

**SGM EDUCATIONAL INSTITUTION PTE. LTD.**

(Co. Reg. No.: 199408348K)  
(Incorporated in the Republic of Singapore)

**AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

**SGM EDUCATIONAL INSTITUTION PTE. LTD.**

Co. Registration No: 199408348K

(Incorporated in the Republic of Singapore)

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**Directors:**

Kamiti bin Nahim  
Moen bin Kasir  
Johari bin Mohamed Rais

**Registered Office:**

411 Tampines Street 41,  
#01-241  
Singapore 520411.

**Auditors:**

AJM Practice  
Public Accountant and  
Chartered Accountants

<b>Contents</b>	<b>Pages</b>
Directors' Statement	1 – 2
Independent Auditor's Report	3 – 5
Statement of Comprehensive Income	6
Statement of Financial Position	7
Statement of Changes in Equity	8
Statement of Cash Flows	9
Notes to the Financial Statements	10 – 19

## **SGM EDUCATIONAL INSTITUTION PTE. LTD.**

Co. Registration No: 199408348K

(Incorporated in the Republic of Singapore)

### **DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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The directors are pleased to present their statement to the members together with the audited financial statements of SGM Educational Institution Pte. Ltd. (the Company) for the financial year ended 31 December 2023.

#### **1. Opinion of the directors**

In opinion of the directors,

- (a) the financial statements of the Company 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 the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (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.

#### **2. Directors**

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

Kamiti bin Nahim

Moen bin Kasir

Johari bin Mohamed Rais

#### **3. Arrangements to enable directors to acquire shares and 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.

#### **4. Directors' interest in shares and debentures**

There were no interests of the directors holding office at the end of the financial year in the share capital of the Company and the related companies as recorded in the register of directors shareholdings kept by the Company under section 164 of the Companies Act, 1967.

#### **5. Share options**

There were no share options granted during the financial year to subscribe for unissued shares of the Company.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares of the Company under option at the end of the financial year.

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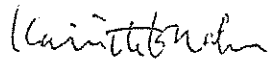
**DIRECTORS' STATEMENT  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023**

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**6. Independent Auditors**

The independent auditors, AJM Practice., Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment as auditors.

On behalf of the Board of Directors



.....  
Kamiti bin Nahim  
Director



.....  
Moen bin Kasir  
Director

Singapore

26 JUL 2024

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SGM EDUCATIONAL INSTITUTION PTE. LTD.****REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS****Opinion**

We have audited the accompanying financial statements of SGM Educational Institution Pte Ltd (the Company), which comprise the statement of financial position as at 31 December 2023 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the Act) and Financial Reporting Standards in Singapore (FRSs) 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 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 Matter**

The financial statements of the Company for the year ended 31 December 2022 were not audited. Our opinion is not modified in respect of this matter.

**Other Information**

The management is responsible for other information. The other information comprises the Directors' Statement as set out on pages 1 to 2.

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 SGM EDUCATIONAL INSTITUTION PTE. LTD. (CONT'D)**

### **Responsibilities of Management and Director 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 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 judgment 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.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF SGM EDUCATIONAL INSTITUTION PTE. LTD. (CONT'D)****Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)**

- 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.



**AJM Practice**  
Public Accountants and  
Chartered Accountants  
Singapore



26 July 2024

AJ/HM

**SGM EDUCATIONAL INSTITUTION PTE. LTD.**

Co. Registration No: 199408348K

(Incorporated in the Republic of Singapore)

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2023**

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	Note	2023 S\$	2022 S\$
Revenue	4	674	-
Less : Administrative and general expenses	5	(5,771)	(3,820)
Loss for the year before tax		<u>(5,097)</u>	<u>(3,820)</u>
Taxation	6	-	-
<b>Loss for the year after tax representing total comprehensive loss for the year</b>		<u><u>(5,097)</u></u>	<u><u>(3,820)</u></u>

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



**SGM EDUCATIONAL INSTITUTION PTE. LTD.**

Co. Registration No: 199408348K

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**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2023**

