

The Hut Limited
(Company Registration Number: 202007365W)
(Registered under the Companies Act 1967 and Charities Act 1994)

AUDITED FINANCIAL STATEMENTS
For the Year Ended 31 December 2022



**Tan, Chan
& Partners**

CHARTERED ACCOUNTANTS SINGAPORE

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The Hut Limited

**AUDITED FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

Contents	Page
Directors' Statement	1
Independent Auditor's Report	2 - 4
Statement of Financial Activities	5 - 10
Balance Sheet	11
Statement of Cash Flows	12
Notes to the Financial Statements	13 - 24

The Hut Limited

**DIRECTORS' STATEMENT
For the Year Ended 31 December 2022**

The directors present their statement to the members together with the audited financial statements of The Hut Limited (the "Company") for the financial year ended 31 December 2022.

In the opinion of the directors

- (a) the financial statements of the Company together with the notes thereto are properly drawn up in accordance with the provisions of the Companies Act 1967 and the Charities Act 1994 and other relevant regulations and the Charities Accounting Standards in Singapore ("CASs") so as to present fairly, in all material respects, the state of affairs of the Company as at 31 December 2022 and the results and cash flows of the Company for the financial year ended on that date;
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due; and
- (c) there was no fund-raising appeal held by the Company during the financial year.

DIRECTORS

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

Wong Wei Jie Derrick
Quah Suat Lay Nancy
Noriman Ali Salam
Glara Yi Young Eun
Anand Nalachandran (Appointed on 15 December 2022)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

The Company has no share capital and its liability is limited by guarantee, the liability of each member of the Company is limited to an amount as may be required but not exceeding \$1.

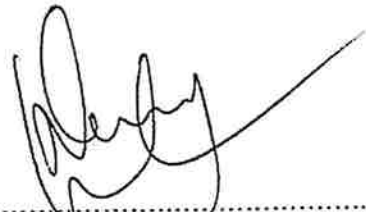
INDEPENDENT AUDITOR

The independent auditor, Tan, Chan & Partners, have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors



.....
Noriman Ali Salam
Director
Singapore



.....
Quah Suat Lay Nancy
Director

Date: 21 April 2023

INDEPENDENT AUDITOR'S REPORT

To the Members of
The Hut Limited
For the Year Ended 31 December 2022

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Hut Limited (the "Company"), which comprise the balance sheet as at 31 December 2022, the statement of financial activities and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Companies Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations"), and Charities Accounting Standards in Singapore ("CASs") so as to present fairly, in all material respects, the financial position of the Company as at 31 December 2022 and of the financial performance 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 Directors' Statement.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

**To the Members of
The Hut Limited
For the Year Ended 31 December 2022**

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

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, the Charities Act and Regulations, and CASs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

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:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 Members of
The Hut Limited
For the Year Ended 31 December 2022

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

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

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

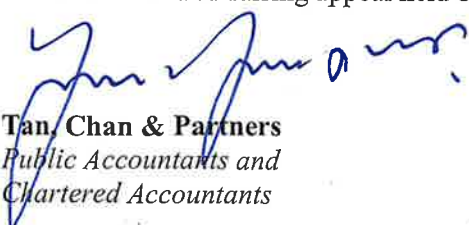
Report on other legal and regulatory requirements

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 Companies Act, and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial 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 requirement of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

There was no fund-raising appeal held by the Company during the financial year.



