

COMMON PURPOSE ASIA-PACIFIC LIMITED

(A company incorporated in Singapore, limited by guarantee)
(Registration No: 201331830Z)

Statement by Directors and Financial Statements

Year Ended 31 July 2022

RSM Chio Lim LLP

8 Wilkie Road, #03-08
Wilkie Edge, Singapore 228095

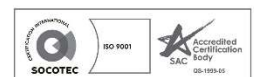
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COMMON PURPOSE ASIA-PACIFIC LIMITED

Statement by Directors and Financial Statements

Contents	Page
Statement by Directors.....	1
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	7
Statement of Changes in Funds	8
Statement of Cash Flows	9
Notes to the Financial Statements	10

COMMON PURPOSE ASIA-PACIFIC LIMITED

Statement by Directors

The directors of the company are pleased to present the financial statements of the company for the reporting year ended 31 July 2022.

1. 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 and performance of the company for the reporting year covered by the financial statements; and
- (b) at the date of the 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 approved and authorised these financial statements for issue.

2. Directors

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

Adirupa Sengupta
Ameek Akash Parikh
Robert Frank Care
Lynna Chandra
Goh Pauline @ Teo Lay Hoon Mrs Sahetapy Petrus Joachim (Appointed on 8 October 2021)
Eugene Ho Siang Rui (Appointed on 20 July 2022)
Wong Mun Yat (Appointed on 22 November 2022)

3. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures and directors' interests in shares and debentures

The company is a company limited by guarantee and has no share capital.

4. Options

The company is a company limited by guarantee. As such, there are no shares options or unissued shares of the company under option.


5. **Future plans**

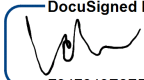
- Global - to continue to grow as a global hub for Common Purpose driving our work with global corporates and partners;
- Regional - to continue to give a regional focus to Common Purpose and help spread its work across the ASEAN and Asia-Pacific region through programmes such as the ASEAN Leaders Programme as well as other bespoke work and partnerships; and
- Local - to make the Singapore base operate to its optimum, Common Purpose will make its presence relevant to the local community by running The Common Purpose Programme and other locally relevant programmes particularly for young people in partnership with local stakeholders.

6. **Independent auditor**

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

On behalf of the directors

DocuSigned by:

.....378B34CBBE0F4DE.....
Adirupa Sengupta
Director

DocuSigned by:

.....F347843E2F5F433.....
Lynna Chandra
Director

22 December 2022

RSM Chio Lim LLP

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**Independent Auditor's Report to the Member of
COMMON PURPOSE ASIA-PACIFIC LIMITED**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Common Purpose Asia-Pacific Limited which comprise the statement of financial position as at 31 July 2022, and 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 the significant accounting policies.

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, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and the Financial Reporting Standards ("FRSs") so as to give a true and fair view of the financial position of the company as at 31 July 2022 and of the financial performance, changes in equity 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") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the statement by directors 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 Member of
COMMON PURPOSE ASIA-PACIFIC LIMITED**

– 2 –

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 and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease 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.

**Independent Auditor's Report to the Member of
COMMON PURPOSE ASIA-PACIFIC LIMITED**

– 3 –

Auditor's responsibilities for the audit of the financial statements (cont'd)

- 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.
- 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 by the Act to be kept by the company have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Naveen Sasidaran.



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

22 December 2022

Engagement partner – effective from year ended 31 July 2021

COMMON PURPOSE ASIA-PACIFIC LIMITED

**Statement of Financial Activities
Year Ended 31 July 2022**

	<u>Notes</u>	<u>2022</u> \$	<u>2021</u> \$
<u>Incoming resources</u>			
Income from recharge to related companies		92,405	82,103
Income from grants		320,299	63,126
Commercial customised programmes		302,212	199,958
Fees from open programmes		83,964	50,394
Other income	5	395	27,429
Total incoming resources		799,275	423,010
<u>Resources expended</u>			
Grant based programmes		(320,439)	(56,389)
Commercial customised programmes		(196,913)	(236,049)
Open programmes		(84,015)	(62,925)
Administrative expenses	6	(199,580)	(151,297)
Total resources expended		(800,947)	(506,660)
Net loss for the year		(1,672)	(83,650)
Other comprehensive income		–	–
Total funds carried forward		(1,672)	(83,650)

