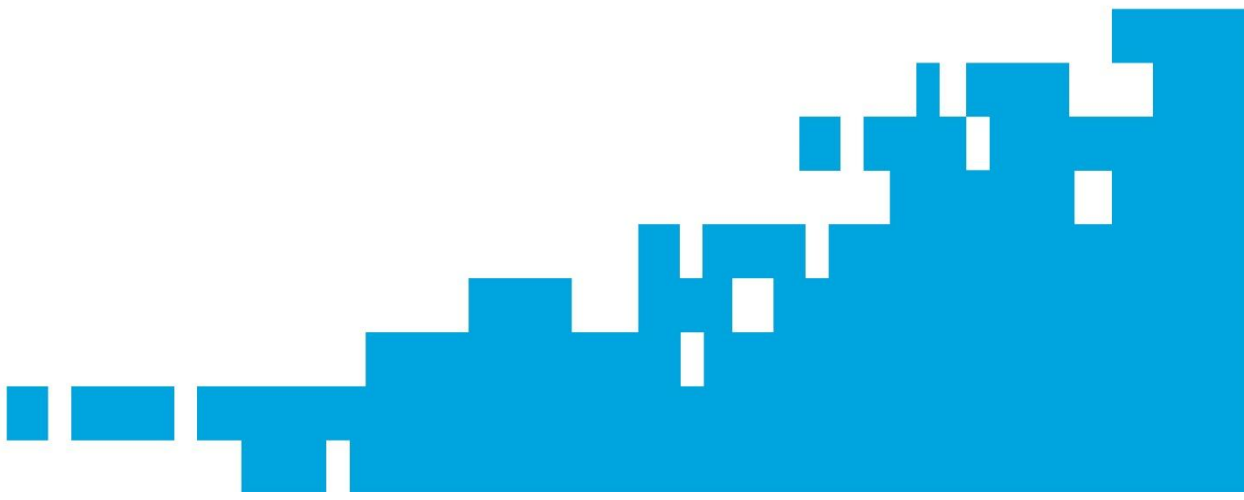


BOYS' TOWN

(Unique Entity Number: 201534576H)
(Registered under the Charities Act 1994)

Annual Financial Statements

Financial Year Ended 31 December 2025



BOYS' TOWN

Annual Financial Statements

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BOYS' TOWN

Directors' Statement

The directors of Boys' Town (the "Company") are pleased to present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 December 2025.

Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and financial activities, changes in funds and cash flows of the Company for the financial year ended on that date in accordance with the provisions of the Companies Act 1967, the Charities Act 1994, and Financial Reporting Standards
- (b) the Company has complied with the requirements Regulations 11 and 15 of the Charities (Institutions of a Public Character) Regulations 2012 relating to the use of donation monies and the fund-raising expenses respectively; and
- (c) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors has, on the date of this statement, approved and authorised these financial statements for issue.

Directors

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

Bruno Lopez
Yeo Koh Tuan Kiok Dominic
Andre Ravindran Saravanapavan Arul
Bernard Lim Aik Kwang
Chiam Peng Kee, Irene Clare
De Vaz Ian Marc Rosairo
Edmund Lim Kim San
Khoo Kian Teck
Lek Soon Tow Bonaventure
Leon Ng Koh Wee
Valerie Tay Kay Hwee (Valerie Zheng Jiahui)
Yeap Beng Swee Philip

Under Article 7 of its Memorandum of Association, the members of the Company guarantee to contribute a sum not exceeding \$1 each to the assets of the Company in the event of it being wound up. The members of the Company are Yeo Koh Tuan Kiok Dominic, Bruno Lopez and St Gabriel's Foundation.

Directors' interest

The Company has no share capital and its members' liability are limited by guarantee.

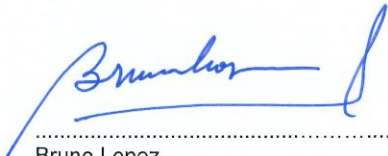
Neither at the end of, nor at any time during the financial year, was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the subscription to or acquisition of debentures of the Company or any other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

BOYS' TOWN

Independent auditor

The auditors, RSM SG Assurance LLP has expressed willingness to accept re-appointment.

On behalf of the board of directors



.....
Bruno Lopez
Director



.....
De Vaz Ian Marc Rosairo
Director

25 May 2026

**Independent Auditor's Report to the Members of
BOYS' TOWN****Report on the audit of the financial statements****Opinion**

We have audited the accompanying financial statements of Boys' Town (the "Company"), which comprise the statement of financial position as at 31 December 2025, the statement of financial activities, statement of changes in funds and statement of cash flows for the reporting 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 Companies Act 1967 (the "Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and the Financial Reporting Standards ("FRS") so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of the financial activities, changes in funds and cash flows of the Company 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 Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the directors' statement but does not include the financial statements and our auditor's report thereon.

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 BOYS' TOWN

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Responsibilities of management and directors for the financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

**Independent Auditor's Report to the Members of
BOYS' TOWN**

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Auditor's responsibilities for the audit of the financial statements

- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on other legal and regulatory requirements

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Yeow Thuan Wee.