Tan, Chan & Partners
Public Accountants and
Chartered Accountants

Singapore

Date: 21 April 2023

The Hut Limited

STATEMENT OF FINANCIAL ACTIVITIES
For the Financial Year Ended 31 December 2022

	Unrestricted fund	Designated funds					Restricted fund					Total funds		
		Accumulated Fund	Deferred Capital Fund	Renovation and Infrastructure Fund	Playpod Fund	Youth Development Fund	EduGrow Group Academic Coaching Fund	KH Tan Crisis Fund	EduGrow KI to P1 Fund	Tech-and-GO! Charities Fund	Hut Mentoring Fund		LCSS Mentoring Fund	ROXY Foundation Start Young Grant
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Less: Governance and administrative costs														
Auditor's remuneration	4,541	-	-	-	-	-	-	-	-	-	-	-	-	4,541
Accounting fees	6,414	-	-	-	-	-	-	-	-	-	-	-	-	6,414
Administrative expenses	1,182	-	-	-	-	-	-	-	-	-	-	-	-	1,182
Bank charges	120	-	-	-	-	-	-	-	-	-	-	-	-	120
Corporate secretarial services	640	-	-	-	-	-	-	-	-	-	-	-	-	640
Depreciation	2,978	50,013	-	-	-	-	-	-	-	-	-	-	-	52,991
Insurance	2,529	-	-	-	-	-	-	-	-	-	-	-	-	2,529
Marketing and Outreach	24	-	-	-	-	-	-	-	-	-	-	-	-	24
Photocopier rental	243	-	-	-	-	-	-	-	-	-	-	-	-	243
Printing and Stationary	1,096	-	-	-	-	-	-	-	-	-	-	-	-	1,096
Repair and maintenance	790	-	3,834	-	-	-	-	-	-	-	-	-	-	4,624
Software subscription	213	-	-	-	-	-	-	-	-	-	-	-	-	213
Office hygiene	1,041	-	-	-	-	-	-	-	-	-	-	-	-	1,041
Staff costs	5,626	-	-	-	-	-	-	-	-	-	-	-	-	5,626
Telecom	1,014	-	-	-	-	-	-	-	-	-	-	-	-	1,014
Utilities	6,927	-	-	-	-	-	-	-	-	-	-	-	-	6,927
	35,378	50,013	3,834	-	-	-	-	-	-	-	-	-	-	89,225

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

The Hut Limited

STATEMENT OF FINANCIAL ACTIVITIES
For the Financial Year Ended 31 December 2022

	Unrestricted fund	Designated funds					Restricted fund						Total funds	
		Accumulated fund	Deferred Capital Fund	Renovation and Infrastructure Fund	Playpod Fund	Youth Development Fund	EduGrow Group Academic Coaching Fund	KH Tan Crisis Fund	EduGrow K1 to P1 Fund	Tech-and-GO! Charities Fund	Hut Mentoring Fund	LCSS Mentoring Fund		ROXY Foundation Start Young Grant
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2022 (Cont'd)														
Surplus before taxation	32,589	(50,013)	(3,834)	-	(15,062)	23,204	29,216	6,828	58,280	830,000	450,000	10,000	135,950	1,507,158
Less: Taxation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Income tax credit	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net surplus for the financial year	32,589	(50,013)	(3,834)	-	(15,062)	23,204	29,216	6,828	58,280	830,000	450,000	10,000	135,950	1,507,158
Transfer of funds	-	43,729	(17,059)	-	-	(2,070)	-	-	(24,600)	-	-	-	-	-
Net surplus after funds transfer	32,589	(6,284)	(20,893)	-	(15,062)	21,134	29,216	6,828	33,680	830,000	450,000	10,000	135,950	1,507,158
Total funds brought forward	1,979,477	91,808	33,393	10,000	15,164	14,330	-	-	-	-	-	-	-	2,144,172
Total funds carried forward	2,012,066	85,524	12,500	10,000	102	35,464	29,216	6,828	33,680	830,000	450,000	10,000	135,950	3,651,330

