expenses.

(b) Governance costs

This includes costs of governance arrangements that relate to the general running of the Society as opposed to the direct management functions inherent in generating funds, service delivery and programme or project work. These activities provide the governance infrastructure, which allows the charity to operate, and to generate the information required for public accountability. They include the strategic planning processes that contribute to future development of the Society.

(c) Allocation of costs

Where appropriate, expenditures that are specifically identifiable to each cost classification are allocated directly to the type of costs incurred.

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4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Society's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

4.1 Judgements made in applying accounting policies*Determination of lease term of contracts with extension options*

The Society determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Society has a lease contract that includes extension options. The Society applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the Society reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend (e.g. construction of significant leasehold improvements or significant customisation to the leased asset).

The Society did not include the extension option in the lease term for leases of leasehold buildings as the Society is not reasonably certain to exercise the option to renew.

4.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

Provision for expected credit losses of trade receivables

The Society uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Society's historical observed default rates. The Society will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Society's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Society's trade receivables is disclosed in Note 15.

The carrying amount of the Society's trade receivables as at 31 December 2025 was \$28,741 (2024: \$73,647).

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4 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)**4.2 Key sources of estimation uncertainty (Continued)***Leases – estimating the incremental borrowing rate*

The Society cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Society would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Society 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Society estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

5 RELATED PARTY TRANSACTIONS**Compensation of key management personnel**

The key management personnel are those persons having executive authority and responsibility for planning, directing and controlling the activities of the Society. None of the Society's staff is a close member of the family of the Executive Director or Board members. None of the Board members receive remuneration for their services to the Board. The key management personnel for the financial year is the Executive Director who received the following:

	<u>2025</u>	<u>2024</u>
	\$	\$
Salaries and bonuses	56,000	53,200
Employer's CPF contributions	9,520	9,044
Annual remuneration	<u>65,520</u>	<u>62,244</u>

6 CHARITABLE ACTIVITIES INCOME

	<u>2025</u>	<u>2024</u>
	\$	\$
Sexual health outreach services grant	425,158	393,280
Tote Board social service fund	107,572	106,498
Other grants	29,659	9,809
Trading income	6,430	7,938
Service income	3,155	8,709
Others	-	1,722
	<u>571,974</u>	<u>527,956</u>

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7 VOLUNTARY INCOME

	<u>2025</u>	<u>2024</u>
	\$	\$
Donations	55,086	24,957
Other income	8,994	-
Membership fees	320	430
	<u>64,400</u>	<u>25,387</u>

8 OTHER INCOME

	<u>2025</u>	<u>2024</u>
	\$	\$
YCCI grant for internship allowance	6,720	2,039
Others	6,201	-
Wage credit scheme	5,279	10,473
Bank rebates	145	122
CPF transition offset	90	79
Mid career pathway programme	-	11,515
	<u>18,435</u>	<u>24,228</u>

9 COST OF GENERATING VOLUNTARY INCOME

	<u>2025</u>	<u>2024</u>
	\$	\$
Online service fees	120	135

10 CHARITABLE ACTIVITIES EXPENDITURE

	<u>2025</u>	<u>2024</u>
	\$	\$
Sexual health outreach services	282,859	238,111
The Next Step Programme	137,272	-
Community event and empowerment	36,591	6,867
Casework	31,077	144,420
Other activities	21,202	38,946
Education and advocacy	6,856	553
Cost of goods sold	3,662	5,982
Research	-	5,471
	<u>519,519</u>	<u>440,350</u>

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11 GOVERNANCE COSTS

	<u>2025</u>	<u>2024</u>
	\$	\$
Staff salaries and bonus	28,000	26,600
Professional fees	17,296	16,544
Depreciation of property, plant and equipment	8,807	11,063
IT Expenses	6,328	7,660
Staff CPF	4,821	4,576
Other employee benefits	3,624	2,532
Utilities	1,855	1,904
Telephone expenses	1,724	1,265
Office cleaning and supplies	1,263	1,665
Insurance	794	712
Training expenses	480	421
Bad debt expense	317	-
Interest expense	279	478
Meals and entertainment	262	110
Minor assets not capitalised	248	-
Bank charges	229	258
Office stationery	150	13
Transport and travelling	33	106
General expenses	1	189
Temporary staff pay	-	354
Repairs and maintenance	-	200
	<u>76,511</u>	<u>76,650</u>