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

COMMON PURPOSE ASIA-PACIFIC LIMITED

**Statement of Financial Position
As at 31 July 2022**

	<u>Notes</u>	<u>2022</u> \$	<u>2021</u> \$
ASSETS			
<u>Current assets</u>			
Trade and other receivables	8	472,141	284,826
Other non-financial assets	9	2,850	433
Cash and cash equivalents	10	380,118	139,406
Total current assets		855,109	424,665
Total assets		855,109	424,665
FUNDS AND LIABILITIES			
<u>Funds</u>			
Accumulated funds		219,640	221,312
Total funds		219,640	221,312
<u>Current liabilities</u>			
Trade and other payables	11	506,094	203,353
Other non-financial liabilities	12	129,375	–
Total current liabilities		635,469	203,353
Total liabilities		635,469	203,353
Total funds and liabilities		855,109	424,665

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

COMMON PURPOSE ASIA-PACIFIC LIMITED

**Statement of Changes in Funds
Year Ended 31 July 2022**

	<u>Accumulated Funds</u> \$
Current Year:	
Opening balance at 1 August 2021	221,312
Loss for the reporting year	(1,672)
Closing balance at 31 July 2022	<u>219,640</u>
Previous Year:	
Opening balance at 1 August 2020	304,962
Loss for the reporting year	(83,650)
Closing balance at 31 July 2021	<u>221,312</u>

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

COMMON PURPOSE ASIA-PACIFIC LIMITED

**Statement of Cash Flows
Year Ended 31 July 2022**

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Cash flows from operating activities</u>		
Net loss for the reporting year	(1,672)	(83,650)
Trade and other receivables	(180,906)	(13,149)
Other non-financial assets	(2,417)	293
Trade and other payables	39,846	(91,324)
Other non-financial liabilities	129,375	–
Net cash flows used in operating activities	<u>(15,774)</u>	<u>(187,830)</u>
<u>Cash flows from financing activities</u>		
Net movements in amounts due to member	262,895	117,646
Net movements in amounts due from related companies	(6,409)	(2,632)
Net cash flows from financing activities	<u>256,486</u>	<u>115,014</u>
Net increase / (decrease) in cash and cash equivalents	240,712	(72,816)
Cash and cash equivalents, statement of cash flows, beginning balance	<u>139,406</u>	<u>212,222</u>
Cash and cash equivalents, statement of cash flows, ending balance (Note 10)	<u><u>380,118</u></u>	<u><u>139,406</u></u>

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

COMMON PURPOSE ASIA-PACIFIC LIMITED

Notes to the Financial Statements 31 July 2022

1. General

The company is incorporated in Singapore as a company limited by guarantee not having any share capital. The financial statements are presented in Singapore dollar.

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

The company is a non-profit organisation established to provide charitable and other supporting activities aimed at educational work.

Each member of the company has undertaken to contribute such amounts not exceeding \$10 to the assets of the company in the event the company is wound up and the monies are required for payment of the liabilities of the company. The company has 1 member at the end of the reporting year.

The memorandum and articles of the company restricts the use of company monies to the furtherance of the objects of the company. They prohibit the payment of dividend, bonus or profit to members or related companies.

The registered office is: 7 Straits View, Marina One, East Tower, Level 12, Singapore 018936. The company is situated in Singapore.

Covid-19 related disclosures

The Covid-19 pandemic and the aftermath of the pandemic has had, or may have, on the reporting entity based on known information that extends to the nature of the products and services offered, customers, supply chain, staffing and geographic regions in which the reporting entity operates. Other than as addressed in specific notes, there does not currently appear to be either any significant impact upon the financial statements or any significant uncertainties with respect to events or conditions which may impact the reporting entity unfavourably as at the reporting date or subsequently as a result of the pandemic.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act 1967.

Accounting convention

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. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

COMMON PURPOSE ASIA-PACIFIC LIMITED

1. General (cont'd)

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make 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 reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (services) is transferred when or as the customer obtains control of that asset. Revenues including donations, gifts and grants that provide core funding or are of general nature are recognised where the above five-step model is completed. Revenue from rendering of services that are not significant transactions is recognised as the services are provided or when the significant acts have been completed.

Distinct services created over time – For long-term service contracts the customer value is created over time during the contract period and it is accounted for as separate performance obligations that are satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the entity's performance in processing each transaction as and when each transaction is processed; or the performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The revenue is recognised over time by using the output method. For the output method the revenue is recognised on the basis of direct measurements of the value to the customer of the services transferred to date relative to the remaining services promised under the contract.

