

GENERATION: YOU EMPLOYED, SINGAPORE LTD.

(Incorporated in the Republic of Singapore)

(Registration Number: 201904556D)

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

R CHAN & ASSOCIATES PAC

(Company Registration Number: 201015802C)

CHARTERED ACCOUNTANTS OF SINGAPORE

GENERATION: YOU EMPLOYED, SINGAPORE LTD.

(Incorporated in the Republic of Singapore)

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31 DECEMBER 2023

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GENERATION: YOU EMPLOYED, SINGAPORE LTD.
(Incorporated in the Republic of Singapore)

DIRECTORS' STATEMENT – 31 DECEMBER 2023

The directors have pleasure in presenting to the members their report together with the financial statements of **GENERATION: YOU EMPLOYED, SINGAPORE LTD. (GYS)** for the financial year ended 31 December 2023.

In the opinion of the directors, the accompanying statement of financial position, statement of profit or loss and comprehensive income, statement of changes in equity, statement of cash flows are drawn up so as to give a true and fair view of the financial position of GYS as at 31 December 2023, and the financial performance, changes in equity and cash flows of GYS for the year ended on that date; and at the date of this statement there are reasonable grounds to believe that GYS will be able to pay its debts as and when they fall due.

1. DIRECTORS

The directors in office at the date of this report are as follows:

Fadhilah Binte Abdul Rahman Zamawi
Jeremy William Fox
Wong Ju Min
Wendy Chua Kok Wand
Neeraj Seth

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

No director who held office at the end of the financial year had interests in the shares, share options, warrants and debentures of GYS, or of related companies, either at the beginning of the year or at the end of the financial year.

DIRECTORS' STATEMENT – 31 DECEMBER 2023

4. SHARE OPTIONS

No options were granted during the financial year to take up unissued shares of GYS.

No shares were issued by virtue of the exercise of options.

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

5. INDEPENDENT AUDITOR

The independent auditor, R Chan & Associates PAC, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors



Neeraj Seth
Director

Fadhilah Binte Abdul Rahman Zamawi
Director

SINGAPORE
30 APRIL 2024



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GENERATION: YOU EMPLOYED, SINGAPORE LTD.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **GENERATION: YOU EMPLOYED, SINGAPORE LTD. (GYS)**, which comprise the statement of financial position of GYS as at 31 December 2023, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the 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 Companies Act), the Charities Act 1994 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of GYS as at 31 December 2023 and of the financial performance, changes in equity and cash flows of GYS 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 GYS 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Revenue Recognition

The principal activities of GYS are those relating to job training and vocational rehabilitation services. GYS, an affiliated company of Generation: You Employed Inc, a Delaware non-profit corporation incorporated in the United States of America (Generation Global) had entered into an affiliation agreement with Generation Global to implement the Generation Programs in Singapore. Revenue is recognised when the promised services are delivered and all criteria for acceptance have been satisfied accordingly to the contractual agreement entered. Payment is due according to the payment terms as agreed in accordance with the contractual agreement.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GENERATION: YOU EMPLOYED, SINGAPORE LTD.

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

Key Audit Matters (cont'd)

How the matter was addressed in the audit

We obtained an understanding of the revenue recognition policy in relation to the revenue derived through discussion with management and examination of the supporting letter or agreement entered which sets out the terms and conditions for the revenue to be recognised.

In relation to the appropriateness of revenue recognised by GYS, we:

- Verified to the validity of the Affiliation Agreement entered between GYS and Generation Global for the implementation of the Generation Programs in Singapore
- Verified to the supporting letter or agreement entered by GYS with the respective parties
- Verified to the invoice or disbursement request form made by GYS
- Verified to the remittance received
- Checked the appropriateness of revenue recognised by GYS

Our audit procedures did not indicate significant management bias or other exceptions that would have caused us to modify the nature, extent and timing of our planned procedures.

Other Information

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

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

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

Responsibilities of Management and Those Charged with Governance 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 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 GYS'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 GYS or to cease operations, or has no realistic alternative but to do so.

