THE TURNING POINT
(UEN NO. S91SS0058G)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2022

CONTENTS

THE TURNING POINT

STATEMENT BY THE EXECUTIVE COMMITTEE

On behalf of the Executive Committee of The Turning Point (the "Society"), we do hereby state that in our opinion, the financial statements set out on pages 5 to 23, are properly drawn up in accordance with the Societies Act 1966, Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the financial position of the Society as at 31 December 2022 and of the financial performance, changes in funds and cash flows of the Society for the financial year ended on that date.

On behalf of the Executive Committee

Wang Loke Yang Lilian	Chan Chee Kong Joseph
Honorary Chairman	Honorary Treasurer

31 May 2023

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TURNING POINT

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of The Turning Point (the "Society"), as set out on pages 5 to 23, which comprise the statement of financial position as at 31 December 2022, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act 1966 (the "Societies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the financial position of the Society as at 31 December 2022, and of the financial performance, changes in funds and cash flows of the Society for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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

The Executive Committee is responsible for the other information. The other information comprises the Statement by the Executive Committee as 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TURNING POINT (cont'd)

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Executive Committee and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, the Executive Committee 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 of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE TURNING POINT (cont'd)

Report on the Audit of the Financial Statements (cont'd)

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required 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 Charities Act and Regulations.

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

a) the Society 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 Society has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Baker Tilly

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

31 May 2023

THE TURNING POINT

STATEMENT OF FINANCIAL ACTIVITIES
For the financial year ended 31 December 2022

	Note	**Accumulated fund $**	**Restricted funds $**	**Total funds 2022 $**	Accumulated fund $	Restricted funds $	Total funds 2021 $
Income							
Donations	3	**108,268**	–	**108,268**	65,180	–	65,180
Government grants for Halfway House Service Model Programme		**469,690**	–	**469,690**	376,317	–	376,317
Other income	4	**110,568**	**20,657**	**131,225**	147,162	10,000	157,162
Total income		**688,526**	**20,657**	**709,183**	588,659	10,000	598,659
Less expenditure							
Depreciation of plant and equipment	7	**57,180**	–	**57,180**	86,537	–	86,537
Depreciation of right-of-use assets	8	**86,984**	–	**86,984**	90,084	–	90,084
Staff costs	5	**394,842**	–	**394,842**	325,821	–	325,821
Other operating expenses	6	**163,580**	**2,897**	**166,477**	160,599	18,948	179,547
Interest expense	8	**5,536**	–	**5,536**	9,316	–	9,316
Total expenditure		**708,122**	**2,897**	**711,019**	672,357	18,948	691,305
(Deficit)/surplus for the financial year		**(19,596)**	**17,760**	**(1,836)**	(83,698)	(8,948)	(92,646)

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

THE TURNING POINT

STATEMENT OF FINANCIAL POSITION
At 31 December 2022

	Note	2022 $	2021 $
Non-current assets			
Plant and equipment	7	**133,507**	161,484
Right-of-use assets	8	**116,749**	203,733
		250,256	365,217
Current assets			
Other receivables	9	**41,277**	41,389
Cash and cash equivalents	10	**1,960,722**	1,899,189
		2,001,999	1,940,578
Total assets		**2,252,255**	2,305,795
Non-current liabilities			
Lease liabilities	8	**35,347**	125,924
Deferred grant income	4	**20,656**	–
		56,003	125,924
Current liabilities			
Lease liabilities	8	**90,573**	86,626
Other payables	11	**20,060**	16,118
Deferred grant income	4	**10,328**	–
		120,961	102,744
Total liabilities		**176,964**	228,668
Net assets		**2,075,291**	2,077,127
Funds			
Accumulated fund		**2,031,408**	2,001,594
Restricted funds	12	**43,883**	75,533
Total funds		**2,075,291**	2,077,127

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

THE TURNING POINT

STATEMENT OF CHANGES IN FUNDS
For the financial year ended 31 December 2022

	Accumulated fund $	**Restricted funds $**	**Total $**
Balance at 1 January 2021	2,062,903	106,870	2,169,773
Deficit for the financial year	(83,698)	(8,948)	(92,646)
Transfer between funds	22,389	(22,389)	–
Balance at 31 December 2021	2,001,594	75,533	2,077,127
(Deficit)/surplus for the financial year	(19,596)	17,760	(1,836)
Transfer between funds	49,410	(49,410)	–
Balance at 31 December 2022	**2,031,408**	**43,883**	**2,075,291**