Note

20

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

The Hut Limited

STATEMENT OF FINANCIAL ACTIVITIES
For the Financial Year Ended 31 December 2022

	Designated funds				Restricted fund							Total funds	
	Deferred Capital Fund	Renovation and Infrastructure Fund	Playpod Fund	Youth Development Fund	EduGrow Group Academic Coaching Fund	KH Tan Crisis Fund	EduGrow KI to P1 Fund	Tech-and-GO! Charities Fund	Hut Mentoring Fund	LCSS Mentoring Fund	ROXY Foundation Start Young Grant		Peter Lim Sports Ignite Grant
Unrestricted fund													
Accumulated Fund													
\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2,768	-	-	-	-	-	-	-	-	-	-	-	-	2,768
6,324	-	-	-	-	-	-	-	-	-	-	-	-	6,324
97	-	-	-	-	-	-	-	-	-	-	-	-	97
118	-	-	-	-	-	-	-	-	-	-	-	-	118
920	-	-	-	-	-	-	-	-	-	-	-	-	920
2,504	44,637	-	-	-	-	-	-	-	-	-	-	-	47,141
2,240	-	-	-	-	-	-	-	-	-	-	-	-	2,240
176	-	-	-	-	-	-	-	-	-	-	-	-	176
894	-	-	-	-	-	-	-	-	-	-	-	-	894
426	-	-	-	-	-	-	-	-	-	-	-	-	426
595	-	2,193	-	-	-	-	-	-	-	-	-	-	2,788
313	-	-	-	-	-	-	-	-	-	-	-	-	313
491	-	399	-	-	-	-	-	-	-	-	-	-	890
1,516	-	-	-	-	-	-	-	-	-	-	-	-	1,516
1,730	-	-	-	-	-	-	-	-	-	-	-	-	1,730
3,375	-	-	-	-	-	-	-	-	-	-	-	-	3,375
25,578	44,637	2,592	-	-	-	-	-	-	-	-	-	-	72,807

2021 (Cont'd)

Less: Governance and administrative costs

- Auditor's remuneration
- Accounting fees
- Administrative expenses
- Bank charges
- Corporate secretarial services
- Depreciation
- Insurance
- Marketing & Outreach
- Photocopier rental
- Printing and Stationary
- Repair and maintenance
- Software subscription
- Office hygiene
- Staff costs
- Telecom
- Utilities

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

The Hut Limited

STATEMENT OF FINANCIAL ACTIVITIES
For the Financial Year Ended 31 December 2022

	Unrestricted fund	Designated funds					Restricted fund						Total funds					
		Deferred Capital Fund	Renovation and Infrastructure Fund	Playpod Fund	Youth Development Fund	EduGrow Academic Coaching Fund	KH Tan Crisis Fund	EduGrow K1 to P1 Fund	Tech-and-Charities GO! Fund	Hut Mentoring Fund	LCSS Mentoring Fund	ROXY Foundation Start Young Grant		Peter Lim Sports Ignite Grant				
2021 (Cont'd)																		
Surplus before taxation	1,997,086	(44,637)	(4,662)	-	(14,836)	14,330	-	-	-	-	-	-	-	-	-	-	-	1,947,281
Less: Taxation																		
Income tax credit	(5,483)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(5,483)
Net surplus for the financial year	2,002,569	(44,637)	(4,662)	-	(14,836)	14,330	-	-	-	-	-	-	-	-	-	-	-	1,952,764
Transfer of funds	(50,000)	65,087	(15,087)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net surplus after funds transfer	1,952,569	20,450	(19,749)	-	(14,836)	14,330	-	-	-	-	-	-	-	-	-	-	-	1,952,764
Total funds brought forward	26,908	71,358	53,142	10,000	30,000	-	-	-	-	-	-	-	-	-	-	-	-	191,408
Total funds carried forward	1,979,477	91,808	33,393	10,000	15,164	14,330	-	-	-	-	-	-	-	-	-	-	-	2,144,172