	Note	2023 S\$	2022 S\$
<b>ASSETS</b>			
<b>Non current assets</b>			
Investment in financial asset	7	29,033	-
<b>Current assets</b>			
Cash and cash equivalents	8	13,913	43,239
<b>Total assets</b>		<u>42,946</u>	<u>43,239</u>
<b>TOTAL EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	9	150,002	150,002
Accumulated losses		(120,363)	(115,266)
<b>Equity attributable to owners of Company</b>		<u>29,639</u>	<u>34,786</u>
<b>Current Liabilities</b>			
Other payables	10	4,150	-
Amount due to related party	11	9,157	8,503
<b>Total current liabilities</b>		<u>13,307</u>	<u>8,503</u>
<b>Total Equity And Liabilities</b>		<u>42,946</u>	<u>43,239</u>

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

**SGM EDUCATIONAL INSTITUTION PTE. LTD.**

Co. Registration No: 199408348K

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**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2023**

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	<b>Share capital</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Balance as at 01.01.2022	150,002	(111,446)	38,556
Total comprehensive loss for the year	-	(3,820)	(3,820)
Balance as at 31.12.2022	<u>150,002</u>	<u>(115,266)</u>	<u>34,736</u>
Total comprehensive loss for the year	-	(5,097)	(5,097)
<b>Balance as at 31.12.2023</b>	<u><b>150,002</b></u>	<u><b>(120,363)</b></u>	<u><b>29,639</b></u>

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

**SGM EDUCATIONAL INSTITUTION PTE. LTD.**

Co. Registration No: 199408348K

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**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2023**

	Note	2023 S\$	2022 S\$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Loss before taxation		(5,097)	(3,820)
Adjustment for:			
Fair value loss on investment		967	-
Operating cash deficit before working capital changes		<u>(4,130)</u>	<u>-</u>
Working capital changes:			
Other payables		4,150	-
Net cash generated from operating activities		<u>20</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of Investment		<u>(30,000)</u>	<u>-</u>
Net cash used in investing activities		<u>(30,000)</u>	<u>-</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Amount due to related party		<u>654</u>	<u>3,820</u>
Net cash generated from financing activities		<u>654</u>	<u>3,820</u>
Net decrease in cash and cash equivalents		(29,326)	-
Cash and cash equivalents at beginning of the year		<u>43,239</u>	<u>43,239</u>
Cash and cash equivalents at end of the year	8	<u>13,913</u>	<u>43,239</u>

The accompanying notes form an integral part of these financial statements

## **SGM EDUCATIONAL INSTITUTION PTE. LTD.**

Co. Registration No: 199408348K

(Incorporated in the Republic of Singapore)

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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

#### **1. GENERAL INFORMATION**

SGM Educational Institution Pte Ltd (Company Reg. No. 199408348K) is a limited liability company, incorporated in Singapore. The address of its registered office and principal place of business is 411 Tampines Street 41, #01-241 Singapore 520411.

The principal activities of the Company are those of providing training courses for healthcare, education, community and social services.

The immediate and ultimate holding company is of Singapore Muslim Teachers' Co-Operative Ltd, which is incorporated in Singapore.

There have been no significant changes in the nature of these activities during the financial year.

#### **2. MATERIAL ACCOUNTING POLICY INFORMATION**

##### **2.1 Basis of preparation**

The financial statements of the Company have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S\$), which is the Company's functional currency. All financial information presented in Singapore Dollar (S\$).

##### **2.2 Adoption of new and amended standards and interpretations**

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these standards did not have any material effect on the financial performance or position of the Company

##### **2.3 Standards issued but not yet effective**

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The directors expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

##### **2.4 Foreign currency transactions and balances**

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

**SGM EDUCATIONAL INSTITUTION PTE. LTD.**

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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**2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

**2.5 Revenue**

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

**Interest income**

Interest income is recognised using the effective interest method.

**2.6 Employee benefits**

**(a) Defined contribution plan**

The Company makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

**(b) Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

**2.7 Income tax**

*Current tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## **SGM EDUCATIONAL INSTITUTION PTE. LTD.**

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### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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## **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

### **2.8 Financial instruments**

#### **(a) Financial assets**

##### **Initial recognition and measurement**

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

##### **Subsequent measurement**

###### *Debt Instruments*

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

###### *Equity instruments*

On initial recognition of an investment in equity instrument that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Company's right to receive payments is established, except when the Company benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income.