Services – Revenue from service orders and term projects is recognised when the entity 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.

COMMON PURPOSE ASIA-PACIFIC LIMITED

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Grants

Grants are recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis.

Gifts-in-kind

A gift-in-kind (if any) is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received. No value is ascribed to volunteer and accounting services.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity'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 increase 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 entity is contractually obliged or where there is constructive obligation based on past practice.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. 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 profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

Income tax

As a charity, the fund is exempt from income tax on income and gains under the Income Tax Act, Chapter 134 to the extent that these are applied to its charitable objects.

COMMON PURPOSE ASIA-PACIFIC LIMITED

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity 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 entity 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.

Classification and measurement of financial assets:

1. 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, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date
3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

COMMON PURPOSE ASIA-PACIFIC LIMITED

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Critical judgements, assumptions and estimation uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the 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 currently or within the next reporting year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

COMMON PURPOSE ASIA-PACIFIC LIMITED

2. Significant accounting policies and other explanatory information (cont'd)

2B. Critical judgements, assumptions and estimation uncertainties (cont'd)

Revenue recognised over time

The entity has revenue where the performance obligation is satisfied over time. Revenue is recognised over time by measuring the progress toward complete satisfaction of that performance obligation. A single method is applied consistently for measuring progress for each performance obligation satisfied over time. Judgment is required when selecting a method (output or input methods) for measuring progress toward complete satisfaction of a performance obligation. Assessing the satisfaction of performance obligations over time requires judgment and the consideration of many criteria that should be met to qualify such as whether the customer presently is obligated to pay for an asset, whether the customer has legal title, whether the entity has transferred physical possession of the asset, whether the customer has assumed the significant risks and rewards of ownership of the asset, and whether the customer has accepted the asset. Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occur, actual results are still likely to be different from the estimates since other anticipated events frequently do not occur as expected and the variation may be material. The related account balances at the end of the reporting year are disclosed in the note on incoming resources.

Allowance for doubtful trade accounts

The trade receivables are subject to the expected credit loss model under the financial reporting standard on financial instruments. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of certain months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. A loss allowance, if any, is determined accordingly. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 8 on trade and other receivables.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (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.

3A. Members of a group:

<u>Name</u>	<u>Relationship</u>	<u>Country of incorporation</u>
Common Purpose Charitable Trust	Parent company and ultimate parent company	United Kingdom

Related companies in these financial statements include the members of the above group of companies.

COMMON PURPOSE ASIA-PACIFIC LIMITED

3. Related party relationships and transactions (cont'd)

3B. Related party transactions:

There are transactions and arrangements between the reporting entity 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 any financial guarantees are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

Significant related party transactions:

	<u>Member</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
Income from member	(83,821)	(38,490)
Delivery cost	108,334	–
Core cost expenses	<u>180,051</u>	<u>134,472</u>
	<u>Related companies</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
Income from related companies	(8,583)	(43,613)
Platform fees	44,750	–
License fee expense	<u>38,023</u>	<u>18,518</u>

3C. Key management compensation:

	<u>2022</u>	<u>2021</u>
	\$	\$
Salaries and other short-term employee benefits	<u>118,585</u>	<u>115,423</u>

Key management personnel include the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation are for one director of the company.

COMMON PURPOSE ASIA-PACIFIC LIMITED

3. Related party relationships and transactions (cont'd)

3D. Other receivables from and other payables to related parties:

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	<u>Member</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Other payables</u>		
Balance at beginning of the year	(147,420)	(29,774)
Amounts paid in and settlement of liabilities on behalf of the company	<u>(262,895)</u>	<u>(117,646)</u>
Balance at end of year (Note 11)	<u>(410,315)</u>	<u>(147,420)</u>
	<u>Related companies</u>	
	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Other receivables</u>		
Balance at beginning of the year	19,929	17,297
Amounts paid out and settlement of liabilities on behalf of related companies	<u>6,409</u>	<u>2,632</u>
Balance at end of year (Note 8)	<u>26,338</u>	<u>19,929</u>

4. Incoming resources

The various sources of incoming resources arise from services. The customers are commercial consumers and government agencies. About \$270,460 (2021: \$133,596) is recognised based on over time and the balance is recognised based on point in time. A large portion is for customers overseas. The contracts vary from a few days to 12 months.