Rsm SG Assurance LLP

RSM SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

25 May 2026

BOYS' TOWN

Statement of Financial Activities Financial Year Ended 31 December 2025

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$
<u>Incoming resources</u>			
Grant income	20	7,762,294	6,589,734
Donations	20	3,433,478	3,438,602
Amortisation of deferred capital grants	19	740,397	746,187
Programme income	20	178,524	231,867
Interest income	20	213,526	80,659
Other income and gains	6	310,514	230,922
Total incoming resources		<u>12,638,733</u>	<u>11,317,971</u>
<u>Resources expended</u>			
Employee benefits	7	7,392,102	7,341,064
Fund-raising expenses	20	128,998	180,594
Programme expenses	20	838,879	903,566
Depreciation expenses	11	825,647	832,336
Other expenses	8	1,556,450	1,498,978
Other losses	6	8,289	26,073
Total resources expended		<u>10,750,365</u>	<u>10,782,611</u>
Net surplus for the financial year		<u>1,888,368</u>	<u>535,360</u>
<u>Net incoming resources / (resources expended)</u>			
General fund	20	2,118,451	1,963,817
Ministry of Social and Family Development ("MSF") restricted funds	20	66,378	(719,605)
Other restricted funds	20	(296,461)	(708,852)
Net incoming resources		<u>1,888,368</u>	<u>535,360</u>

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

BOYS' TOWN

Statement of Financial Position As at 31 December 2025

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$
ASSETS			
<u>Non-current assets</u>			
Property, plant and equipment	11	14,079,413	14,619,522
Financial assets at amortised cost	12	501,883	502,332
Total non-current assets		<u>14,581,296</u>	<u>15,121,854</u>
<u>Current assets</u>			
Cash and cash equivalents	17	10,850,968	8,952,236
Financial assets at FVTPL	13	3,101,110	2,917,086
Other receivables	14	658,230	487,109
Inventories	15	23,515	18,238
Other current assets	16	84,121	109,490
Total current assets		<u>14,717,944</u>	<u>12,484,159</u>
Total assets		<u>29,299,240</u>	<u>27,606,013</u>
FUNDS AND LIABILITIES			
<u>Unrestricted fund</u>			
General fund	20	19,060,137	16,941,686
Total unrestricted fund		<u>19,060,137</u>	<u>16,941,686</u>
<u>Restricted funds</u>			
MSF restricted funds	20	(1,214,899)	(1,281,277)
Other restricted funds	20	(3,575,581)	(3,279,120)
Total restricted funds		<u>(4,790,480)</u>	<u>(4,560,397)</u>
Total funds		<u>14,269,657</u>	<u>12,381,289</u>
<u>Current liabilities</u>			
Other payables	18	1,657,765	1,627,462
Deferred capital grants	19	740,397	746,187
Total current liabilities		<u>2,398,162</u>	<u>2,373,649</u>
<u>Non-current liabilities</u>			
Deferred capital grants	19	12,631,421	12,851,075
Total non-current liabilities		<u>12,631,421</u>	<u>12,851,075</u>
Total liabilities		<u>15,029,583</u>	<u>15,224,724</u>
Total funds and liabilities		<u>29,299,240</u>	<u>27,606,013</u>

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

BOYS' TOWN

**Statement of Changes in Funds
Financial Year Ended 31 December 2025**

	<u>General fund</u> \$	<u>MSF restricted funds</u> \$	<u>Other restricted funds</u> \$	<u>Total funds</u> \$
<u>2025</u>				
At 1 January	16,941,686	(1,281,277)	(3,279,120)	12,381,289
Changes in funds				
Net surplus / (deficit) for the financial year	<u>2,118,451</u>	<u>66,378</u>	<u>(296,461)</u>	<u>1,888,368</u>
At 31 December	<u>19,060,137</u>	<u>(1,214,899)</u>	<u>(3,575,581)</u>	<u>14,269,657</u>
<u>2024</u>				
At 1 January	14,977,869	(561,672)	(2,570,268)	11,845,929
Changes in funds				
Net surplus / (deficit) for the financial year	<u>1,963,817</u>	<u>(719,605)</u>	<u>(708,852)</u>	<u>535,360</u>
At 31 December	<u>16,941,686</u>	<u>(1,281,277)</u>	<u>(3,279,120)</u>	<u>12,381,289</u>

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

BOYS' TOWN

Statement of Cash Flows Financial Year Ended 31 December 2025

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$
<u>Cash flows from operating activities</u>			
Net surplus for the financial year		1,888,368	535,360
<i>Adjustments for:</i>			
Interest income		(213,526)	(80,659)
Depreciation of property, plant and equipment	11	825,647	832,336
Amortisation of bond premium	12	449	218
Fair value gain on financial assets at FVTPL	13	(184,024)	(152,969)
Amortisation of deferred capital grants	19	(740,397)	(746,187)
Operating cash flows before changes in working capital		<u>1,576,517</u>	<u>388,099</u>
<i>Changes in:</i>			
Other receivables		(140,683)	40,156
Inventories		(5,277)	(3,401)
Other current assets		25,369	(15,212)
Other payables		30,303	167,114
Net cash provided by operating activities		<u>1,486,229</u>	<u>576,756</u>
<u>Cash flows used in investing activities</u>			
Purchase of property, plant and equipment	11	(285,538)	(120,865)
Purchase of investments	12	–	(502,550)
Interest received		183,088	78,452
Net cash used in investing activities		<u>(102,450)</u>	<u>(544,963)</u>
<u>Cash flows from financing activities</u>			
Deferred capital grants received	19	514,953	84,692
Net cash provided by financing activities		<u>514,953</u>	<u>84,692</u>
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of the year		<u>8,952,236</u>	<u>8,835,751</u>
Cash and cash equivalents at end of the year	17	<u>10,850,968</u>	<u>8,952,236</u>

