



Annual Report 2023

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MESSAGE FROM US AT BINJAITREE

BinjaiTree was started to support causes close to the heart of our Founder, namely in areas that he came face to face with. With this guiding principle, mental health, charity governance, social services and the arts featured strongly initially. This gave impetus to found charities such as Shared Services for Charities, Caregiver Alliance and Resilience Collective.

Serendipity also played a key part in the ensuing years as we engaged more widely and found ourselves particularly inspired by new or young charitable organisations that are driven with passion, energy and talent of founders and leaders aspiring to make an impact in the lives of people. In this regard, we are proud and privileged to have been closely associated with several such organisations like Project Dignity, Trisector Associates, Majurity Trust, OH! Open House, Teng Ensemble, Access and Happee Hearts.

Beyond our financial support, we have certainly helped to garner resourceful friends to help these charities. We are deeply grateful to them for their time, networks and resources to grow these causes alongside us and hope they have been enriched as much as we have been by the experience.

Despite all that we have done, there is more to do and our board is mindful that we should reflect more deeply on how to contribute even more impactfully. Perhaps, we need a more strategic approach beyond the founder's fuzzy heart and serendipity?

One area that is strategically most important is the preservation of nature and biodiversity. It is abundantly clear that the existential challenge of life on earth is a sustainable environment which man has until now ignored to its peril. We will be looking into this area and give priority to agencies that seek to protect our natural habitat.

In closing, we thank all our collaborators and colleagues for coming together in the endeavour for all creatures great and small.

Directors

Hsieh Fu Hua
Chan Chia Lin
Nicholas Lee
Tina Hung

Associates

Julian Hong
Lu Liu
Andrew Lee

CORPORATE INFORMATION

UEN	200818724G
Incorporation date	23 September 2008
Registered Address	20 Collyer Quay #11-07 Singapore 049319
Charity registration	1 November 2008
Institution of a Public Character	IPC000646
Company Secretary	Ms Gwendolin Lee Soo Fern
Banker	DBS Bank Limited
Auditors	Baker Tilly TFW LLP

MISSION & GUIDING PRINCIPLES

Mission

BinjaiTree serves the community through giving direct grants, charity management and governance advice or by connecting charities and causes to bring about synergies and positive changes in the charity landscape. We encourage the causes which we support to establish and define goals, and we help our grantees devise strategies to attain these goals. We optimise our time, effort and giving by instituting a robust review and grant-making process. This allows us to choose the causes and issues we want to champion and the groups to which we extend our aid. We want our resources not merely to support at a given time of need, but also to support the causes that will be able to grow and be sustainable over the long term.

BinjaiTree currently prioritises grants made for the following causes:

- Mental Health
- Arts and Culture
- Services for the development and professionalization of Charities
- Charity and the Community

Guiding Principles

These guiding principles define our approach to our philanthropic work and directs our strategies and grant making. While many of them are fundamental to our operations, we remain open to amending them as we grow.

- We consider the larger picture and focus on the best way to bring sustained benefits to the community.
- We work to provide the greatest opportunity for our various beneficiaries to reach their goals and potential.
- We use our resources, funds and capabilities well.
- We value respect and trust as fundamental in our relationships with our beneficiaries, grantees and partners.
- We staunchly advocate and practise good governance in all our dealings.

CORPORATE GOVERNANCE

Board Member (Occupation)	Date Appointed	Board Meeting Attendance
Hsieh Fu Hua¹ Founder / Director (Board Director) Alternate Director: Hsieh Nizhen	23 September 2008	3/3
Angela Chau² Director Resigned: 31 December 2023	13 January 2010	3/3
Chan Chia Lin Director (Director, Lam Soon Cannery Pte Ltd)	2 February 2016	3/3
Nicholas Lee Jin Kian Director (Advisor)	22 December 2020	3/3
Tina Hung Director (Senior Consultant, National Council of Social Service)	01 January 2023	2/3
Hsieh Nizhen Alternate Director to Hsieh Fu Hua	1 March 2012	0/3

Directors on BinjaiTree board for more than 10 years:

¹ Hsieh Fu Hua is the founding member and this charity was established with funding from him and his family for the most part.