Note

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

The Hut Limited
BALANCE SHEET
As at 31 December 2022

	Note	2022 \$	2021 \$
Funds			
<u>Unrestricted</u>			
Accumulated Fund		<u>2,012,066</u>	<u>1,979,477</u>
<u>Designated</u>			
Deferred Capital Fund	3	<u>85,524</u>	91,808
Renovation and Infrastructure Fund	4	<u>12,500</u>	33,393
Playpod Fund	5	<u>10,000</u>	10,000
Youth Development Fund	6	<u>102</u>	15,164
		<u>108,126</u>	<u>150,365</u>
<u>Restricted</u>			
EduGrow Group Academic Coaching Fund	7	<u>35,464</u>	14,330
KH Tan Crisis Fund	8	<u>29,216</u>	-
EduGrow K1 to P1 Fund	9	<u>6,828</u>	-
Tech-and-GO! Charities Fund	10	<u>33,680</u>	-
Hut Mentoring Fund	11	<u>830,000</u>	-
LCSS Mentoring Fund	12	<u>450,000</u>	-
ROXY Foundation Start Young Grant	13	<u>10,000</u>	-
Peter Lim Sports Ignite Grant	14	<u>135,950</u>	-
		<u>1,531,138</u>	<u>14,330</u>
Total funds		<u><u>3,651,330</u></u>	<u><u>2,144,172</u></u>
Non-current assets			
Plant and equipment	15	<u>61,720</u>	93,103
Intangible asset	16	<u>24,600</u>	-
		<u>86,320</u>	<u>93,103</u>
Current assets			
Other receivables	17	<u>250</u>	4,748
Cash and bank balances	18	<u>3,599,429</u>	2,074,698
		<u>3,599,679</u>	<u>2,079,446</u>
Current liabilities			
Other payables	19	<u>34,669</u>	28,377
Net current assets		<u><u>3,565,010</u></u>	<u><u>2,051,069</u></u>
Net assets		<u><u>3,651,330</u></u>	<u><u>2,144,172</u></u>

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

The Hut Limited
STATEMENT OF CASH FLOWS
For the Financial Year Ended 31 December 2022

	Note	2022 \$	2021 \$
Operating activities			
Surplus before taxation		1,507,158	1,947,281
<u>Adjustments for:</u>			
Depreciation of plant and equipment	15	<u>52,991</u>	<u>47,141</u>
Operating cash flows before working capital changes		1,560,149	1,994,422
<u>Adjustments for changes in working capital:</u>			
Other receivables		4,498	9,342
Other payables		<u>6,292</u>	<u>11,807</u>
Cash flows from operations		1,570,939	2,015,571
Income tax paid		-	3,663
Net cash flows generated from operating activities		<u>1,570,939</u>	<u>2,019,234</u>
Investing activities			
Acquisition of plant and equipment	15	(21,608)	(78,586)
Acquisition of intangible asset	16	<u>(24,600)</u>	<u>-</u>
Net cash flow used in investing activities		<u>(46,208)</u>	<u>(78,586)</u>
Net changes in cash and cash equivalents		1,524,731	1,940,648
Cash and cash equivalents at beginning of financial year		<u>2,074,698</u>	<u>134,050</u>
Cash and cash equivalents at end of financial year	18	<u><u>3,599,429</u></u>	<u><u>2,074,698</u></u>

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

The Hut Limited

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2022

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

1. GENERAL INFORMATION

The Hut Limited (the “Company”) is incorporated and domiciled in Singapore, limited by guarantee, and not having a share capital.

The Company is registered as a charity under the Charities Act 1994 and is an approved Institution of Public Character (IPC) from 13 July 2021 to 12 July 2023.

The registered office and principal place of operation of the Company is located at 35 Marine Crescent, #01-63/65, Marine Crescent Ville, Singapore 440035.

The principal activities of the Company are:

- (a) to provide comprehensive preventive, development, and remedial services and opportunities for children.
- (b) to provide guidance and assistance to children and youths in the areas of education and life skills development; and
- (c) to provide a platform for children and youths from varying backgrounds to build positive relationships with each other.

The financial statements of the Company for the financial year ended 31 December 2022 were authorised for issue by the board of directors on the date of Directors’ Statement.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements, expressed in Singapore Dollar (“\$”), which is the functional currency of the Foundation have been prepared in accordance with the provisions of the Companies Act 1967, the Charities Act 1994 and Charities Accounting Standards in Singapore (“CASs”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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

The Hut Limited

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.1 Basis of preparation (cont'd)

Use of estimates and judgements

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

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

2.2 Revenue recognition

Income is recognised in the statement of financial activities to the extent that the Foundation becomes entitled to the income, when it is probable that the income will be received; and when the amount of the income can be measured with sufficient reliability.

Donations

Donations are recognised upon receipt.