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

BOYS' TOWN

Notes to the Financial Statements For the financial year ended 31 December 2025

1. Domicile and activities

Boys' Town (the "Company") is a public company limited by guarantee, incorporated on 14 September 2015 in the Republic of Singapore.

It has a constitution as its governing instrument. It is registered as a charity under the Charities Act 1994 and accorded the status as an Institution of a Public Character until 14 October 2028.

The members of the Company have guaranteed to contribute amounts not exceeding \$1 each to the assets of the Company in the event of it being wound up. There were 3 members as at 31 December 2025 (2024: 3).

The principal activities of the Company are to provide residential, outreach, school, and community-based programmes to help youths at risk between the ages of 10 to 21 become socially integrated, responsible, and contributing members of society.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Financial Reporting Standards ("FRS"). They are also subjected to the provisions of the Companies Act 1967 and the Charities Act 1994.

2.2 Basis of preparation

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

2.3 Functional and presentation currency

The Company has determined the currency of the primary economic environment in which the Company operates i.e. functional currency, to be Singapore dollars and accordingly all financial information is presented in Singapore dollars. Incoming resources and resources expended are primarily influenced by fluctuations in Singapore dollars.

2.4 Adoption of new and amended standards and interpretations

For the current financial year, the Accounting Standards Committee under ACRA issued certain new or revised financial reporting standards. There are no adoptions or amendments as none of them had a material impact on the Company.

3. Material accounting policy information and other explanatory information

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

BOYS' TOWN

3. Material accounting policy information and other explanatory information (continued)

3.1 Foreign currency transactions

Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively.

All realised and unrealised exchange adjustment gains and losses are dealt with in the statement of financial activities.

3.2 Fair value measurement

The fair values of financial assets and liabilities are prepared by the finance team which regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, then the finance team assesses and documents the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS, including the level in the fair value hierarchy the resulting fair value estimate should be classified as.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. For certain financial instruments, the Company may use data that is not readily observable in current markets. In these instances, management needs to exercise greater judgement to determine fair value depending on the significance of the unobservable input to the overall valuation. Generally, the Company derives unobservable inputs from other relevant market data and compare them to observed transaction prices where available.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

Level 3: inputs for the asset that are not based on observable market data (unobservable inputs). If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement (with Level 3 being the lowest).

The Company recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in Note 13.

3.3 Revenue and income recognition

Revenues including donations, gifts and grants that provide core funding or are of general nature are recognised at an amount that reflects the consideration to which the Company expects to be entitled. Such income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the fund has unconditional entitlement.

BOYS' TOWN

3. Material accounting policy information and other explanatory information (continued)

3.3 Revenue and income recognition (continued)

Revenue is recognised when the Company satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions, revenue is recognised as the services are provided.

- (i) Donations – Revenue from donations are accounted for when received, except for committed donations that are recorded when the commitments are signed.
- (ii) Grant income – Grant income is recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received.
- (iii) Donations-in-kind – Goods donated are recorded at values based on a reasonable estimate of their value. Assets which are donated for resale or consumption are not recorded if the value of such assets are not material or it is not practical to ascertain the value of the items involved. Similarly, volunteer services are not recognised as their fair value cannot be reliably measured or it is not practical to do so.
- (iv) Programme income – Revenue from programmes organised are recognised when due.
- (v) Rental income – Rental income from operating leases is recognised as income on a straight-line basis.
- (vi) Interest income – Interest income is recognised using the effective interest method.

3.4 Employee benefits

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

3.5 Income tax

The Company is an approved charitable institution under the Charities Act 1994 and an institution of a public character under the Income Tax Act 1947. Accordingly, the Company is exempt from income tax.

3.6 Property, plant and equipment

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably.

All other repairs and maintenance expense are recognised in the statement of financial activities when they are incurred.

BOYS' TOWN

3. Material accounting policy information and other explanatory information (continued)

3.6 Property, plant and equipment (continued)

Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for certain leased assets, the shorter lease term). An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date.

The annual rates of depreciation are as follows:

Buildings	-	2% or over lease period whichever is lower
Motor vehicles	-	10%
Furniture & fittings	-	10% to 20%
Computer & software	-	20% to 33 ⅓%

Assets under construction are stated at cost. Expenditure relating to assets under construction are capitalised when incurred. No depreciation is provided until the assets under construction are completed and the related property, plant and equipment are available for use. 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 derecognition of the asset is included in the statement of financial activities in the year the asset is derecognised.