5. Other income

	<u>2022</u>	<u>2021</u>
	\$	\$
Singapore government grant	928	9,924
Other income	<u>(533)</u>	<u>17,505</u>
Total other income	<u>395</u>	<u>27,429</u>

6. Administrative expenses

The major components of administrative expenses include the following:

	<u>2022</u>	<u>2021</u>
	\$	\$
Core cost expenses	<u>180,051</u>	<u>134,472</u>

COMMON PURPOSE ASIA-PACIFIC LIMITED

7. Employee benefits expense

	<u>2022</u>	<u>2021</u>
	\$	\$
Short term employee benefits expense	271,670	328,778
Contribution to defined contribution plan	21,361	25,749
Total employee benefits expense	<u>293,031</u>	<u>354,527</u>
<u>Presented in the statement of financial activities as follows:</u>		
Grant based programmes	132,853	71,392
Commercial customised programmes	125,351	226,142
Open programmes	34,827	56,993
Total employee benefits expense	<u>293,031</u>	<u>354,527</u>

8. Trade and other receivables

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Trade receivables:</u>		
Outside parties	120,281	119,391
Accrued income	156,400	45,811
Member	81,978	21,135
Related companies	87,103	78,519
Net trade receivables – subtotal	<u>445,762</u>	<u>264,856</u>
<u>Other receivables:</u>		
Outside parties	41	41
Related companies (Note 3)	26,338	19,929
Net other receivables – subtotal	<u>26,379</u>	<u>19,970</u>
Total trade and other receivables	<u>472,141</u>	<u>284,826</u>

The trade receivables are subject to the expected credit loss (“ECL”) model under the financial reporting standard on financial instruments. The methodology applied for impairment loss is the simplified approach to measuring ECL which uses a lifetime expected loss allowance for all trade receivables. The expected lifetime losses are recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the expected credit losses. The allowance matrix is based on its historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The loss allowance was determined as follows:

	<u>Gross amount</u>		<u>Loss allowance</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
	\$	\$	\$	\$
Trade receivables and accrued income:				
Current	293,342	173,298	–	–
1 to 30 days past due	19,404	32,100	–	–
Over 30 days past due	133,016	59,458	–	–
Total	<u>445,762</u>	<u>264,856</u>	<u>–</u>	<u>–</u>

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

COMMON PURPOSE ASIA-PACIFIC LIMITED

8. Trade and other receivables (cont'd)

There are no collateral held as security and other credit enhancements for the trade receivables.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 to 60 days (2021: 30 to 60 days). But some customers take a longer period to settle the amounts.

(a) Concentration of trade receivable customers as at the end of reporting year:

	<u>2022</u>	<u>2021</u>
	\$	\$
Top 1 customer	96,300	64,200
Top 2 customers	115,704	106,572
Top 3 customers	<u>120,175</u>	<u>142,720</u>

Other receivables are also subject to the ECL model under the financial reporting standard on financial instruments. These are normally with no fixed terms and therefore there is no maturity. Related company other receivables are regarded as of low credit risk if they are guaranteed by the parent or a related party with the ability to settle the amount

9. Other non-financial assets

	<u>2022</u>	<u>2021</u>
	\$	\$
Prepayments	<u>2,850</u>	<u>433</u>

10. Cash and cash equivalents

	<u>2022</u>	<u>2021</u>
	\$	\$
Not restricted in use	<u>380,118</u>	<u>139,406</u>

The interest earning balances are not significant.

11. Trade and other payables

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Trade payables:</u>		
Outside parties and accrued liabilities	54,057	55,933
Related companies	41,722	–
Net trade payables – subtotal	<u>95,779</u>	<u>55,933</u>
<u>Other payables:</u>		
Member (Note 3)	410,315	147,420
Net other payables – subtotal	<u>410,315</u>	<u>147,420</u>
Total trade and other payables	<u>506,094</u>	<u>203,353</u>

COMMON PURPOSE ASIA-PACIFIC LIMITED

12. Other non-financial liabilities

	<u>2022</u>	<u>2021</u>
	\$	\$
Deferred income	<u>129,375</u>	<u>—</u>

The deferred income primarily relates to the advance consideration received from customers for which no transfer of control has occurred, and therefore no revenue is recognised. The entity recognises revenue for each respective performance obligation when control of the service transfers to the customer, which is expected to occur within 12 months from the period end date.