Government grants

Grants are recognised on upon receipt. However, grants received that are subject to donor-imposed pre-conditions are deferred as liabilities until the Foundation is able to meet the terms of the grants.

Miscellaneous income

Miscellaneous income is recognised on receipt basis.

2.3 Recognition of expenditures

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

Cost of generating funds

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

The Hut Limited

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.3 Recognition of expenditures (cont'd)

Cost of charitable activities

All resources applied in undertaking activities to meet the Company's charitable objectives are classified under cost of charitable activities.

Governance costs

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

Allocation of costs

Where appropriate, expenditures specifically identifiable to each cost classification are allocated directly to the type of costs incurred. Where apportionment between each costs classification is necessary, apportionment bases such as usage, head-count, floor area occupied or time required may be used as appropriate.

2.4 Employee benefits

Defined contribution plan

The Foundation makes contributions to the Central Provident Fund in Singapore. Contributions to the defined contribution plan are recognised as an expense in the period in which the related service is performed.

Short-term benefits

All short-term benefits including accumulating compensated absences are recognised in the statement of financial activities in the period in which the employees render their services.

2.5 Plant and equipment

Plant and equipment are carried at cost less accumulated depreciation. Depreciation is charged on the straight-line method to write off the assets over their estimated useful lives as follows:

	<u>Useful lives</u>
Furniture and fitting	3 years
Renovation	3 years
Office and other equipment	3 years
Computer and software	1 year

The Hut Limited

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Plant and equipment

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

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of financial activities.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

2.7 Receivables

Receivables are presented as current assets, except those maturing later than twelve months after the balance sheet date which are classified as non-current assets.

Receivables (excluding prepayments) are recognised at their transaction price excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, other receivables are subsequently measured at cost less any accumulated impairment losses. Prepayments are subsequently measured at the amount paid less the economic resources received or consumed during the financial year.

At each balance sheet date, where there is objective evidence that a receivable is impaired, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the statement of financial activities. The allowance recognised is measured as the difference between the asset's carrying amount and the undiscounted future cashflows that the Foundation expects to receive from the receivables. When a receivable is uncollectible, it is written off against the allowance account for receivables. Subsequent recoveries of amounts previously written off are credited in the statement of financial activities.

2.8 Cash and cash equivalents

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

2.9 Taxation

As the Company is registered under Charity, the income is exempted from tax under section 13(1) (zm) of the Singapore Income Tax Act.

The Hut Limited

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Other payables

Other payables are initially measured at transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.11 Intangible assets

Intangible assets acquired separately are recorded at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets with finite useful lives are amortised on a straight-line basis over their estimated useful lives, and assessed for impairment whenever there is an indication that the intangible assets may be impaired. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

Givily Centre and Volunteer Management System

Amortisation of the intangible asset begins when development is completed and the asset is available for use. Givily Centre and Volunteer Management System are amortised over the period of 10 years on a straight line basis.

3. DEFERRED CAPITAL FUND

Deferred Capital Fund was set up to maintain and monitor those funds used to purchase plant and equipment. Depreciation charged on the related assets are accounted in this fund.

	Note	2022 \$	2021 \$
At the beginning of the financial year		91,808	71,358
Expenditures incurred during the financial year		(50,013)	(44,637)
Transfer from Accumulated fund		-	50,000
Transfer from Renovation and Infrastructure Fund	4	19,129	15,087
Transfer from Tech-and-Go! Charities Fund	10	24,600	-
At the end of the financial year		<u>85,524</u>	<u>91,808</u>

The Hut Limited

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

4. RENOVATION AND INFRASTRUCTURE FUND

The Renovation and Infrastructure Fund is set up to provide for the renovations, maintenance, and furnishings of the Company's premise.

	Note	2022 \$	2021 \$
At the beginning of the financial year		33,393	53,142
Expenditures incurred during the financial year		(3,834)	(4,662)
Transfer to Deferred Capital Fund	3	(19,129)	(15,087)
Transfer from EduGrow Group Academic Coaching fund	7	<u>2,070</u>	<u>-</u>
At the end of the financial year		<u>12,500</u>	<u>33,393</u>

5. PLAYPOD FUND

The PlayPod Fund was established to support the running of the PlayPods. This includes but is not limited to the costs related to workshops, materials and facilitation.