3.7 Carrying amounts of non-financial assets

The amounts of the non-current non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised in the statement of financial activities whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

3.8 Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the Company becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition, the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

BOYS' TOWN

3. Material accounting policy information and other explanatory information (continued)

3.8 Financial instruments (continued)

Classification of financial assets and financial liabilities and subsequent measurement:

The financial reporting standard on financial instruments requires certain classification of financial assets and financial liabilities. At the end of the reporting year, the Company had the following classes:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, cash and cash equivalents are in this class.
- Financial asset classified as measured at FVTPL: All other financial assets are classified as measured at FVTPL. In addition, on initial recognition, management may irrevocably designate a financial asset as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.
- Financial liabilities classified as measured at amortised cost: A financial liability is initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in the statement of financial activities. These financial liabilities comprise other payables.

3.9 Cash and cash equivalents

Cash comprises cash on hand and time deposits.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

3.10 New standards and interpretations not adopted

Certain new standards, interpretations and amendments to standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Company has not early adopted the new or amended standards and interpretations in preparing these financial statements. The new standards and amendments to standards are not expected to have material effect on its financial statements.

4. Significant accounting estimates, assumptions and judgements

The preparation of the financial statements in conformity with FRS requires management to make judgements, estimates and assumptions about the future, including climate-related risks and opportunities, that affect the application of accounting policies and the reported amounts of the incoming resources, resources expended, assets and liabilities at the end of the reporting period. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments where appropriate. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

BOYS' TOWN

4. Significant accounting estimates, assumptions and judgements (continued)

Management is of the opinion that there is no significant judgement made in the process of applying the accounting policies and no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

5. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the Company to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties.

A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

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

In accordance with the Code of Governance, the committee members, or people connected with them, have not received remuneration, or other benefits, from the Company or from institutions connected with the Company.

All members of the board of directors, sub-committees and staff members of the Company are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships that could potentially result in a conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

There are no paid staff who are close members of the family of the committee members whose remuneration each exceeds \$50,000 during the year.

5.1 Related party transactions

There are transactions and arrangements between the Company and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

In addition to the information disclosed elsewhere in the notes to the financial statements, other related party transactions include the following:

	<u>2025</u>	<u>2024</u>
	\$	\$
Consultation fee paid to the Titular Superior of the Brothers of St Gabriel (Note 8)	(144,000)	(144,000)
Rental income received from Montfort Care	<u>71,471</u>	<u>60,156</u>

The above related parties comprise charities or companies which have common members or directors.

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5. Related party relationships and transactions (continued)

5.2 Key management compensation

	<u>2025</u>	<u>2024</u>
	\$	\$
Salaries and other short-term employee benefits	590,256	560,776
Contributions to defined contribution plan	<u>46,920</u>	<u>46,410</u>

The above amounts are included under employee benefits. The above amounts do not include compensation if any of certain key management personnel and directors of the Company who received compensation from related corporations in their capacity as directors and or executives of those related corporations. The annual remuneration (comprising basic salary, bonuses, allowances and employer's contributions to Central Provident Fund) of the key management personnel classified by remuneration bands are as follow:

	<u>2025</u>	<u>2024</u>
Between \$100,000 to \$200,000	<u>3</u>	<u>3</u>

6. Other income and gains / Other losses

	<u>2025</u>	<u>2024</u>
	\$	\$
Fair value gain on financial assets at FVTPL (Note 13)	184,024	152,969
Rental income	77,434	64,478
Bad debts written off	(7,840)	(25,855)
Amortisation of bond premium (Note 12)	(449)	(218)
Other	49,056	13,475
	<u>302,225</u>	<u>204,849</u>
<u>Presented in the statement of financial activities as:</u>		
Other income and gains	310,514	230,922
Other losses	(8,289)	(26,073)
Net	<u>302,225</u>	<u>204,849</u>

7. Employee benefits

	<u>2025</u>	<u>2024</u>
	\$	\$
Short term employee benefits	6,433,504	6,410,211
Contributions to defined contribution plan	855,208	819,267
Other staff costs	103,390	111,586
	<u>7,392,102</u>	<u>7,341,064</u>

8. Other expenses

The following items have been included in arriving at net surplus for the financial year.

	<u>2025</u>	<u>2024</u>
	\$	\$
Repairs and maintenance	538,608	528,306
Security services	202,587	185,256
Consultation fee (Note 5.1)	144,000	144,000
Utilities	122,961	175,747
Insurance	<u>101,890</u>	<u>81,592</u>

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9. Tax-exempt receipts

The Company enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the Company. This status was renewed for 2 years and 10 months with effect from 15 December 2025 to 14 October 2028 under the Commissioner of Charities. During the financial year, the Company issued tax-exempt receipts for donations collected totalling \$2,883,746 (2024: \$3,059,225).

10. Reserves policy

The Company has a reserves policy to maintain its reserves at a level which is not more than 3 years of its annual operating expenditure to meet its operational needs. The board of directors periodically reviews the amount of reserves that are required to ensure that they are adequate to fulfil the Company's continuing obligations. The Company is not subjected to externally imposed capital requirements and there were no changes to the Company's approach to reserves management during the year.