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

THE TURNING POINT

STATEMENT OF CASH FLOWS
For the financial year ended 31 December 2022

	2022 $	2021 $
Cash flows from operating activities		
Deficit for the financial year	**(1,836)**	(92,646)
Adjustments for:		
Interest income (Note 4)	**(7,859)**	(16,750)
Interest expense	**5,536**	9,316
Depreciation of plant and equipment (Note 7)	**57,180**	86,537
Depreciation of right-of-use assets (Note 8)	**86,984**	90,084
Rent concession from lessor	–	(11,235)
Operating cash flows before movements in working capital	**140,005**	65,306
Receivables	**954**	(15,781)
Payables	**34,926**	(1,566)
Restricted cash	**(10,000)**	–
Net cash generated from operating activities	**165,885**	47,959
Cash flows from investing activities		
Interest received	**7,017**	27,854
Purchase of plant and equipment	**(29,203)**	(104,001)
Net cash used in investing activities	**(22,186)**	(76,147)
Cash flows from financing activities		
Repayments of lease liabilities (Note 8)	**(86,630)**	(71,614)
Interest paid	**(5,536)**	(9,316)
Net cash used in financing activities	**(92,166)**	(80,930)
Net increase/(decrease) in cash and cash equivalents	**51,533**	(109,118)
Cash and cash equivalents at beginning of financial year	**1,899,189**	2,008,307
Cash and cash equivalents at end of financial year (Note 10)	**1,950,722**	1,899,189
Cash and cash equivalents comprise:		
Cash and bank balances	**214,031**	82,892
Fixed deposits	**1,746,691**	1,816,297
Less: Restricted funds represented by cash (Note 10)	**(10,000)**	–
	1,950,722	1,899,189

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

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2022

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

1. Corporate information

The Turning Point (the "Society") is a registered society and an Institution of a Public Character with its registered office at 341 Jamaica Road, Singapore 757615.

The principal activities of the Society is a Christian non-profit making organisation helping women drug abusers and women offenders to recover from their drug problem and crime-related problem, provide professional counselling to prepare them to reintegrate back to society and conduct work therapy in a residential setting as part of rehabilitation programme. There have been no significant changes in the nature of these activities during the financial year.

2. Summary of significant accounting policies

a) Basis of preparation

The financial statements are presented in Singapore dollar ("$"), which is the Society's functional currency. The financial statements have been prepared in accordance with the Societies Act 1966, the Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore ("FRSs"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on the Executive Committee's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

Use of estimates and judgements

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant judgements made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

The carrying amounts of cash and cash equivalents, other current receivables and payables (other than lease liabilities) approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2. Summary of significant accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards that are adopted

In the current financial period, the Society has adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") that are relevant to its operations and effective for the current financial period. Changes to the Society's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs. The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial statements.

New and revised standards not yet effective

New standards, amendments to standards and interpretations that have been issued at the reporting date but are not yet effective for the financial year ended 31 December 2022 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Society.

b) Income recognition

Income is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Society and the amount of income and related costs can be reliably measured.

Income from various sources are recognised on the following basis:

Donations

Income from donations are recognised when received.

Government grants

Government grants are recognised when there is reasonable assurance that the conditions attaching to them will be complied with and the grants will be received. Grants for specific expenses are taken to profit or loss in the same financial year as the related expenses.

Sales of goods

Revenue from sale of goods is recognised at a point in time when the Society has delivered the products to the customers and significant risk and rewards of ownership of the goods have been passed to the customer.

Interest income on fixed deposits

Interest income on fixed deposits is recognised based on effective interest method.

c) Leases - Where the Society is the lessee

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.

2. Summary of significant accounting policies (cont'd)

c) Leases - Where the Society is the lessee (cont'd)

The Society applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Society recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Society uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease 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.

The lease liability is presented as a separate line in the statement of financial position. The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made. The Society remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever 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.

Right-of-use assets

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). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received. Whenever the Society incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Company 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 depreciation starts at the commencement date of the lease.

The right-of use assets are presented as a separate line in the statement of financial position.