Those charged with governance comprises the directors and the chief executive officer. Their responsibilities include overseeing GYS's financial reporting process.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GENERATION: YOU EMPLOYED, SINGAPORE LTD.

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 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 GYS'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 GYS'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 GYS 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.



INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF GENERATION: YOU EMPLOYED, SINGAPORE LTD.

Report on Other Legal and Regulatory Requirements

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

**R CHAN & ASSOCIATES PAC
PUBLIC ACCOUNTANTS
AND CHARTERED ACCOUNTANTS**

**SINGAPORE
30 APRIL 2024**

GENERATION: YOU EMPLOYED, SINGAPORE LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Note	2023 S\$	2022 S\$
Revenue	5	1,331,206	2,175,665
Other income	6	24,726	51,593
Affiliation fees	7	(42,124)	(42,515)
Consultants and contractor fees		(139,976)	(98,345)
Depreciation	11	(7,182)	(7,657)
Employees benefits	9	(861,080)	(1,074,045)
Office expenses	8	(55,244)	(44,113)
Other expenses		(40,175)	(72,641)
Professional fees		(54,833)	(42,319)
Staff welfare		(7,785)	(7,794)
Student related expenses		(292,562)	(143,275)
Travelling expenses		(8,201)	(4,796)
Total expenses		(1,509,162)	(1,537,500)
(Loss)/profit before taxation	8	(153,230)	689,758
Income tax expenses	10	-	-
(Loss)/profit for the year, representing total comprehensive (loss)/income for the year		(153,230)	689,758

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

GENERATION: YOU EMPLOYED, SINGAPORE LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2023

	Note	2023 S\$	2022 S\$
ASSETS			
Non-current assets			
Plant and equipment	11	9,781	9,485
Current assets			
Trade and other receivables	12	315,368	169,976
Cash and cash equivalents	13	716,960	1,244,391
		1,032,328	1,414,367
Total assets		1,042,109	1,423,852
EQUITY AND LIABILITIES			
Equity			
Fund		-	-
Retained earnings		875,348	1,028,578
		875,348	1,028,578
Current liabilities			
Amounts due to affiliated company	14	32,409	195,978
Other payables	15	134,352	199,296
		166,761	395,274
Total equity and liabilities		1,042,109	1,423,852

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

GENERATION: YOU EMPLOYED, SINGAPORE LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2023

	Fund S\$	Retained earnings S\$	Total S\$
2022			
Balance as at 1 January 2022	-	338,820	338,820
Profit for the year, representing total comprehensive income for the year	-	689,758	689,758
Balance as at 31 December 2022	<u>-</u>	<u>1,028,578</u>	<u>1,028,578</u>
2023			
Balance as at 1 January 2023	-	1,028,578	1,028,578
Loss for the year, representing total comprehensive loss for the year	-	(153,230)	(153,230)
Balance as at 31 December 2023	<u>-</u>	<u>875,348</u>	<u>875,348</u>

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

GENERATION: YOU EMPLOYED, SINGAPORE LTD.
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	2023 S\$	2022 S\$
Cash flow from operating activities		
(Loss)/profit before taxation	(153,230)	689,758
Adjustment for: -		
Depreciation	7,182	7,657
Write off of plant and equipment	255	-
	<u>(145,793)</u>	<u>697,415</u>
Changes in working capital:		
Trade and other receivables	(145,392)	(35,942)
Other payables	(64,944)	1,741
Net cash flow movement in operating activities	<u>(356,129)</u>	<u>663,214</u>
Cash flow from investing activities		
Purchase of plant and equipment	(7,733)	(3,520)
Net cash flow movement in investing activities	<u>(7,733)</u>	<u>(3,520)</u>
Cash flow from financing activities		
Amounts due to affiliated company	(163,569)	178,153
Net cash flow movement in financing activities	<u>(163,569)</u>	<u>178,153</u>
Net cash flow movement in cash and cash equivalents	<u>(527,431)</u>	<u>837,847</u>
Cash and cash equivalents at beginning of the year	<u>1,244,391</u>	<u>406,544</u>
Cash and cash equivalents at end of year (Note 13)	<u>716,960</u>	<u>1,244,391</u>

Reconciliation of liabilities arising from financing activities

	1 January S\$	(Repayment)/ Advances (net) S\$	31 December S\$
2023			
Amounts due to affiliated company	195,978	(163,569)	32,409

	1 January S\$	Repayment/ Advances (net) S\$	31 December S\$
2022			
Amounts due to affiliated company	17,825	178,152	195,978

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

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2023

These notes form an integral part of the financial statements.