13. Financial instruments: information on financial risks

13A. Categories of financial assets and liabilities

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

	<u>2022</u>	<u>2021</u>
	\$	\$
<u>Financial assets:</u>		
Financial assets at amortised cost	<u>852,259</u>	<u>424,232</u>
At end of the year	<u>852,259</u>	<u>424,232</u>
<u>Financial liabilities:</u>		
Financial liabilities at amortised cost	<u>506,094</u>	<u>203,353</u>
At end of the year	<u>506,094</u>	<u>203,353</u>

Further quantitative disclosures are included throughout these financial statements.

13B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk and liquidity risk. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out 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.

13C. 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 significant 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 and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

COMMON PURPOSE ASIA-PACIFIC LIMITED

13. Financial instruments: information on financial risks (cont'd)

13D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes.

13D. Credit risk on financial assets (cont'd)

However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. 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 10 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

13E. Liquidity risk – financial liabilities maturity analysis

The 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. There are no liabilities contracted to fall due after twelve months at the end of the reporting year. The 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. The average credit period taken to settle trade payables is about 60 days (2021: 60 days). The other payables are with short-term durations. 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.

13F. Interest rate risk

There is no significant exposure to interest rate risk as part of its normal business.

COMMON PURPOSE ASIA-PACIFIC LIMITED

13. Financial instruments: information on financial risks (cont'd)

13G. Foreign currency risk

Analysis of amounts denominated in non-functional currency:

	<u>US dollar</u>	<u>British pound</u>	<u>Total</u>
	\$	\$	\$
<u>2022:</u>			
<u>Financial assets:</u>			
Loan and receivables	4,471	82,373	86,844
Total financial assets	<u>4,471</u>	<u>82,373</u>	<u>86,844</u>
<u>Net financial assets at end of the year</u>	<u>4,471</u>	<u>82,373</u>	<u>86,844</u>
	<u>US dollar</u>	<u>British pound</u>	<u>Total</u>
	\$	\$	\$
<u>2021:</u>			
<u>Financial assets:</u>			
Loan and receivables	54,718	98,448	153,166
Total financial assets	<u>54,718</u>	<u>98,448</u>	<u>153,166</u>
<u>Financial liabilities:</u>			
Trade and other payables	–	147,420	147,420
Total financial liabilities	<u>–</u>	<u>147,420</u>	<u>147,420</u>
<u>Net financial assets (liabilities) at end of the year</u>	<u>54,718</u>	<u>(48,972)</u>	<u>5,746</u>

Sensitivity analysis: The effect on pre-tax profit is not significant.

14. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>FRS No.</u>	<u>Title</u>
FRS 1 and 8	Definition of Material – Amendments to The Conceptual Framework for Financial Reporting
FRS PS 2	FRS Practice Statement 2 Making Materiality Judgements

COMMON PURPOSE ASIA-PACIFIC LIMITED

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

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following 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 entity's financial statements in the period of initial application.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 1	Classification of Liabilities as Current or Non-current – <i>Amendments to</i>	1 Jan 2023
FRS 8	Definition of Accounting Estimates - Amendments to	1 Jan 2023
Various	Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 Jan 2023
Various	Annual Improvements to FRSs 2018-2020	1 Jan 2022

16. Reclassifications and comparative figures

Certain reclassifications were made in the balances in the financial statements for last year. The material changes in the balances included in the following:

	<u>After</u>	<u>Reclassifications</u>	<u>Difference</u>
	<u>\$</u>	<u>Before</u>	<u>\$</u>
<u>2021</u>			
<u>Statement of financial activities</u>			
<u>Income resources</u>			
Charitable customised programmes	63,126	23,300	39,826
Commercial customised programmes	199,958	200,394	(436)
ASEAN fees	50,394	83,296	(32,902)
Other income	27,429	33,917	(6,488)
<u>Resources expended</u>			
Charitable customised programmes	–	(2,828)	2,828
Commercial customised programmes	(236,049)	(112)	(235,937)
ASEAN programmes	–	19,588	(19,588)
Administrative	(151,297)	(523,308)	372,011
Grant based programmes	(56,389)	–	(56,389)
Open programmes	(62,925)	–	(62,925)

The reclassifications were made to enhance comparability with current year's statement of financial activities only. There are no changes to other components of the financial statements.