BOYS' TOWN

11. Property, plant and equipment

	<u>Buildings</u>	<u>Motor vehicles</u>	<u>Furniture & fittings</u>	<u>Computer & software</u>	<u>Construction in progress</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$
<u>Cost</u>						
At 1 January 2024	19,189,941	239,703	1,872,601	655,812	21,546	21,979,603
Additions	–	–	13,508	62,068	45,289	120,865
Transfer	66,835	–	–	–	(66,835)	–
At 31 December 2024	<u>19,256,776</u>	<u>239,703</u>	<u>1,886,109</u>	<u>717,880</u>	<u>–</u>	<u>22,100,468</u>
Additions	–	–	169,998	115,540	–	285,538
At 31 December 2025	<u>19,256,776</u>	<u>239,703</u>	<u>2,056,107</u>	<u>833,420</u>	<u>–</u>	<u>22,386,006</u>
<u>Accumulated depreciation</u>						
At 1 January 2024	4,713,153	108,787	1,452,243	374,427	–	6,648,610
Depreciation charge	571,010	23,851	140,279	97,196	–	832,336
At 31 December 2024	<u>5,284,163</u>	<u>132,638</u>	<u>1,592,522</u>	<u>471,623</u>	<u>–</u>	<u>7,480,946</u>
Depreciation charge	573,045	23,851	136,405	92,346	–	825,647
At 31 December 2025	<u>5,857,208</u>	<u>156,489</u>	<u>1,728,927</u>	<u>563,969</u>	<u>–</u>	<u>8,306,593</u>
<u>Carrying value</u>						
At 1 January 2024	<u>14,476,788</u>	<u>130,916</u>	<u>420,358</u>	<u>281,385</u>	<u>21,546</u>	<u>15,330,993</u>
At 31 December 2024	<u>13,972,613</u>	<u>107,065</u>	<u>293,587</u>	<u>246,257</u>	<u>–</u>	<u>14,619,522</u>
At 31 December 2025	<u>13,399,568</u>	<u>83,214</u>	<u>327,180</u>	<u>269,451</u>	<u>–</u>	<u>14,079,413</u>

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12. Financial assets at amortised cost

The balance is made up of:

	<u>2025</u>	<u>2024</u>
	\$	\$
Quoted bonds at amortised cost with fixed rate of 2.598 % and maturing on 30 October 2029	<u>501,883</u>	<u>502,332</u>
<u>Movements during the year</u>		
Amortised cost at beginning of the year	502,332	–
Additions	–	502,550
Amortisation of bond premium	<u>(449)</u>	<u>(218)</u>
Amortised cost at end of the year	<u><u>501,883</u></u>	<u><u>502,332</u></u>

Investments in debt asset instrument shown above are stated at amortised cost. The fair values are:

	<u>Level</u>	<u>2025</u>	<u>2024</u>
		\$	\$
Quoted bonds at amortised cost with fixed rate of 2.598 % and maturing on 30 October 2029	2	<u>509,838</u>	<u>489,807</u>

There were no reclassifications between financial assets during the reporting year.

Debt asset investments carried at amortised cost are subject to the expected credit loss model under the standard on financial instruments. The debt assets at amortised cost are considered to have low credit risk, and the loss allowance, if any, recognised during the reporting year is limited to 12 months expected losses. Listed debt assets are regarded as of low credit risk if they have an investment grade credit rating with one or more reputable rating agencies. At the end of the reporting year a loss allowance is recognised if there has been a material increase in credit risk since initial recognition. For any material increase or decrease in credit risk an adjustment is made to the loss allowance for the balances (classified as other financial liabilities).

13. Financial assets at FVTPL

Investments which are designated at fair value through profit or loss comprise:

	<u>2025</u>	<u>2024</u>
	\$	\$
Quoted funds managed by fund managers	<u>3,101,110</u>	<u>2,917,086</u>
<u>Movements during the year</u>		
Fair value at beginning of the year	2,917,086	2,764,117
Fair value gains (Note 6)	<u>184,024</u>	<u>152,969</u>
Fair value at end of the year	<u><u>3,101,110</u></u>	<u><u>2,917,086</u></u>

The fair value hierarchy is as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Level 2	<u>3,101,110</u>	<u>2,917,086</u>

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13. Financial assets at FVTPL (continued)

The fair values of investments in quoted funds are based on the net asset value at the end of the reporting year. These investments are exposed to market price risk arising from uncertainties on the future values of the investment securities.

Sensitivity analysis for price risk of financial assets at FVTPL

There are investments in debt instruments or similar instruments. Such investments are exposed to both currency risk and market price risk arising from uncertainties about future values of the investment securities. The effect is as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
A hypothetical variation in the fair value of quoted funds by 10% would increase / decrease the fair value by	310,111	291,709

This figure does not reflect the currency risk, which has been considered in the foreign currency risks analysis section only. The hypothetical changes in basis points are not based on observable market data (unobservable inputs).

The above sensitivity has not changed materially from last year.