	2022 \$	2021 \$
At the beginning and end of the financial year	<u>10,000</u>	<u>10,000</u>

6. YOUTH DEVELOPMENT FUND

The Youth Development Fund was established to support the youths. This includes but is not limited to the running and organising of youth-led projects, leadership development training programmes and group work.

	2022 \$	2021 \$
At the beginning of the financial year	15,164	30,000
Expenditures incurred during the financial year	<u>(15,062)</u>	<u>(14,836)</u>
At the end of the financial year	<u>102</u>	<u>15,164</u>

The Hut Limited

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

7. EDUGROW GROUP ACADEMIC COACHING FUND

The EduGrow Group Academic Coaching Fund was established for P2 to P6 children to receive English and Mathematics group academic coaching.

	2022	2021
	\$	\$
At the beginning of the financial year	14,330	-
Net surplus for the financial year	23,204	14,330
Transfer to Renovation and infrastructure fund	(2,070)	-
At the end of the financial year	35,464	14,330

8. KH TAN CRISIS FUND

The KH Tan Crisis Fund was established for crisis situation for the Company's children and families.

	2022	2021
	\$	\$
At the beginning of the financial year	-	-
Net surplus for the financial year	29,216	-
At the end of the financial year	29,216	-

9. EDUGROW K1 TO P1 FUND

The EduGrow K1 to P1 Fund was established for children between K1 to P1 to receive literacy and numeracy support. This fund is supported by EDIS Cares (Corporate Social Responsibility arm of Economic Development Innovations Singapore).

	2022	2021
	\$	\$
At the beginning of the financial year	-	-
Income received during the financial year	6,828	-
At the end of the financial year	6,828	-

The Hut Limited

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

10. TECH-AND-GO! CHARITIES FUND

The Tech-And-Go! Charities Fund was established for supporting the online digital system which is the Givily Centre Volunteer Management System (CVMS).

	Note	2022 \$	2021 \$
At the beginning of the financial year		-	-
Income received during the financial year		58,280	-
Transfer to Deferred Capital Fund	3	<u>(24,600)</u>	<u>-</u>
At the end of the financial year		<u>33,680</u>	<u>-</u>

11. HUT MENTORING FUND

The Hut Mentoring Fund was established to provide mentoring support for identified children and youth at the Company.

	2022 \$	2021 \$
At the beginning of the financial year	-	-
Income received during the financial year	<u>830,000</u>	<u>-</u>
At the end of the financial year	<u>830,000</u>	<u>-</u>

12. LCSS MENTORING FUND

The LCSS Mentoring Fund was established for the mentoring component of EduGrow for Brighter Tomorrows, a programme which the Company is in partnership with Life Community Services Society (LCSS). The Company will reimburse LCSS \$150,000 each year from 2023 to 2025.

	2022 \$	2021 \$
At the beginning of the financial year	-	-
Income received during the financial year	<u>450,000</u>	<u>-</u>
At the end of the financial year	<u>450,000</u>	<u>-</u>

13. ROXY FOUNDATION START YOUNG GRANT

The ROXY Foundation Start Young Grant is supported by ROXY Foundation at \$10,000 each year from 2022 to 2024. This fund disburses prizes and awards to children from the Company and children from pre-schools in Marine Parade.

	2022 \$	2021 \$
At the beginning of the financial year	-	-
Income received during the financial year	<u>10,000</u>	<u>-</u>
At the end of the financial year	<u>10,000</u>	<u>-</u>

The Hut Limited

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

14. PETER LIM SPORTS IGNITE GRANT

The Peter Lim Sports Ignite Grant was established to further sports exposure and development at the Company.