1. GENERAL INFORMATION

GENERATION: YOU EMPLOYED, SINGAPORE LTD. ("GYS", Registration Number: 201904556D) is incorporated as a public company limited by guarantee, in the Republic of Singapore. The registered office and principal place of activities of GYS is at 6 Shenton Way #38-01 OUE Downtown Singapore 068809.

The principal activities of GYS are those job training and vocational rehabilitation services.

GYS is registered as a Charity on 20 September 2020 and is an affiliated company of Generation: You Employed, Inc., a Delaware non-profit corporation incorporated in the United States of America.

2. MATERIAL ACCOUNTING POLICIES

(a) Basis of Preparation and Accounting Policies

The financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (FRSs).

The accounting policies adopted are consistent with those of the previous year except that in the current financial year, GYS has adopted all of the new and revised Standards and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The changes to material accounting policies are described below.

FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies

GYS adopted Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies for the first time in 2023. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of "material", rather than "significant", accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information under Material accounting policy information (2022: Significant accounting policies) in certain instances in line with the amendments.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(a) Basis of Preparation and Accounting Policies (cont'd)

Standard issued but not yet effective

A number of new standards, amendments to standards and interpretations are issued but not yet effective for annual periods beginning 1 January 2023, and have not been applied in preparing these financial statements. GYS does not plan to early adopt these standards. GYS does not expect the adoption of the standards to have an impact on the financial statements in the period of initial application.

The following standards that have been issued but not yet effective are as follows:

Description	Effective for annual period beginning on or after
Amendments to FRS 1: Classification of liabilities as current or non-current and Amendments to FRS 1: Non-current liabilities with covenants	1 January 2024

Other than the below, the application of these amendments to accounting standards and interpretations does not have a material effect on the financial statements. The key amendments include:

Right to defer settlement must have substance:

Under existing FRS 1 requirements, GYS classify a liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. The amendments removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

Classification of liabilities with covenants:

GYS classifies a liability as non-current if it has a right to defer settlement for at least twelve months after the reporting period. This right may be subject to a company complying with conditions (covenants) specified in a loan arrangement. Covenants with which the company must comply after the reporting date do not affect a liability's classification at that date. However, when non-current liabilities are subject to future covenants, companies will now need to disclose information to help users understand the risk that those liabilities could become repayable within 12 months after the reporting date.

(b) Functional and Presentation Currency

The functional currency of GYS is the Singapore dollar, which is also its presentation currency. The directors are of the opinion that the Singapore dollar reflects the economic substance of the underlying events and circumstances relevant to GYS.

(c) Foreign Currency Transactions

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in profit or loss.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates the date when the fair values are determined.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(d) Plant and Equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Computers	3 years
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The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(e) Financial Assets

Cash and cash equivalents
Trade and other receivables

GYS classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The classification depends on GYS's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset. GYS does not have any financial assets classified under FVOCI and FVPL as at 31 December 2023 and 31 December 2022.

Amortised cost

These assets arise principally from the other receivables, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions for receivables from related parties and loans to related parties are recognised based on a forward-looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

GYS's financial assets measured at amortised cost comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

(f) Other Payables

Other payables (including accrued expenses) represent liabilities for goods and services provided to GYS prior to the end of the financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Other payables (including accrued expenses) are carried at amortized cost using the effective interest method.

(g) Offsetting of Financial Instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(h) Cash and Cash Equivalents

Cash and cash equivalents include cash held by third party and cash with banks that are subject to insignificant risk of change in value.