2. Summary of significant accounting policies (cont'd)

d) Income taxes

As a charity, the Society is exempt from tax on income and gains falling within Section 13(1)(zm) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have arisen for the Society during the financial year.

e) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on a straight-line basis to write off the plant and equipment over their estimated useful lives as follows:

	Years
Motor vehicles	5
Office equipment	5
Computers	3 - 5
Renovation, furniture and fittings	5
Kitchen equipment	5

On disposal of a plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the statement of financial activities.

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each at the end of the reporting period. The effects of any revision are recognised in the statement of financial activities when the changes arise.

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

f) Financial assets

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Society commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of the financial assets on initial recognition. Transaction costs directly attributable to acquisition of financial assets at fair value through profit or loss are recognised immediately in the statement of financial activities.

Classification and measurement

The Society classifies its financial assets at amortised cost. The classification is based on the Society's model for managing the financial asset and the contractual cash flow characteristics of the financial assets. The Society reclassifies financial assets when and only when its model for managing those assets changes.

2. **Summary of significant accounting policies (cont'd)**

f) **Financial assets (cont'd)**

Subsequent measurement

Debt instruments include other receivables (excluding prepayments) and cash and cash equivalents. The Society measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a model with the objective to hold financial assets in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate ("EIR") method and are subject to impairment. Gains and losses are recognised in the statement of financial activities when the asset is derecognised, modified or impaired. Interest income from these financial assets is included in interest income using the EIR method.

Impairment

The Society recognises an allowance for expected credit losses ("ECLs") for financial assets carried at amortised cost. 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 impairment methodology applied depends on whether there has been a significant increase in credit risk. 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 required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

If the Society has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Society measures the loss allowance at an amount equal to 12-month ECL at the current end of financial period.

The Society recognises an impairment gain or loss in the statement of financial activities for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

g) **Cash and cash equivalents**

Cash and cash equivalents are stated in the statement of financial position at cost. For the purposes of the statement of cash flows, cash and cash equivalents comprise cash and bank balances and fixed deposits.

h) **Impairment of non-financial assets**

Non-financial assets are reviewed for impairment at each reporting date or whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of financial activities.

2. **Summary of significant accounting policies (cont'd)**

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

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in the statement of financial activities. However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

i) **Financial liabilities**

Financial liabilities comprise lease liabilities and other payables. Financial liabilities are recognised on statement of financial position when, and only when, the Society becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in the statement of financial activities when the liabilities are derecognised and through the amortisation process.

j) **Provisions**

Provisions are recognised when the Society has a present obligation (legal or constructive) where, as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

k) **Funds**

Unless specially indicated, fund balances are not represented by any specific accounts, but are represented by all assets of the Society.

l) **Employee benefits**

Defined contribution plans

The Society contributes to the Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government.

The Society's contributions to CPF are recognised as expenditures in the period in which the related service is performed.

Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated liability for leave as a result of services rendered by employees up to the end of the reporting period.

3. Donations

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deductions for the donations made to the Society. The Institution of a Public Character ("IPC) status granted to the Society is for the period from 1 October 2020 to 31 March 2022. The IPC status is further renewed from 1 April 2022 to 30 June 2024.

Included in donations received during the financial year for the Society are donations with tax-deductible receipts issued during the financial year totaling $62,650 (2021: $62,370).

4. Other income

	2022	2021
	$	$
Included in accumulated fund:		
Interest income on fixed deposits	**7,859**	16,750
Income from cookies	**4,957**	10,604
Job Support Scheme grant income	–	16,398
Rental subvention	**89,880**	78,645
Rent concession from lessor	–	11,235
Special employment credit	**4,077**	4,966
Wage credit scheme	**1,075**	2,826
Others	**2,720**	5,738
	110,568	147,162
Included in other funds:		
Income from Bless our City grant	–	10,000
Income from Care and Share grant	**20,657**	–
	20,657	10,000

In 2021, $16,398 was recognised during the financial year under the Jobs Support Scheme (the "JSS"). Under the JSS, the Singapore Government will co-fund gross monthly wages paid to each local employee through cash subsidies with the objective of helping employers retain local employees during the period of economic uncertainty.

Care and Share grant of $51,641 was received during the year pertaining to certain capital expenditures in 2021 with cost of $71,604. $30,984 of the grant received was deferred to recognise income over the useful life of the related asset.