12 FINANCE COST

	<u>2025</u>	<u>2024</u>
	\$	\$
Interest expense on lease liability (Note 18(b))	<u>1,117</u>	<u>1,911</u>

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13 INCOME TAX**(a) Income tax expense**

The major components of income tax expense recognised in profit or loss for the years ended 31 December 2025 and 2024 were:

	<u>2025</u>	<u>2024</u>
	\$	\$
Current year income tax provision	-	-
Underprovision in respect of prior years	-	-
	<u>-</u>	<u>-</u>

Relationship between tax expense and accounting income

A reconciliation between tax expense and the product of accounting income multiplied by the applicable corporate tax rate for the financial years ended 31 December 2025 and 2024 were as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Income before income tax	<u>58,659</u>	<u>60,436</u>
Income tax using statutory tax rate of 17%	9,972	10,274
Income not subject to tax	(9,364)	(4,242)
Singapore statutory tax exemptions	(546)	-
Others	(163)	-
Non-deductible expenses	101	618
Utilisation of capital allowances and losses carried forward	-	(6,873)
Deferred tax assets not recognised	-	223
Income tax expense recognised in statement of financial activities	<u>-</u>	<u>-</u>

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Society has unrecognised tax losses of \$1,196 (2024: \$1,314) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses have no expiry date.

The potential deferred assets arising from these unutilised tax losses have not been recognised in the financial statements because of the uncertainty of future taxable profit.

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13 INCOME TAX (Continued)**(b) Income tax receivable**

	<u>2025</u>	<u>2024</u>
	\$	\$
At 1 January	-	-
Payments made during the year	(2,216)	-
At 31 December	<u>(2,216)</u>	<u>-</u>

14 CASH AND CASH EQUIVALENTS

	<u>2025</u>	<u>2024</u>
	\$	\$
Cash at bank	322,132	270,784
Cash on hand	-	892
	<u>322,132</u>	<u>271,676</u>

Cash at bank is held in non-interest bearing account.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the balances as shown above.

Cash and cash equivalents are denominated in Singapore Dollar.

15 TRADE AND OTHER RECEIVABLES

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Trade receivables</u>		
Outside parties	28,741	73,647
Contract assets	65,842	31,558
	<u>94,583</u>	<u>105,205</u>
<u>Other receivables</u>		
Deposits	5,160	5,160
Donations receivable	1,224	688
Prepayments	515	9,913
Outside parties	-	317
	<u>6,899</u>	<u>16,078</u>
	<u>101,482</u>	<u>121,283</u>
Total trade and other receivables (excluding contract assets and prepayments)	35,125	79,812
Add: Cash and cash equivalents (Note 14)	322,132	271,676
Total financial assets carried at amortised cost	<u>357,257</u>	<u>351,488</u>

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15 TRADE AND OTHER RECEIVABLES (Continued)**Trade receivables**

Trade receivables are non-interest bearing and generally on 30 days' terms.

Contract assets primarily relate to the Society's right to consideration for satisfaction of performance obligations but not yet billed at reporting date. Contract assets pertain to grant income amounting to \$65,842 (2024: \$31,558). Contract assets are transferred to receivables when the right becomes unconditional.

During the year, contract assets amounting to \$31,558 (2024: \$29,967) was reclassified to trade receivables.

Other receivables

Amounts due from outside parties are non-trade in nature, unsecured, non-interest bearing and repayable on demand.

Expected credit losses ("ECL")

As at 31 December 2025, there is no allowance provided on ECL of the Society's trade receivables based on lifetime ECL (2024: nil).

Trade and other receivables are denominated in Singapore Dollar.

16 PROPERTY, PLANT AND EQUIPMENT

	<u>Office equipment</u>	<u>Furniture and fittings</u>	<u>Leasehold Premise</u>	<u>Total</u>
	\$	\$	\$	\$
Cost				
At 1 January 2024	9,039	1,154	62,297	72,490
Additions	1,896	-	-	1,896
At 31 December 2024	10,935	1,154	62,297	74,386
Expiry of lease	-	-	(62,297)	(62,297)
Additions	-	-	62,372	62,372
At 31 December 2025	10,935	1,154	62,372	74,461
Accumulated depreciation				
At 1 January 2024	6,730	64	7,787	14,581
Charge for the year	2,892	384	31,149	34,425
At 31 December 2024	9,622	448	38,936	49,006
Expiry of lease	-	-	(62,297)	(62,297)
Charge for the year	632	386	31,158	32,176
At 31 December 2025	10,254	834	7,797	18,885

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16 PROPERTY, PLANT AND EQUIPMENT (Continued)

	<u>Office equipment</u>	<u>Furniture and fittings</u>	<u>Leasehold Premise</u>	<u>Total</u>
	\$	\$	\$	\$
Net carrying amount				
At 31 December 2024	1,313	706	23,361	25,380
At 31 December 2025	681	320	54,575	55,576

Right-of-use asset acquired under leasing arrangement is presented together with the owned assets of the same class. Details of such leased asset is disclosed in Note 18(a) to the financial statements.