Governance Evaluation Checklist – Enhanced Tier

S/N	Code guideline	Code ID	Response (select whichever is applicable)	Explanation (if Code guideline is not complied with)
Board Governance				
1	Induction and orientation are provided to incoming governing board members upon joining the Board.	1.1.2	YES	
	Are there governing board members holding staff¹ appointments? (skip items 2 and 3 if “No”)		NO	
2	Staff does not chair the Board and does not comprise more than one third of the Board.	1.1.3	N/A	
3	There are written job descriptions for the staff's executive functions and operational duties, which are distinct from the staff's Board role.	1.1.5	N/A	
4	The Treasurer of the charity (or any person holding an equivalent position in the charity, e.g. Finance Committee Chairman or a governing board member responsible for overseeing the finances of the charity) can only serve a maximum of 4 consecutive years . If the charity has not appointed any governing board member to oversee its finances, it will be presumed that the Chairman oversees the finances of the charity.	1.1.7	NO	The Chairman oversees finances
5	All governing board members must submit themselves for re-nomination and re-appointment , at least once every 3 years.	1.1.8	YES	
6	The Board conducts self evaluation to assess its performance and effectiveness once during its term or every 3 years, whichever is shorter.	1.1.12	YES	
	Is there any governing board member who has served for more than 10 consecutive years? (skip item 7 if “No”)		YES	
7	The charity discloses in its annual report the reasons for retaining the governing board member who has served for more than 10 consecutive years .	1.1.13	YES	
8	There are documented terms of reference for the Board and each of its committees.	1.2.1	YES	
Conflict of Interest				
9	There are documented procedures for governing board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity.	2.1	YES	
10	Governing board members do not vote or participate in decision making on matters where they have a conflict of interest.	2.4	YES	
Strategic Planning				
11	The Board periodically reviews and approves the strategic plan for the charity to ensure that the charity's activities are in line with the charity's objectives.	3.2.2	YES	
Human Resource and Volunteer² Management				

S/N	Code guideline	Code ID	Response (select whichever is applicable)	Explanation (if Code guideline is not complied with)
12	The Board approves documented human resource policies for staff.	5.1	YES	
13	There is a documented Code of Conduct for governing board members, staff and volunteers (where applicable) which is approved by the Board.	5.3	YES	
14	There are processes for regular supervision, appraisal and professional development of staff.	5.5	NO	BinjaiTree has no staff.
	Are there volunteers serving in the charity? (skip item 15 if "No")		YES	
15	There are volunteer management policies in place for volunteers.	5.7	YES	
Financial Management and Internal Controls				
16	There is a documented policy to seek the Board's approval for any loans, donations, grants or financial assistance provided by the charity which are not part of the charity's core charitable programmes.	6.1.1	YES	
17	The Board ensures that internal controls for financial matters in key areas are in place with documented procedures .	6.1.2	YES	
18	The Board ensures that reviews on the charity's internal controls, processes, key programmes and events are regularly conducted.	6.1.3	YES	
19	The Board ensures that there is a process to identify, and regularly monitor and review the charity's key risks .	6.1.4	YES	
20	The Board approves an annual budget for the charity's plans and regularly monitors the charity's expenditure.	6.2.1	YES	
	Does the charity invest its reserves (e.g. in fixed deposits)? (skip item 21 if "No")		YES	
21	The charity has a documented investment policy approved by the Board.	6.4.3	YES	
Fundraising Practices				
	Did the charity receive cash donations (solicited or unsolicited) during the financial year? (skip item 22 if "No")		YES	
22	All collections received (solicited or unsolicited) are properly accounted for and promptly deposited by the charity.	7.2.2	YES	
	Did the charity receive donations in kind during the financial year? (skip item 23 if "No")		NO	
23	All donations in kind received are properly recorded and accounted for by the charity.	7.2.3	N/A	
Disclosure and Transparency				
24	The charity discloses in its annual report — (a) the number of Board meetings in the financial year; and (b) the attendance of every governing board member at those meetings.	8.2	YES	
	Are governing board members remunerated for their services to the Board? (skip items 25 and 26 if "No")		NO	
25	No governing board member is involved in setting his own remuneration.	2.2	N/A	