14. Other receivables

	<u>2025</u>	<u>2024</u>
	\$	\$
Third parties	658,230	487,109

The other receivables shown above are subject to the expected credit loss (“ECL”) allowance assessment under the financial reporting standard on financial instruments. For these material balances, judgement is required for the assessment of the credit risk graded individually. At inception they are recorded net of any expected 12 month ECL. At the end of the reporting year a loss allowance is recognised if there has been a material increase in credit risk since initial recognition. For any material increase or decrease in credit risk an adjustment is made to the loss allowance for the material balances. The credit risk grade assessed is based on the predictive nature of the risk of loss (such as the use of internal and external ratings, audited financial statements, management accounts and available published information about customers about debtors that is available without undue cost or effort) and applying experienced credit judgement.

15. Inventories

	<u>2025</u>	<u>2024</u>
	\$	\$
Supplies	23,515	18,238

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16. Other current assets

	<u>2025</u>	<u>2024</u>
	\$	\$
Deposits	13,120	27,946
Prepayments	71,001	81,544
	<u>84,121</u>	<u>109,490</u>

17. Cash and cash equivalents

	<u>2025</u>	<u>2024</u>
	\$	\$
Cash at bank	6,724,759	4,817,004
Time deposits with financial institutions	4,126,209	4,135,232
	<u>10,850,968</u>	<u>8,952,236</u>

Time deposits bear interest at a rate between 1.10% to 3.25% (2024: 2.80% to 3.40%) per annum and for an average tenure of 10 months (2024: 12 months).

18. Other payables

	<u>2025</u>	<u>2024</u>
	\$	\$
Third parties	670,990	632,760
Accrued liabilities	986,775	994,702
	<u>1,657,765</u>	<u>1,627,462</u>

19. Deferred capital grants

	<u>MSF⁽ⁱ⁾</u>	<u>Donation⁽ⁱⁱ⁾</u>	<u>Grant⁽ⁱⁱⁱ⁾</u>	<u>Total</u>
	\$	\$	\$	\$
<u>Cost</u>				
At 1 January 2024	8,458,007	11,482,934	642,919	20,583,860
Additions	–	–	84,692	84,692
At 31 December 2024	<u>8,458,007</u>	<u>11,482,934</u>	<u>727,611</u>	<u>20,668,552</u>
Additions	–	–	514,953	514,953
At 31 December 2025	<u>8,458,007</u>	<u>11,482,934</u>	<u>1,242,564</u>	<u>21,183,505</u>
<u>Accumulated amortisation</u>				
At 1 January 2024	2,149,558	3,874,113	301,432	6,325,103
Amortisation for the year	249,741	406,874	89,572	746,187
At 31 December 2024	<u>2,399,299</u>	<u>4,280,987</u>	<u>391,004</u>	<u>7,071,290</u>
Amortisation for the year	249,741	411,871	78,785	740,397
At 31 December 2025	<u>2,649,040</u>	<u>4,692,858</u>	<u>469,789</u>	<u>7,811,687</u>
<u>Carrying value</u>				
At 1 January 2024	6,308,449	7,608,821	341,487	14,258,757
At 31 December 2024	<u>6,058,708</u>	<u>7,201,947</u>	<u>336,607</u>	<u>13,597,262</u>
At 31 December 2025	<u>5,808,967</u>	<u>6,790,076</u>	<u>772,775</u>	<u>13,371,818</u>

(i) Represents grants received from Ministry of Social and Family Development ("MSF") for the construction of the Buildings.

(ii) Represents donations received from public for the construction of the Buildings.

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19. Deferred capital grants (continued)

(iii) Represents grants received from government bodies and private entities for organisational development / client services, which include accounting software, estate management and clients service delivery.

Presented in the statement of financial position as follows:

	<u>2025</u>	<u>2024</u>
	\$	\$
Current	740,397	746,187
Non-current	<u>12,631,421</u>	<u>12,851,075</u>
	<u>13,371,818</u>	<u>13,597,262</u>

Grants in recognition of specific expenses are recognised in the statement of financial activities on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in statement of financial activities on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

20. Fund account transactions and balances

All income and expenditures are reflected in the statement of financial activities. Income and expenditures specifically relating to any of the funds separately set up by the Company are allocated subsequently to those funds. Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most reflective of the usage. Common expenses include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

- (i) General fund – represents cumulative surpluses available for general use for the furtherance of the Company’s objectives.
- (ii) MSF restricted funds – represent programmes funded by MSF to provide residential, outreach, school and community-based programmes to help youths at risk.
- (iii) Other restricted funds – represent programmes funded by grants and donations received from the public, to provide residential, outreach, school and community-based programmes to help youths at risk.
- (iv) The residential programme is segregated into two categories to provide a distinction between grants provided by MSF, and grants and donations provided by other parties.

The Company is vigilant in its use of funds from multiple sources. The programmes and services that are in deficit are primarily due to a decrease in income or an increase in operating costs or manpower expenditure. A deficit as such will be made good by tapping into additional fundraising efforts or using reserves accumulated over the years. This is to ensure that the service delivery and obligations of specific programmes that fall within a range of deficits are not compromised.