17 TRADE AND OTHER PAYABLES

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Trade payables</u>		
Outside parties	18,782	17,440
Contract liabilities	4,290	14,652
	<u>23,072</u>	<u>32,092</u>
<u>Other payables</u>		
Accruals	14,086	31,447
	<u>37,158</u>	<u>63,539</u>
Trade and other payables (excluding contract liabilities), representing total financial liabilities carried at amortised cost	32,868	48,887
Add: Lease liability (Note 18(b))	54,911	24,122
Total financial liabilities carried at amortised cost	<u>87,779</u>	<u>73,009</u>

Trade payables

Contract liabilities relate to grants or donations received in advance for future accounting periods or the donor has imposed conditions which must be met before the Society has unconditional entitlement.

Contract liabilities relate to Red Umbrella Grant awarded on 15 December 2024. The contract liabilities amounting to \$4,290 (2024: \$14,652) was recognised for the first instalment disbursed in the prior year and the second instalment disbursed during the year. The grant is unrestricted in nature and the Society has applied the matching principle in recognising the grant income over the expenses incurred.

Transaction price allocated to remaining performance obligations

As allowed by FRS 115, no information is provided about the remaining performance obligations as at 31 December 2025 and 2024, as these performance obligations all have an original expected duration of one year or less.

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17 TRADE AND OTHER PAYABLES (Continued)

Trade and other payables are denominated in the following currencies:

	<u>2025</u>	<u>2024</u>
	\$	\$
Singapore Dollar	32,868	48,887
Euro	4,290	14,652
	<u>37,158</u>	<u>63,539</u>

18 LEASESSociety as a lessee

The Society has a lease contract for office premises. The Society is restricted from assigning and subleasing the leased assets.

(a) Carrying amounts of right-of-use asset classified within property, plant and equipment

	<u>2025</u>	<u>2024</u>
	\$	\$
At 1 January	23,361	54,510
Depreciation	(31,158)	(31,149)
Addition	62,372	-
At 31 December	<u>54,575</u>	<u>23,361</u>

(b) Lease liability

The carrying amounts of lease liability and the movements during the period are disclosed below, and the maturity analysis of lease liability is disclosed in Note 20(b) to the financial statements.

	<u>2025</u>	<u>2024</u>
	\$	\$
At 1 January	24,122	54,911
Addition	62,372	-
Cash flows	(32,700)	(32,700)
Interest expense on lease liability (Note 12)	1,117	1,911
At 31 December	<u>54,911</u>	<u>24,122</u>
Portion classified as current liabilities	30,789	24,122
Portion classified as non-current liabilities	<u>24,122</u>	<u>-</u>
	<u>54,911</u>	<u>24,122</u>

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18 LEASES (Continued)

(c) Amounts recognised in profit or loss

	<u>2025</u>	<u>2024</u>
	\$	\$
Depreciation of right-of-use asset	31,158	31,149
Interest expense on lease liability (Note 12)	<u>1,117</u>	<u>1,911</u>
Total amount recognised in profit or loss	<u>32,275</u>	<u>33,060</u>

(d) Total cash outflow

The Society had total cash outflows for lease of \$32,700 (2024: \$32,700).

(e) Extension options

The Society's lease contract for its leasehold premise includes an extension option, for which the related lease payments had not been included in the lease liabilities as the Society is not reasonably certain to exercise the option to renew (Note 4.1).

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19 FUNDS***Unrestricted funds – General funds***

General funds are expendable at the discretion of the Board in furtherance of the Society's objectives and purposes.