S/N	Code guideline	Code ID	Response (select whichever is applicable)	Explanation (if Code guideline is not complied with)
26	The charity discloses the exact remuneration and benefits received by each governing board member in its annual report. <u>OR</u> The charity discloses that no governing board member is remunerated.	8.3	N/A	
	Does the charity employ paid staff? (skip items 27,28 and 29 if “No”)		NO	
27	No staff is involved in setting his own remuneration.	2.2	YES	
28	The charity discloses in its annual report — (a) the total annual remuneration for each of its 3 highest paid staff who each has received remuneration (including remuneration received from the charity's subsidiaries) exceeding \$100,000 during the financial year; and (b) whether any of the 3 highest paid staff also serves as a governing board member of the charity. The information relating to the remuneration of the staff must be presented in bands of \$100,000. <u>OR</u> The charity discloses that none of its paid staff receives more than \$100,000 each in annual remuneration.	8.4	YES	BinjaiTree has no staff.
29	The charity discloses the number of paid staff who satisfies all of the following criteria: (a) the staff is a close member of the family ³ belonging to the Executive Head ⁴ or a governing board member of the charity; (b) the staff has received remuneration exceeding \$50,000 during the financial year. The information relating to the remuneration of the staff must be presented in bands of \$100,000. <u>OR</u> The charity discloses that there is no paid staff, being a close member of the family belonging to the Executive Head or a governing board member of the charity, who has received remuneration exceeding \$50,000 during the financial year.	8.5	YES	BinjaiTree has no staff.
	Public Image			
30	The charity has a documented communication policy on the release of information about the charity and its activities across all media platforms.	9.2	YES	

GOVERNANCE POLICIES

The Board has approved various policies to delineate roles & responsibilities and provide guidance. These include:

- Code of Conduct for Board Directors
- Conflict of Interest
- Finance Policy & Procedures
- Grant Making Policy
- Investment Policy & Procedures
- PDPA Policy
- Terms of Reference for Board Directors
- Anti-Money Laundering & Countering the Financing of Terrorism
- Communication Policy
- Environmental Social & Governance Policy
- Fund Raising Policy
- Human Resource Policy
- Information Technology Policy
- Risk Management Policy
- Service Quality Policy
- Volunteer Policy
- Whistle Blowing Policy

STAFFING

BinjaiTree has **no staff** and does not pay any salaries nor remuneration.

BOARD OF DIRECTORS CONFLICT OF INTEREST

BinjaiTree had in 2019 adopted its Code of Conduct for Board of Directors and its Conflict of Interest Policy. Based on the guidelines of the foregoing, all Board members are required to declare any personal or vested interest in business transactions, contracts and/or joint ventures which BinjaiTree may enter into, and as soon as such conflict or possibility of such conflict arises. In scenarios where there's such conflict, Directors are required to recuse themselves and abstain from discussion, decision making and/or voting on the transaction, contract or matter. At least once a year, Directors are also required to submit a disclosure statement on potential conflicts of interest at least once a year. BinjaiTree does not have any management team as it does not have any staff/employees.

FINANCIAL INFORMATION

Please see attached.

BINJAITREE
(Co. Reg. No. 200818724G)
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2023

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BINJAITREE

(A company limited by guarantee and not having share capital)

DIRECTORS' STATEMENT

The directors 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 2023.

In the opinion of the directors:

- (i) the financial statements of the Company as set out on pages 6 to 16 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of the financial performance, changes in funds and cash flows of the Company for the financial year then ended in accordance with the provisions of the Companies Act 1967, Charities Act 1994 and other relevant regulations and Charities Accounting Standard in Singapore; and
- (ii) 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.

Directors

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

Hsieh Fu Hua
Chan Chia Lin
Nicholas Lee Jin Kian
Hsieh NiZhen (Alternate to Hsieh Fu Hua)
Tina Hung

Arrangement to enable directors to acquire benefits

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.

Other matters

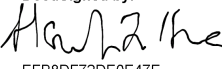
As the Company is limited by guarantee, and does not have share capital, matters relating to the issue of shares, debentures or share options are not applicable.