	2022	2021
	\$	\$
At the beginning of the financial year	-	-
Net surplus for the financial year	135,950	-
At the end of the financial year	135,950	-

15. PLANT AND EQUIPMENT

	Furniture and fittings \$	Renovation in progress \$	Office and other equipment \$	Computer and software \$	Total \$
<u>Cost</u>					
As at 01 January 2021	1,155	60,503	-	-	61,658
Additions	17,651	56,610	1,258	3,067	78,586
As at 31 December 2021	18,806	117,113	1,258	3,067	140,244
Additions	11,811	910	6,539	2,348	21,608
As at 31 December 2022	30,617	118,023	7,797	5,415	161,852
<u>Accumulated depreciation</u>					
As at 01 January 2021	-	-	-	-	-
Depreciation	5,782	38,709	307	2,343	47,141
As at 31 December 2021	5,782	38,709	307	2,343	47,141
Depreciation	8,829	39,228	2,232	2,702	52,991
As at 31 December 2022	14,611	77,937	2,539	5,045	100,132
<u>Carrying amount</u>					
As at 31 December 2021	13,024	78,404	951	724	93,103
As at 31 December 2022	16,006	40,086	5,258	370	61,720

The Hut Limited

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

16. INTANGIBLE ASSET

	Givily Centre And Volunteer Management System \$
<u>Cost</u>	
As at 1 January 2021 and 31 December 2021	-
Additions	24,600
As at 31 December 2022	24,600
<u>Accumulated amortisation</u>	
As at 1 January 2021 and 31 December 2021	-
Additions	-
As at 31 December 2022	-
<u>Carrying amount</u>	
As at 31 December 2021	-
As at 31 December 2022	24,600

No amortisation is charged as the system is not yet available for use.

17. OTHER RECEIVABLES

	2022 \$	2021 \$
Deposits	210	210
Other receivable	-	4,438
Prepayments	40	100
	250	4,748

18. CASH AND BANK BALANCES

	2022 \$	2021 \$
Cash at bank	3,599,429	2,074,698

Cash at bank earns interest at prevailing bank interest rate.

The Hut Limited

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

19. OTHER PAYABLES

	2022	2021
	\$	\$
Accrued operating expenses	10,050	23,647
CPF payable	22,086	-
Sundry creditors	2,533	4,730
	34,669	28,377

20. INCOME TAX

The Company is registered Charity under the Charities Act which is exempted from income tax under Section 13(1)(zm) of the Income Tax Act.

	2022	2021
	\$	\$
<u>Major components of income tax credit</u>		
Current financial year	-	-
Overprovision in prior financial year	-	(5,483)
	-	(5,483)

The reconciliation between tax credit and the product of accounting profit multiplied by applicable corporate tax rate is as follows:

	2022	2021
	\$	\$
Assessable income	-	-
Tax calculated at statutory tax rate of 17%	-	-
<u>Adjustment:</u>		
Effect of partial tax exemptions	-	-
Over assessed in prior financial year	-	(5,483)
	-	(5,483)

The Company has overpaid tax of \$5,483 from the date of incorporation up to date of charity status obtained on 1st June 2020. During the current financial year, the Company has successfully recovered the overpaid tax under the Income Tax Act.

The Hut Limited

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended 31 December 2022**

21. STAFF COSTS/ KEY MANAGEMENT PERSONNEL

	2022	2021
	\$	\$
CPF contribution	13,539	10,230
Salaries and bonus	84,193	60,170
SDL	124	11
	97,856	70,411

None of the Company's top three highest paid staffs received more than \$100,000 in annual remuneration and no board member received remuneration for their board services. The remuneration paid out to the board member was for his/her capacity as an employee.

The above staff costs amounted to \$97,856 (2021: \$70,411) represented compensation paid to a key management personnel in the capacity as director.

22. CAPITAL COMMITMENT

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements:

<u>31.12.2022</u>	Contracted sum \$	Progress billing to date \$	Commitments as at period end \$
Givily Centre and Volunteer Management System work in progress	82,000	24,600	57,400

23. MEMBERS' GUARANTEE

The liability of each member is limited to \$1 while he is a member, or within one year after he ceases to be a member.

As at the end of the reporting period, the Company has 3 members.