5. Staff costs

	2022	2021
	$	$
Salaries and bonuses	**352,976**	291,493
CPF contributions and other pension costs	**41,866**	34,328
	394,842	325,821

5. Staff costs (cont'd)

Included in staff costs were key management personnel compensation as follows:

	2022	2021
	$	$
Salaries and bonuses	**71,630**	65,000
CPF contributions	**7,167**	5,850
	78,797	70,850

None of the members of the Executive Committee of the Society and their close family members have received any remunerations, benefits, allowances or other manner of compensation from the Society.

6. Other operating expenses

Other operating expenses include the following major items:

	2022	2021
	$	$
Included in accumulated fund:		
Food and refreshment	**21,089**	23,086
Honorarium and love gifts	**1,550**	1,200
Repair and maintenance	**18,545**	9,857
Telecommunication	**5,555**	5,022
Upkeep of computer software	**2,929**	1,967
Upkeep of vehicles	**14,593**	9,302
Utilities	**17,434**	16,491
Welfare for former residents	**1,500**	600
Work therapy	**2,864**	3,437
Wages	**30,643**	38,941

7. Plant and equipment

	Motor vehicles $	Office equipment $	Computers $	Renovation, furniture and fittings $	Kitchen equipment $	Total $
2022						
Cost						
At 1 January 2022	189,909	74,531	41,824	214,496	10,457	531,217
Additions	–	2,622	–	34,480	–	37,102
Adjustments	–	1,100	(7,899)	(1,100)	–	(7,899)
At 31 December 2022	**189,909**	**78,253**	**33,925**	**247,876**	**10,457**	**560,420**
Accumulated depreciation						
At 1 January 2022	156,345	51,303	32,135	123,890	6,060	369,733
Charge for 2022	16,782	9,160	1,403	28,446	1,389	57,180
At 31 December 2022	**173,127**	**60,463**	**33,538**	**152,336**	**7,449**	**426,913**
Net carrying amount						
At 31 December 2022	**16,782**	**17,790**	**387**	**95,540**	**3,008**	**133,507**
2021						
Cost						
At 1 January 2021	189,909	70,155	30,594	130,296	6,262	427,216
Additions	–	4,376	11,230	84,200	4,195	104,001
At 31 December 2021	189,909	74,531	41,824	214,496	10,457	531,217
Accumulated depreciation						
At 1 January 2021	118,364	43,022	30,594	86,640	4,576	283,196
Charge for 2021	37,981	8,281	1,541	37,250	1,484	86,537
At 31 December 2021	156,345	51,303	32,135	123,890	6,060	369,733
Net carrying amount						
At 31 December 2021	33,564	23,228	9,689	90,606	4,397	161,484

8. Right-of-use assets and lease liabilities

The Society's leasing activities comprise the following:

- Leasing of halfway house from non-related parties for a tenure of 3 years with no extension nor escalation clause; and
- Leasing of photocopier machine from non-related party for a tenure of 5 years.

The maturity analysis of the lease liabilities is disclosed in Note 13(b).

Information about leases for which the Society is a lessee is presented below:

Amounts recognised in statement of financial position

	2022	2021
	$	$
Carrying amount of right-of-use assets		
Halfway house	**112,894**	197,565
Photocopy machine	**3,855**	6,168
	116,749	203,733
Carrying amount of lease liabilities		
Non-current	**35,347**	125,924
Current	**90,573**	86,626
	125,920	212,550
Additions to right-of-use assets	–	254,012

Amounts recognised in statement of financial activities

	2022	2021
	$	$
Depreciation charge for the year		
Halfway house	**84,671**	87,771
Photocopy machine	**2,313**	2,313
	86,984	90,084
Interest expense on lease liabilities	**5,536**	9,316

Total cash flow for leases amounted to $92,166 (2021: $80,930).