Binjaitree

Independent auditor

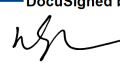
The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors

DocuSigned by:

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Hsieh Fu Hua
Director

18 June 2024

DocuSigned by:

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Nicholas Lee Jin Kian
Director



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BINJAITREE

(A company limited by guarantee and not having a share capital)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Binjaitree (the "Company") as set out on pages 6 to 16, which comprise the balance sheet as at 31 December 2023, and the statement of financial activities and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard in Singapore ("CAS") so as to give a true and fair view of the financial position of the Company as at 31 December 2023 and of the financial performance, changes in funds and cash flows of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 Directors' Statement as set out on pages 1 and 2 and other information included in the Annual Report 2023, 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
BINJAITREE (cont'd)**

(A company limited by guarantee and not having a share capital)

Report on the Audit of the Financial Statements (cont'd)***Responsibility of the 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 CAS, 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 the 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
BINJAITREE (cont'd)**

(A company limited by guarantee and not having a share capital)

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

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

- Conclude on the appropriateness of 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 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 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 requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

DocuSigned by:

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Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

18 June 2024

BINJAITREE

(A company limited by guarantee and not having share capital)

STATEMENT OF FINANCIAL ACTIVITIES**For the financial year ended 31 December 2023**

	Note	2023 \$	2022 \$
INCOME			
Income from generated funds			
- Voluntary income	3	1,854,270	800,000
- Investment income	4	234,672	182,106
Other income	5	244,606	—
Total income		2,333,548	982,106
LESS: EXPENDITURE			
Charitable activities	6	2,092,860	1,166,109
Governance costs	7	38,217	91,571
Impairment loss on investment securities	10	155,750	360,513
Loss on disposal of investment securities		—	29,164
Total expenditure		2,286,827	1,647,357
Net surplus/(deficit) for the financial year		46,721	(665,251)
Fund balances at 1 January		7,480,310	8,145,561
Fund balances at 31 December		7,527,031	7,480,310

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

BINJAITREE

(A company limited by guarantee and not having share capital)

BALANCE SHEET**At 31 December 2023**

	Note	2023 \$	2022 \$
Non-current assets			
Plant and equipment	9	—	—
Investment securities	10	4,225,631	4,210,263
		4,225,631	4,210,263
Current assets			
Investment securities	10	2,098,853	2,040,786
Other receivables	11	1	961
Bank balance		1,220,124	1,237,764
		3,318,978	3,279,511
Total assets		7,544,609	7,489,774
Current liability			
Other payables	12	17,578	9,464
Net assets		7,527,031	7,480,310
Fund			
Accumulated Fund		7,527,031	7,480,310

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

BINJAITREE

(A company limited by guarantee and not having share capital)

STATEMENT OF CASH FLOWS**For the financial year ended 31 December 2023**

	2023	2022
	\$	\$
Cash flows from operating activities		
Net surplus/(deficit) for the financial year	46,721	(665,251)
Adjustments for:		
Dividend income	(159,849)	(110,046)
Impairment loss on investment securities	155,750	360,513
Interest income	(74,823)	(72,060)
(Gain)/loss on disposal of investment securities	(244,606)	29,164
Operating cash flows before movements in working capital	(276,807)	(457,680)
Receivables	960	29,020
Payables	8,114	2,264
Interest received	122	124
Net cash flows used in operating activities	(267,611)	(426,272)
Cash flows from investing activities		
Dividend received	159,849	110,046
Interest received from short term investments	74,701	71,936
Purchase of investment securities	(853,156)	(264,134)
Proceeds from disposal of investment securities	868,577	546,876
Net cash flows generated from investing activities	249,971	464,724
Net (decrease)/increase in cash and cash equivalents	(17,640)	38,452
Cash and cash equivalents at beginning of the financial year	1,237,764	1,199,312
Cash and cash equivalents at end of the financial year	1,220,124	1,237,764

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

BINJAITREE

(A company limited by guarantee and not having share capital)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2023

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

1. Corporate information

Binjaitree (the "Company") is incorporated and domiciled in the Republic of Singapore. Its registered office is located at 105 Cecil Street, #12-02 The Octagon, Singapore 069534.

The Company is a company limited by guarantee. Each member of the Company undertakes to contribute an amount not exceeding \$1 each, for payment of the debts and liabilities contracted by the Company in the event of the Company being wound up. The Company has 2 (2022: 2) members as at 31 December 2023.

The Company has been approved as a Charity by the Commissioner of Charities with effect from 1 November 2008 and has been accorded an Institution of a Public Character ("IPC") status for the period from 1 November 2021 to 31 October 2023 and subsequently from 1 November 2023 to 31 October 2025.

The principal activities of the Company consist of the provision of services which aim to improve the standard of human life and social well-being, in particular, the disadvantaged community.