For investments in equity instruments which the Company has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

##### **Derecognition**

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

## **SGM EDUCATIONAL INSTITUTION PTE. LTD.**

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(Incorporated in the Republic of Singapore)

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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## **2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)**

### **2.8 Financial instruments (cont'd)**

#### **(b) Financial liabilities**

##### **Initial recognition and measurement**

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

##### **Subsequent measurement**

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

##### **Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

### **2.9 Impairment financial assets**

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **2.10 Cash and cash equivalents**

Cash and cash equivalents comprise cash at banks and on hand and are subject to an insignificant risk of changes in value. These also include bank overdrafts that form an integral part of the Company's cash management.

## SGM EDUCATIONAL INSTITUTION PTE. LTD.

Co. Registration No: 199408348K

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

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## 2. MATERIAL ACCOUNTING POLICY INFORMATION (CONT'D)

### 2.11 Capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

### 2.12 Related parties

A related party is defined as follows:

- (i) A person or a close member of that person's family is related to company if that person:
  - a) Has control or joint control over the company;
  - b) Has significant influence over the company; or
  - c) Is a member of the key management personnel of the company.
- (ii) An entity is related to the company if any of the following conditions applies:
  - a) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - b) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member of a group of which the other entity is a member.
  - c) Both entities are joint ventures of the same third party;
  - d) One entity is are joint venture of a third party and the other entity is an associate of the third party;
  - e) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;
  - f) The entity is controlled or jointly controlled by a person identified in (i);
  - g) A person identified in (i) (a) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity)
  - h) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

#### **Key management personnel**

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the company.

## 3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

### 3.1 Judgements made in applying accounting policies

#### ***Determination of functional currency***

In determining the functional currency of the Company, judgement is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

### 3.2 Key sources of estimation uncertainty

There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****4. REVENUE**

	2023	2022
	S\$	S\$
Dividend income	674	-

**5. ADMINISTRATIVE AND GENERAL EXPENSES**

	2023	2022
	S\$	S\$
Audit fee	2,700	-
ACRA penalty	-	1,620
Corporate service charges	2,104	2,200
Fair value loss on investment	967	-
	<u>5,771</u>	<u>3,820</u>

**6. TAXATION**

	2023	2022
	S\$	S\$
a) Tax expense		
Current year tax expense	-	-
b) Reconciliation between the tax expenses and the product of accounting loss multiplied by the applicable tax rate for the year ended was as follows:		
	2023	2022
	S\$	S\$
Loss before taxation	(5,097)	(3,820)
Tax at corporate tax rate of 17% (2022: 17%)		
Tax effect on:		
Loss before taxation	(866)	(649)
Adjustments:		
Non-deductible expenses	-	649
Unutilisation of tax losses carry forward	866	-
	<u>-</u>	<u>-</u>

The Company has unrecognized tax losses of \$ 866 (2022: \$ Nil) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements.

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(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****7. INVESTMENT IN FINANCIAL ASSET**

	2023 S\$	2022 S\$
At fair value through profit or loss		
- Sukuk funds	29,033	-
Movement in fair value:		
At cost	30,000	-
Loss in fair value	(967)	-
Balance at the end of financial year	29,033	-

During the year and as at end of year, the Company investments comprise sukuk funds that are traded through an active market. They are held for trading and are therefore carried at Fair Value Through Profit or Loss ("FVTPL").

**8. CASH AND CASH EQUIVALENTS**

	2023 S\$	2022 S\$
Cash at bank	13,911	43,237
Cash on hand	2	2
	13,913	43,239

**9. SHARE CAPITAL**

	2023		2022	
	No of shares	S\$	No of shares	S\$
Issued and fully paid ordinary shares:				
As at beginning and end of year	150,002	150,002	150,002	150,002

All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value. The holders of ordinary shares are entitled to receive dividends as and when declared by the company.