8 **Right-of-use assets and lease liabilities (cont'd)**

Reconciliation of movements of liabilities to cash flows arising from financing activities

	2022 **$**	2021 $
Balance at beginning of the year	**212,550**	41,387
Changes from financing cash flows:		
- Repayments	**(92,166)**	(80,930)
Non-cash changes:		
- Interest expense	**5,536**	9,316
- New leases	–	254,012
- Rent concession from lessor	–	(11,235)
Balance at end of the year	**125,920**	212,550

9. **Other receivables**

	2022 **$**	2021 $
Deposits	**8,350**	7,030
Interest receivables from fixed deposits	**13,982**	13,140
Prepayments	**8,945**	10,573
Sundry debtors	**10,000**	10,646
	41,277	41,389

10. **Cash and cash equivalents**

	2022 **$**	2021 $
Cash and bank balances	**214,031**	82,892
Fixed deposits	**1,746,691**	1,816,297
	1,960,722	1,899,189

Fixed deposits placed with financial institutions bear interest at effective interest rates ranging from 0.10% to 4.00% (2021: 0.50% to 2.05%) per annum and matures within 12 to 36 months (2021: 1 to 36 months) from reporting date. Fixed deposit of $10,010 (2021: Nil) is pledged to a bank as security for corporate credit card facility.

11. **Other payables**

	2022 **$**	2021 $
Accrued operating expenses	**20,060**	16,118

12. Restricted funds

	President's Challenge Fund $	Care and Share Fund $	Educational Fund $	Bless Our City Fund $	The Community Foundation of Singapore Fund $	Total $
Balance at 1 January 2021	18,406	73,537	9,456	749	4,722	106,870
Income	–	–	–	10,000	–	10,000
Expenditure	(1,623)	(4,751)	–	(7,852)	(4,722)	(18,948)
(Deficit)/surplus	(1,623)	(4,751)	–	2,148	(4,722)	(8,948)
Transfer to Accumulated Fund	(4,980)	(17,409)	–	–	–	(22,389)
Balance at 31 December 2021	11,803	51,377	9,456	2,897	–	75,533
Income	–	20,657	–	–	–	20,657
Expenditure	–	–	–	(2,897)	–	(2,897)
Surplus/(deficit)	–	20,657	–	(2,897)	–	17,760
Transfer to Accumulated Fund	(3,358)	(46,052)	–	–	–	(49,410)
Balance at 31 December 2022	**8,445**	**25,982**	**9,456**	–	–	**43,883**

President's Challenge Fund

This is a donation received from the President's Challenge movement for the purpose of converting backing facilities into an air-conditioned area, purchase of baking equipment and machineries, replacement of fridges and installation of mosquito magnetic screen. The fund has been fully utilised before 31 May 2022 on the purchase of plant and equipment and the unamortised balance of $8,445 (2021: $11,803) will be amortised over the remaining useful life of the assets.

Care and Share Fund

This is a government dollar-for-dollar matching grant for eligible donations received by the Society. The matching grant shall be used to develop social service-related voluntary welfare organisations and their programmes to better serve beneficiaries. The fund has been fully utilised in 2022 on the purchase of plant and equipment and the unamortised balance of $25,982 (2021: $51,377) will be amortised over the remaining useful life of the assets.

Educational Fund

The fund has been designated to support the educational needs for the Society's beneficiaries, namely residents and ex-residents.

12. Restricted funds (cont'd)

Bless Our City Fund

This fund is established to support the items such as understanding women's health, learning inside-out beauty, baking therapy and annual alumni get-together expenditures for the period from 1 April 2021 to 31 March 2022, extended to 30 June 2022.

The Community Foundation of Singapore fund

This fund is established to help to cover the Society's utilities expenses for between 6 and 12 months on average, depending on usage.

13. Financial instruments

a) Categories of financial instruments

Financial instruments at their carrying amounts at the end of the financial year are as follows:

	2022	2021
	$	$
Financial assets		
At amortised cost	**1,993,054**	1,930,005
Financial liabilities		
At amortised cost	**145,980**	228,668

b) Financial risk management

The main risks arising from the Society's financial risk management are interest rate risk, credit risk and liquidity risk. The Society's transactions, assets and liabilities are substantially denominated in Singapore dollar. The Executive Committee reviews and agrees policies for managing each of these risks informally and they are summarised below:

Interest rate risk

The Society is exposed to minimal interest rate risk since the impact of interest rate fluctuations on its interest-bearing fixed deposits is insignificant. The Society has no floating interest-bearing liabilities. Sensitivity analysis for changes in interest rate is not disclosed as the effect on profit or loss is considered not significant.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Society. For other financial assets, the Society adopts the policy of dealing only with high credit quality counterparties. As the Society does not hold any collateral, the maximum exposure to credit risk is the carrying amount of each class of financial instruments presented on the statement of financial position.