Restricted funds

	<u>At 1 January</u>	<u>Income received</u>	<u>Expenditure</u>	<u>Others</u>	<u>Transfers to</u>	<u>Net surplus</u>	<u>At 31 December</u>
	\$	during the year	incurred during	\$	(from)	\$	\$
		\$	the year		\$		
<u>2025</u>							
The Next Step Programme	9,597	107,573	(106,301)	-	-	1,272	10,869
Publishing the Missing Anthology	5,646	-	(5,646)	-	-	(5,646)	-
TMT 4ST Grant	-	9,000	(2,761)	-	-	6,239	6,239
Charities Aid Foundation America	-	8,994	-	-	-	8,994	8,994
Total funds	15,243	125,567	(114,708)	-	-	10,859	26,102
<u>2024</u>							
Office move	2,862	-	-	-	(2,862)	(2,862)	-
Raising HIV/AIDS Awareness through Social Media	(4,594)	-	-	-	4,594	4,594	-
Singlit Station - Writers' Incubation Project	(39)	-	-	-	39	39	-
The Next Step Programme	2,176	106,498	(99,603)	526	-	7,421	9,597
Publishing the Missing Anthology	-	8,946	(3,300)	-	-	5,646	5,646
Total funds	405	115,444	(102,903)	526	1,771	14,838	15,243

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19 FUNDS (Continued)

Restricted funds – fund descriptions

Restricted funds comprise the following:

(a) The Next Step Programme

A programme funded by the Tote Board Social Service Fund to support sex workers who have intentions to plan for their exit from the sex industry.

(b) Publishing the Missing Anthology

This represents fund from Ambassadors for Good Fund for conducting writing workshops for sex workers and paying contributors for their selected works. The fund will support the proofreading, typesetting and copyediting of the book, as well as marketing for the book to ensure a wide readership of the stories.

(c) TMT 4ST

The art therapy programme provides a safe and non-judgmental space for sex workers to express emotions, process trauma, and explore identity through guided activities. The programme supports psychosocial well-being by strengthening coping skills, increasing self-awareness, and reducing stress.

(d) Charities Aid Foundation America

A grant to enhance the financial processes of the Society by building upon existing documented procedures, evaluating external support options, and optimising payment workflows. This initiative aims to ensure greater efficiency, compliance, and ease of financial operations, allowing staff to focus more on the Society's charitable objectives.

20 FINANCIAL RISK MANAGEMENT

The Society's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk). The Society has no interest rate risk.

The Executive Committee reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Society's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Society's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risks.

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20 FINANCIAL RISK MANAGEMENT (Continued)**(a) Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society. The Society's exposure to credit risk arises primarily from trade and other receivables (excluding prepayments). For other financial assets (including cash and cash equivalents), the Society minimises credit risk by dealing exclusively with high credit rating counterparties.

The Society has adopted a policy of only dealing with creditworthy counterparties. The Society performs ongoing credit evaluation of its counterparties' financial condition and generally does not require a collateral.

The Society considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Society has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Society has developed and maintained the Society's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Society's own trading records to rate its major customers and other debtors. The Society considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating;
- External credit rating;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations;
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Society determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor;
- A breach of contract, such as a default or past due event; or
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation.
- There is a disappearance of an active market for that financial asset because of financial difficulty

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20 FINANCIAL RISK MANAGEMENT (Continued)**(a) Credit risk (Continued)**

The Society categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Society's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL or Lifetime ECL (simplified)
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

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

	Note	Category	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
2025						
Trade receivables	15	Note 1	Lifetime ECL (simplified)	28,741	-	28,741
Contract assets	15	Note 1	Lifetime ECL (simplified)	65,842	-	65,842
Other receivables (excluding prepayments)	15	I	12-month ECL	6,384	-	6,384
					<u>-</u>	
2024						
Trade receivables	15	Note 1	Lifetime ECL (simplified)	73,647	-	73,647
Contract assets	15	Note 1	Lifetime ECL (simplified)	31,558	-	31,558
Other receivables (excluding prepayments)	15	I	12-month ECL	6,165	-	6,165
					<u>-</u>	

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NOTES TO THE FINANCIAL STATEMENTS

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20 FINANCIAL RISK MANAGEMENT (Continued)**(a) Credit risk (Continued)****Trade receivables and contract assets (Note 1)**

For trade receivables and contract assets, the Society has applied the simplified approach in FRS 109 to measure loss allowance at lifetime ECL. The Society determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of debtor, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix.