**10. OTHER PAYABLES**

	2023 S\$	2022 S\$
Accruals	4,150	-

**11. AMOUNT DUE TO RELATED PARTY**

	2023 S\$	2022 S\$
Amount due to holding entity	9,157	8,503

The amount due to holding entity is unsecured, interest free and repayable on agreed specified repayment terms

**SGM EDUCATIONAL INSTITUTION PTE. LTD.**

Co. Registration No: 199408348K

(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****12. FINANCIAL INSTRUMENTS BY CATEGORY**

At the reporting date, the aggregate carrying amounts financial assets at amortised cost and total financial liabilities at amortised cost are as follow:

	2023	2022
	S\$	S\$
Financial assets measured at amortised cost		
Cash and cash equivalents	13,913	43,239
Total financial assets measured at amortised cost	<u>13,913</u>	<u>43,239</u>
Financial liabilities measured at amortised cost		
Amount due to related party	9,157	8,503
Other payables	4,150	-
Total financial liabilities measured at amortised cost	<u>13,307</u>	<u>8,503</u>

**13. FAIR VALUE ASSETS AND LIABILITIES**

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction. The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables and other payables:

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

**14. FINANCIAL RISK MANAGEMENT**

The Company's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The directors review and agree policies and procedures for the management of this risk which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

**(a) Credit risk**

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises cash and cash equivalents. Cash and bank balances are placed with reputable local financial institutions and as such the Company exposure to credit risk is minimal.

**SGM EDUCATIONAL INSTITUTION PTE. LTD.**

Co. Registration No: 199408348K

(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023****14. FINANCIAL RISK MANAGEMENT (CONT'D)****(b) Liquidity risk**

In the management of liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by management to finance the Company's operations and mitigate the effects of fluctuations in cash flows. In adopting a prudent liquidity risk management, the management places its available funds in current accounts with creditworthy and reputable financial institutions, namely the banks.

For the analyses of the maturity profile of the Company's financial liabilities based on contractual or undiscounted cash flow, the trade payables are due less than 1 year.

The Company manages the liquidity risk by maintaining sufficient cash to enable it to meet its normal operating commitments and having an adequate amount of committed credit facilities

	Due within 1 year S\$	Due after 1 year or more S\$	Total S\$
<b>2023</b>			
Cash and cash equivalents	13,913	-	13,913
Total undiscounted financial assets	13,913	-	13,913
Other payables	4,150	-	4,150
Amount due to related party	9,157	-	9,157
Total undiscounted financial liabilities	13,307	-	13,307
Total net undiscounted financial assets	606	-	606
	Due within 1 year S\$	Due after 1 year or more S\$	Total S\$
<b>2022</b>			
Cash and cash equivalents	43,239	-	43,239
Total undiscounted financial assets	43,239	-	43,239
Amount due to related party	8,503	-	8,503
Total undiscounted financial liabilities	8,503	-	8,503
Total net undiscounted financial assets	34,736	-	34,736

**(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates.

The Company does not expect any significant effect on the Company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

**(d) Foreign Currency Risk**

Foreign exchange risk arises from change in foreign exchange rates that may have an adverse effect on the Company in the current reporting period and in the future years. The Company's exposure to foreign currency risk is minimal as all transactions are dealt with in local currency.

**SGM EDUCATIONAL INSTITUTION PTE. LTD.**

Co. Registration No: 199408348K

(Incorporated in the Republic of Singapore)

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023**

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**15. CAPITAL MANAGEMENT**

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2023.

**16. EVENTS OCCURRING AFTER THE REPORTING PERIOD**

There were no significant events that occurred subsequent to the year ended 31 December 2023 that had a material effect on the Company's financial position.

**17. AUTHORISATION**

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 26 July 2024.

**SGM EDUCATIONAL INSTITUTION PTE. LTD.**

Co. Registration No: 199408348K

(Incorporated in the Republic of Singapore)

**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2023**

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	2023	2022
	S\$	S\$
<b>Revenue</b>		
Dividend income	674	-
Total revenue	<u>674</u>	<u>-</u>
<b>Less : Administrative and general expenses</b>		
Audit fee	2,700	-
ACRA Penalty	-	1,620
Corporate secretarial charges	2,104	2,200
Fair value loss on investment	967	-
	5,771	3,820
<b>Loss for the financial year</b>	<u>(5,097)</u>	<u>(3,820)</u>

The above statement does not form part of the audited financial statements