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20. Fund account transactions and balances (continued)

Note	General fund	MSF restricted funds					Other restricted funds						Subtotal	Total
		Residential Service	Therapeutic Group Home	Fostering Agency	Outcome-Based Funding	Subtotal	Residential Service	Youth Reach	Boys' Town Adventure Centre	Clinical Intervention Centre	Sanctuary Care	Our Millieu Project		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2025														
At 1 January	16,941,686	(1,246,147)	116,591	40,204	(191,925)	(1,281,277)	(359,020)	(1,050,933)	(543,581)	(831,524)	(537,415)	43,353	(3,279,120)	12,381,289
<u>Incoming resources</u>														
Grant from MSF	–	2,975,802	1,398,376	1,433,005	21,000	5,828,183	–	–	–	–	–	–	–	5,828,183
Grant income	159,370	41,386	24,138	24,612	292	90,428	712,112	311,782	148,374	193,890	298,155	20,000	1,684,313	1,934,111
Donations	2,500,898	–	–	76,030	–	76,030	516,144	287,916	–	–	28,010	24,480	856,550	3,433,478
Amortisation of deferred capital grants	19	555,806	74,470	43,433	35,289	526	153,718	30,873	–	–	–	–	30,873	740,397
Programme income		12,005	–	–	–	–	22,607	–	137,020	6,892	–	–	166,519	178,524
Interest income		211,806	549	320	260	4	227	120	100	60	80	–	587	213,526
Other income and gains	6	65,951	19,311	11,263	9,151	136	39,861	8,006	4,224	3,520	2,112	2,816	20,678	126,490
Fair value gains on financial assets at FVTPL	13	184,024	–	–	–	–	–	–	–	–	–	–	–	184,024
Total income	3,689,860	3,111,518	1,477,530	1,578,347	21,958	6,189,353	1,289,969	604,042	289,014	202,954	329,061	44,480	2,759,520	12,638,733
<u>Resources expended</u>														
Employee benefits	7	788,916	2,033,078	1,090,745	1,208,969	14,347	4,347,139	842,871	463,145	361,515	233,961	284,323	70,232	2,256,047
Fund-raising expenses		75,522	–	–	–	–	–	45,736	–	–	–	7,740	53,476	128,998
Programme expenses	20.1	20,065	363,194	87,364	135,075	2,563	588,196	112,804	11,082	61,229	4,870	35,353	5,280	230,618
Depreciation expenses	11	190,802	235,309	127,201	103,351	1,661	467,522	73,084	29,057	23,822	13,351	18,586	9,423	167,323
Other expenses	8	495,655	348,865	203,471	165,320	2,462	720,118	144,632	41,391	58,863	33,429	46,146	16,216	340,677
Other losses	6	449	–	–	–	–	–	1,740	–	–	6,100	–	7,840	8,289
Total expenditure	1,571,409	2,980,446	1,508,781	1,612,715	21,033	6,122,975	1,220,867	544,675	505,429	291,711	384,408	108,891	3,055,981	10,750,365
Net surplus / (deficit) for the financial year	2,118,451	131,072	(31,251)	(34,368)	925	66,378	69,102	59,367	(216,415)	(88,757)	(55,347)	(64,411)	(296,461)	1,888,368
At 31 December	19,060,137	(1,115,075)	85,340	5,836	(191,000)	(1,214,899)	(289,918)	(991,566)	(759,996)	(920,281)	(592,762)	(21,058)	(3,575,581)	14,269,657

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20. Fund account transactions and balances (continued)