2. Summary of significant accounting policies**a) Basis of preparation**

The financial statements, expressed in Singapore dollar ("S") which is the Company's functional currency, have been prepared in accordance with the Companies Act 1967, the Charities Act 1994 and other relevant regulations (the "Charities Act and Regulations") and Singapore Charities Accounting Standard ("CAS"). 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 CAS 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 income and expenditure during the financial period. 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. There were no significant judgements and estimates made during the financial year.

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.

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 2(b) to the financial statements.

BinjaiTree

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

b) Use of estimates and judgements

Impairment of investments

The Company follows the guidance of CAS in determining whether investments have been impaired. This determination requires significant judgement. The Company evaluates, among other factors, whether the recoverable amount of the investment is less than its carrying amount, the financial health of and near-term business outlook for the investment, including factors such as industry and sector performance, changes in technology and operational and financial cash flow.

The impairment loss is the difference between the carrying amount of the investment and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company would receive for the investment if it was to be sold at the reporting date.

c) Income recognition

Income is recognised in the statement of financial activities to the extent that the Company 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.

Income from generated funds

Income from generated funds comprise voluntary income and investment income.

Voluntary income

Voluntary income includes gifts, donations, sponsorships which are donations in nature, and grants which provide core funding or are of a general nature (but not including those grants which are specifically for the performance of a service or a production of charitable goods).

Donations from individuals and corporate sponsorship are accounted when received.

Grant income are recognised when there is reasonable assurance that the grant will be received and all conditions attached to it have been complied with.

Investment income

Dividend and interest income are recognised in the financial statements when receivable. Gain or loss on sale of investment is recognised when the investments are disposed during the financial year.

d) Expenditure

Expenditures in the statement of financial activities are classified under the costs of charitable activities and governance costs.

Charitable activities

Expenditure on charitable activities comprises all costs incurred in undertaking work to meet the charitable objects of the Company. Such costs include the direct costs of the charitable activities of the Company together with those support costs incurred that enable these activities to be undertaken.

BinjaiTree

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

d) Expenditure (cont'd)

Governance costs

Governance costs include costs of the preparation and examination of statutory accounts, the costs of governing board meetings and cost of any legal advice for the governing board on governance or constitutional matters.

e) Taxation

The Company is a registered charity under the Charities Act and is exempted from income tax under the Income Tax Act.

f) Investments in financial assets

Investments in financial assets are initially measured at the transaction price excluding transaction costs, if any, which shall be recognised as expenditure immediately in the statement of financial activities.

Subsequent to initial recognition, investments in financial assets are measured at cost less any accumulated impairment losses. Investments in financial assets shall not be measured at fair value subsequent to initial recognition.

At the end of each reporting period, the Company shall assess whether there is objective evidence of impairment of its financial assets. If there is objective evidence of impairment, the Company shall recognise an impairment loss immediately in the statement of financial activities.

The impairment loss is the difference between the carrying amount of the investment and the best estimate (which will necessarily be an approximation) of the amount (which might be zero) that the Company would receive for the investment if it was to be sold at the reporting date.

g) Receivables

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

After initial recognition, receivables, excluding prepayments, shall be measured at cost less any accumulated impairment losses. Prepayments shall be measured at the amount paid less the economic resources received or consumed during the financial period.

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 cash flows or principal repayment that the Company expects to receive from the asset. 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.

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

h) Cash and cash equivalents in the statement of cash flows

Cash and cash equivalents comprise cash at bank which are subject to insignificant risk to changes in value. Cash and cash equivalents in the statement of cash flows is represented by the bank balance as presented on the balance sheet.

i) Payables

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

j) Provisions

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

k) Funds

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.

3. Voluntary income

	2023 \$	2022 \$
Donations received from		
- Founding director	1,000,000	800,000
- Third parties	354,270	—
Tote Board Enhanced Fund-Raising matching grant	500,000	—
	1,854,270	800,000

During the financial year, the Company issued tax deductible receipts to donors totalling \$1,354,250 (2022: \$800,000).