	Contract assets	Trade receivables					
		Days past due					
		Not past due	≤30 days	31-60 days	61-90 days	>90 days	Total
	\$	\$	\$	\$	\$	\$	\$
2025							
ECL rate	0%	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	65,842	-	28,641	-	-	100	28,741
ECL	-	-	-	-	-	-	-
							<u>28,741</u>
2024							
ECL rate	0%	0%	0%	0%	0%	0%	
Estimated total gross carrying amount at default	31,558	32,017	38,730	-	-	2,900	73,647
ECL	-	-	-	-	-	-	-
							<u>73,647</u>

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet the contractual obligations to be similarly affected by the changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Society's performance to developments affecting a particular industry..

Exposure to credit risk

The Society has no significant concentration of credit risk. The Society monitors its credit collection regularly as a means of managing credit risk.

Other receivables

The Society assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there have been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Society measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

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20 FINANCIAL RISK MANAGEMENT (Continued)**(b) Liquidity risk**

Liquidity risk refers to the risk that the Society will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Society finances its working capital requirements through funds generated from operations. The Executive Committee are satisfied that funds are available to finance the operations of the Society.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Society's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

		2025			
	Note	Carrying amount	Contractual cash flows	One year or less	One to five years
		SGD	SGD	SGD	SGD
<u>Financial assets</u>					
Cash and cash equivalents	14	322,132	322,132	322,132	-
Trade and other receivables (excluding contract assets and prepayments)	15	35,125	35,125	35,125	-
Total undiscounted financial assets		357,257	357,257	357,257	-
<u>Financial liabilities</u>					
Trade and other payables (excluding contract liabilities)	17	32,868	32,868	32,868	-
Lease liability	18(b)	54,911	57,225	32,700	24,525
Total undiscounted financial liabilities		87,779	90,093	65,568	24,525
Total net undiscounted financial assets (liabilities)		269,478	267,164	291,689	(24,525)

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NOTES TO THE FINANCIAL STATEMENTS

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20 FINANCIAL RISK MANAGEMENT (Continued)**(b) Liquidity risk (Continued)**Analysis of financial instruments by remaining contractual maturities (Continued)

The table below summarises the maturity profile of the Society's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations. (Continued)

	Note	2024			
		Carrying amount	Contractual cash flows	One year or less	One to five years
		SGD	SGD	SGD	SGD
<u>Financial assets</u>					
Cash and cash equivalents	14	271,676	271,676	271,676	-
Trade and other receivables (excluding contract assets and prepayments)	15	79,812	79,812	79,812	-
Total undiscounted financial assets		351,488	351,488	351,488	-
<u>Financial liabilities</u>					
Trade and other payables (excluding contract liabilities)	17	48,887	48,887	48,887	-
Lease liability	18(b)	24,122	24,525	24,525	-
Total undiscounted financial liabilities		73,009	73,412	73,412	-
Total net undiscounted financial assets		278,479	278,076	278,076	-

(c) Market risk

Market risk is the risk that changes in market conditions such as foreign exchange rates will affect the Society's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Foreign currency risk

The Society's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Society does not have any formal policy for hedging against currency risk. The Society ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

The Society's foreign currency exposures arise from the exchange rate movements of Euro ("EUR") to Singapore Dollar ("SGD") which is the Society's functional currency. As at the end of the reporting year, foreign currency balances for trade and other payables are disclosed in Notes 17 to the financial statements.

Sensitivity analysis for foreign currency risk

No sensitivity analysis is prepared as the Society does not expect any material effect on the Society's profit (loss) or equity arising from the effects of reasonably possible changes to exchange rate movements on the Society's foreign currency exposures at the end of the reporting period.

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21 FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of financial assets and financial liabilities reported in the statement of financial position approximates the carrying amounts of those assets and liabilities, as these are short-term in nature except for lease liability.

Lease liability

Lease liability approximates its fair value as it is subject to interest rates close to market rate of interest for similar arrangements with financial institutions.

During the financial year, no amount (2024: nil) has been recognised in profit or loss in relation to the change in fair value of financial assets or financial liabilities, estimated using a valuation technique.

The Society has no (2024: nil) fair value measurement recognised in the statement of financial position as at the end of the reporting period.

22 FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities carried at amortised cost were disclosed in Notes 15 and 17 to the financial statements.

23 FUND MANAGEMENT

The primary objective of the Society's fund management is to ensure that it maintains sufficient reserves in order to support its mission and meet its continuing obligations. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2025 and 31 December 2024.

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