13. **Financial instruments (cont'd)**

c) **Financial risk management (cont'd)**

Credit risk (cont'd)

The following sets out the Society's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	**Basis for recognition and measurement of ECL**
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
Contractual payments are more than 90 days past due or there is evidence of credit impairment	Lifetime ECL - credit-impaired
There is evidence indicating that the Society has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

The credit loss for cash and cash equivalents and other receivables are not considered significant as at 31 December 2022 and 31 December 2021. Accordingly, no credit loss allowance is recognised as at reporting date.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in the meeting financial obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatched maturities of financial assets and liabilities. The Society maintains sufficient cash and cash equivalents, and internally generated cash flows to finance their activities.

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

	1 year or less	**2 to 5 years**	**Total**
	$	**$**	**$**
2022			
Other payables	**20,060**	–	**20,060**
Lease liabilities	**92,166**	**35,408**	**127,574**
2021			
Other payables	16,118	–	16,118
Lease liabilities	86,901	126,167	213,068

13. Financial instruments (cont'd)

c) Fair values of financial instruments

The carrying amounts of financial assets and financial liabilities (excluding lease liabilities) approximate their fair values due to the relatively short-term maturity of these financial instruments.

14. Fund management

The Society's objectives when managing its funds are to safeguard and maintain adequate working capital to continue as a going concern. There are no changes to these objectives since the previous financial year.

15. Authorisation of financial statements

The financial statements of the Society for the financial year ended 31 December 2022 were authorised for issue in accordance with a resolution of the Executive Committee dated 31 May 2023.

THE TURNING POINT

DETAILED INCOME AND EXPENDITURE STATEMENT (ACCUMULATED FUND)
For the financial year ended 31 December 2022

	2022 $	2021 $
Income		
Donations	**108,268**	65,180
Government grants for Halfway House Service Model Programme ("HSM")	**469,690**	376,317
	577,958	441,497
Other income		
Fixed deposits interest income	**7,859**	16,750
Income from arts and crafts	**2,704**	99
Income from cookies	**4,957**	10,604
Income from curry powder	**16**	516
Job Support Scheme grant income	–	16,398
Miscellaneous income	–	400
Rental subvention	**89,880**	78,645
Rent concession from lessor	–	11,235
Special employment credit	**4,077**	4,966
Wage credit scheme	**1,075**	2,826
Sembcorp Energy for Good Fund	–	4,723
	110,568	147,162
Total income	**688,526**	588,659

The detailed income statement does not form part of the audited financial statements.

THE TURNING POINT

DETAILED INCOME AND EXPENDITURE STATEMENT (ACCUMULATED FUND) (cont'd)
For the financial year ended 31 December 2022

	2022 $	2021 $
Less expenditure		
Accounting fees	**5,640**	5,640
Auditor's remuneration	**4,009**	3,531
After-care	**974**	770
Baking ingredients	**394**	–
Bank charges	**489**	582
Computer software	**2,929**	1,967
Compliance & Corp. Sec	**2,410**	–
Counselling services	–	3,720
Course Fee	**990**	506
Depreciation expense	**144,164**	176,620
Enrichment & Engagement Programs	**2,313**	–
Food and refreshment	**21,089**	23,086
General expenses	**1,107**	2,757
Hiring of vehicle	**370**	480
Honorarium/love gifts	**1,550**	1,200
Household	**5,008**	6,374
HSM allowance	–	4,765
Interest expense on lease liabilities	**5,536**	9,316
Insurance	**10,163**	8,145
Legal and professional fee	–	1,008
Medical expenses	**3,827**	3,464
Membership and subscription fee	**325**	325
Postage	**90**	591
Printing and stationery	**2,125**	2,675
Repair and maintenance	**18,545**	9,857
Staff salaries and related costs	**394,842**	325,821
Staff welfare	**993**	1,302
Staff recruitment fee	–	–
Telecommunication	**5,555**	5,022
Test kits	**1,477**	1,875
Transportation	**1,399**	1,183
Upkeep of vehicles	**14,593**	9,302
Utilities	**17,434**	16,491
Wages	**30,643**	38,941
Welfare - others	**4,275**	1,604
Work therapy	**2,864**	3,437
	708,122	672,357
Deficit for the financial year	**(19,596)**	(83,698)

The detailed income statement does not form part of the audited financial statements.