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4. Investment income

	2023	2022
	\$	\$
Dividend income	159,849	110,046
Interest income from		
- Bank	122	124
- Short-term investments	74,701	71,936
	234,672	182,106

5. Other income

	2023	2022
	\$	\$
Gain on disposal of investment securities	244,606	—

6. Charitable activities

	2023	2022
	\$	\$
Grants made to organisations (Note 8)	2,079,500	1,153,000
Other expenses	13,360	13,109
	2,092,860	1,166,109

7. Governance costs

	2023	2022
	\$	\$
Independent auditors' fee		
- Provision for current year	13,000	5,564
- Under-provision from prior years	—	364
	13,000	5,928
Legal and professional fee	3,537	10,413
Accounting and corporate secretarial fees	21,680	15,230
Sub-contract fee (consultants)	—	60,000
	38,217	91,571

8. Grants made to organisations

	2023	2022
	\$	\$
<u>Nature of activities supported</u>		
Arts and Culture	315,000	20,000
Education	72,000	45,000
General Social Services	1,117,500	648,000
Health and Mental Health	575,000	440,000
	2,079,500	1,153,000

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9. Plant and equipment

	Office equipment \$
Cost	
At 1 January 2022, 31 December 2022 and 31 December 2023	6,163
Accumulated depreciation	
At 1 January 2022, 31 December 2022 and 31 December 2023	6,163
Carrying amount	
At 31 December 2022 and 31 December 2023	—

10. Investment securities

	2023 \$	2022 \$
Non-current assets		
Quoted equity shares at cost	2,333,126	2,178,409
Unquoted equity shares at cost	907,137	907,137
Funds placed with fund managers	2,227,080	2,227,080
	5,467,343	5,312,626
<i>Less: Allowance for impairment losses</i>		
Balance at beginning of the year	1,102,363	1,032,767
Recognised during the year	139,349	69,596
Balance at end of the year	1,241,712	1,102,363
Net carrying amount	4,225,631	4,210,263
Current assets		
Funds placed with a fund manager	2,485,323	2,410,855
<i>Less: Allowance for impairment losses</i>		
Balance at beginning of the year	370,069	79,152
Recognised during the year	16,401	290,917
Balance at end of the year	386,470	370,069
Net carrying amount	2,098,853	2,040,786
Total carrying amount	6,324,484	6,251,049

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10. Investment securities (cont'd)

Investment in securities in Singapore are denominated in Singapore dollar and investment securities based outside Singapore are denominated in United States dollar. The breakdown is as follows.

	2023 \$	2022 \$
Singapore dollar	4,560,883	4,400,206
United States dollar	1,763,601	1,850,843
	6,324,484	6,251,049
	2023 \$	2022 \$
Cost		
Balance brought forward	7,723,481	8,035,387
Additions	853,156	264,134
Disposals	(623,971)	(576,040)
Balance carried forward	7,952,666	7,723,481
Allowance for impairment losses		
- Non-current	(1,241,712)	(1,102,363)
- Current	(386,470)	(370,069)
	(1,628,182)	(1,472,432)
Carrying amount	6,324,484	6,251,049
Market value of quoted equity shares	4,768,980	4,571,833

11. Other receivables

	2023 \$	2022 \$
<i>Non-trade receivables</i>		
Funds placed with a broker, Philip Securities Pte Ltd	1	1
Prepayment	–	960
	1	961

Other receivables are unsecured, non-interest bearing and repayable on demand.

12. Other payables

	2023 \$	2022 \$
External parties	4,578	3,900
Accruals	13,000	5,564
	17,578	9,464

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13. Related party transactions

In addition to information disclosed elsewhere in the financial statements, the following transactions took place between the Company and related parties during the financial year on terms agreed by the parties concerned:

	2023	2022
	\$	\$
Donations received from founding director (Note 3)	1,000,000	800,000
Donations received from a related party for a specified purpose	100,000	–
Grants made to organisations where the Company is a member	745,000	150,000
Grants made to organisations where a director is a member	–	10,000

14. Conflicts of interest policy

All members of the Board of Directors 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 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.

During the current and previous financial year, none of the members of the Board of Directors or people connected with them:

- (a) have received remuneration, or other benefits, from the Company; and
- (b) have received claims for services provided to the Company, either by way of reimbursements, allowances, or direct payment to a third party.

15. Reserves policy

The primary objective of the Company's reserves management policy is to ensure that it maintains optimal reserves in order to support its operations and the development of its principal activities.

The Company monitors its cash flow and overall liquidity position on a continuous basis, taking into consideration the prevailing and projected operating income and expenditure, and other financial obligations, including projected capital expenditure.

The Company is not subject to externally imposed reserves requirement.

There were no changes to the Company's approach to reserves management since the previous financial year.

16. Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the directors dated 18 June 2024.