	Note	MSF restricted funds					Other restricted funds						Subtotal	Total	
		General fund	Residential Service	Therapeutic Group Home	Fostering Agency	Outcome-Based Funding	Residential Service	Youth Reach	Boys' Town Adventure Centre	Clinical Intervention Centre	Sanctuary Care	Our Millieu Project			
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
2024															
At 1 January		14,977,869	(830,406)	116,946	292,947	(141,159)	(561,672)	(82,152)	(1,013,007)	(404,316)	(671,202)	(399,591)	–	(2,570,268)	11,845,929
<u>Incoming resources</u>															
Grant from MSF		–	1,995,135	1,336,904	1,395,327	244,670	4,972,036	–	–	–	–	–	–	–	4,972,036
Grant income		110,255	44,041	26,283	24,531	5,401	100,256	544,899	301,261	171,261	219,509	170,257	–	1,407,187	1,617,698
Donations		2,698,856	–	–	12,000	–	12,000	473,656	22,500	–	–	11,547	220,043	727,746	3,438,602
Amortisation of deferred capital grants	19	564,084	65,387	39,022	36,420	8,019	148,848	33,255	–	–	–	–	–	33,255	746,187
Programme income		26,300	–	–	–	–	–	18,543	–	158,774	28,250	–	–	205,567	231,867
Interest income		79,052	464	277	259	57	1,057	236	92	92	74	56	–	550	80,659
Other income and gains	6	28,311	14,342	8,559	7,988	1,759	32,648	7,294	2,853	2,853	2,282	1,712	–	16,994	77,953
Fair value gains on financial assets at FVTPL	13	152,969	–	–	–	–	–	–	–	–	–	–	–	–	152,969
Total income		3,659,827	2,119,369	1,411,045	1,476,525	259,906	5,266,845	1,077,883	326,706	332,980	250,115	183,572	220,043	2,391,299	11,317,971
<u>Resources expended</u>															
Employee benefits	7	872,638	1,784,144	995,904	1,254,107	218,796	4,252,951	907,393	285,574	337,903	327,679	225,786	131,140	2,215,475	7,341,064
Fund-raising expenses		104,234	–	–	–	–	–	65,525	–	–	–	–	10,835	76,360	180,594
Programme expenses	20.1	6,132	256,433	120,481	199,814	31,447	608,175	130,419	20,711	57,736	22,009	50,717	7,667	289,259	903,566
Depreciation expenses	11	201,687	194,974	116,357	108,600	23,910	443,841	99,161	23,201	23,201	18,560	13,920	8,765	186,808	832,336
Other expenses	8	485,246	299,559	178,658	166,747	36,519	681,483	152,253	35,146	53,405	42,189	30,973	18,283	332,249	1,498,978
Other losses	6	26,073	–	–	–	–	–	–	–	–	–	–	–	–	26,073
Total expenditure		1,696,010	2,535,110	1,411,400	1,729,268	310,672	5,986,450	1,354,751	364,632	472,245	410,437	321,396	176,690	3,100,151	10,782,611
Net surplus / (deficit) for the financial year		1,963,817	(415,741)	(355)	(252,743)	(50,766)	(719,605)	(276,868)	(37,926)	(139,265)	(160,322)	(137,824)	43,353	(708,852)	535,360
At 31 December		16,941,686	(1,246,147)	116,591	40,204	(191,925)	(1,281,277)	(359,020)	(1,050,933)	(543,581)	(831,524)	(537,415)	43,353	(3,279,120)	12,381,289

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20. Fund account transactions and balances (continued)

20.1 Programme expenses

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Residential Service (including Outcome-Based Funding)</u>		
Boys' expenses	253,169	228,046
Programme expenses	82,383	91,140
Tuition and others	139,447	95,146
Transport	3,562	3,967
	<u>478,561</u>	<u>418,299</u>
<u>Therapeutic Group Home</u>		
Boys' expenses	49,554	64,765
Professional fees	15,000	15,000
Programme expenses	21,885	36,725
Transport	335	3,401
Telephone	590	590
	<u>87,364</u>	<u>120,481</u>
<u>Fostering Agency</u>		
Fostering programmes	40,215	78,723
Transport (foster children)	55,038	85,799
Publicity expenses	29,960	18,416
Transport	5,878	10,203
Telephone	861	3,577
Foster parents' assessment	3,123	3,096
	<u>135,075</u>	<u>199,814</u>
Others	137,879	164,972
Total programme expenses	<u>838,879</u>	<u>903,566</u>

21. Financial instruments: information on material policy information and financial risks

21.1 Categories of financial assets and financial liabilities

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

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Financial assets</u>		
Financial assets at amortised cost	12,011,081	9,941,677
Financial assets at FVTPL	3,101,110	2,917,086
At end of the year	<u>15,112,191</u>	<u>12,858,763</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	1,657,765	1,627,462
At end of the year	<u>1,657,765</u>	<u>1,627,462</u>

Further quantitative disclosures are included throughout these financial statements.

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21. Financial instruments: information on material policy information and financial risks (continued)

21.2 Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Company's operating, investing and financing activities. There are exposures to financial risks on financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff, following acceptable market practices.

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

21.3 Fair values of financial instruments

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

21.4 Credit risk

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses ("ECL") allowance on financial assets measured at amortised cost. On initial recognition, a loss allowance is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the Company applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on financial assets, an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in the statement of financial activities. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 17 discloses the cash balances. There was no identified impairment loss.

21.5 Liquidity risk

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity within twelve months after at the end of the reporting year. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

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21. Financial instruments: information on material policy information and financial risks (continued)

21.6 Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The following table analyses the breakdown of the material financial instruments by type of interest rate:

	<u>2025</u> \$	<u>2024</u> \$
<u>Financial assets with interest</u>		
Fixed rates	<u>4,628,092</u>	<u>4,637,564</u>
Sensitivity analysis:		
	<u>2025</u> \$	<u>2024</u> \$
A hypothetical variation in interest rates at the end of reporting year by 100 basis points with all other variables held constant, would have an increase / decrease in pre-tax profit for the year by the following amounts:	<u>46,281</u>	<u>46,376</u>

22. New or amended standards in issue but not yet effective

The Accounting Standards Committee under ACRA issued certain new or revised financial reporting standards for the future reporting years. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the Company's financial statements in the period of initial application. Those applicable to the Company for future reporting years are listed below.

<u>FRS No.</u>	<u>Title</u>	Effective date for periods beginning <u>on or after</u>
FRS 109 and 107	Classification and Measurement of Financial Instruments – Amendments	1 January 2026
Various	Annual Improvements – Volume 11	1 January 2026
FRS 118	Presentation and disclosures in financial statements	1 January 2027

23. Authorisation of financial statements

These financial statements were approved by the Board of Directors and authorised for issue on 25 May 2026.