(i) Government Grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and GYS will comply with all the attached conditions.

Government grants receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis.

Government grants relating to expenses are shown separately as other income. Government grant relating to assets are deducted against the carrying amount of the assets.

(j) Revenue recognition

Revenue from rendering of services in the ordinary course of business is recognised when GYS satisfies a performance obligation (PO) by transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which GYS expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if GYS does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on cash basis once GYS complete satisfaction of that PO.

Grant income and other related program income

Revenue is recognised when the promised services are rendered in accordance with the service agreement between GYS and the customers. Payment is due according to the payment terms agreed with the customers.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(j) Revenue recognition (cont'd)

Service income from affiliated company

Revenue from service income from affiliated company is recognised based on the reimbursement of the actual costs incurred by GYS on behalf of the affiliated company.

Donations

Donations include transfers of cash and other assets, services and promises to give. Donations whether of cash or assets recognised as revenue in the period it is received or receivable when and only when all the following conditions has been satisfied:

- (i) GYS obtains control of the donation or the right to receive the donation;
- (ii) it is probable that the economic benefits comprising the donation will flow to GYS;
and
- (iii) the amount of the donation can be measured reliably.

The donations derived by GYS for the financial year ended 31 December 2023 and 31 December 2022 is not derived from any fund-raising activities conducted during the year.

(k) Employees Benefits

Defined contribution plans

GYS 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.

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 GYS 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.

(l) Taxes

Current income tax

Current income tax assets and liabilities for the current 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.

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(l) Taxes (cont'd)

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax asset is not recognised for temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit nor loss.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

GYS registered as a Charity on 20 September 2020 and accordingly will be exempted from tax under section 13(1)(zm) of the Income Tax Act effective from the date GYS is registered as a Charity.

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2023

2. MATERIAL ACCOUNTING POLICIES (CONT'D)

(m) Related Parties

A related party is defined as follows:

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

3. GOING CONCERN

GYS incurred loss for the year representing total comprehensive loss amounting to S\$153,230 (2022: profit for the year representing total comprehensive income of S\$689,758) and as at 31 December 2023 GYS is in net current asset and net asset position of S\$865,567 and S\$875,348 (2022: S\$1,019,093 and S\$1,028,578) respectively.

Management continues to adopt the going concern assumption in preparing the financial statements of GYS on the basis that:

- GYS will institute the following in collaboration with the affiliated company:
 - Update budget projections monthly, factoring in any changes imposed by funders
 - Establish a month accounting close-out process and budget verses actual review
 - Discuss any anticipated or confirmed changes to program/funder level budgets
 - Continue to ensure all new contracts have:
 - i. Alignment on outcomes with delivery partners and funders
 - ii. Precisely defined "proofs" required for payment
 - iii. Provided for upfront cash flows and clear payment terms/schedules, and
 - iv. Factored in sufficient margin to mitigate work-plan changes. When payment terms are non-negotiable and may result in cash flow fluctuations, consult with affiliated company before signing the commitment

4. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of GYS's financial statements requires management to make judgments, 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.

(a) Critical accounting estimates and assumptions

There are no critical accounting estimates and assumptions used and areas involving a high degree of judgements made by management in the application of FRSS that have a significant effect on the financial statements and in arriving at estimates with a significant risk of material adjustment in the year.

(b) Critical judgements made in applying accounting policies

No critical accounting judgements were made by management in the process of applying GYS's accounting policies that have a significant effect on the amounts recognised in the financial statements.

5. REVENUE

Revenue from contracts with customers

Disaggregation of revenue from contracts with customers

GYS derives revenue as follow:

	2023 S\$	2022 S\$
<u>At a point in time</u>		
Grant income	665,952	782,171
Program income	618,450	1,315,075
Donation	8,491	2,897
Others	3,625	6,614
	<u>1,296,518</u>	<u>2,106,757</u>
<u>Over time</u>		
Services rendered – service fee income from affiliated company	<u>34,688</u>	<u>68,908</u>
	<u>1,331,206</u>	<u>2,175,665</u>

Included under program income is an amount of S\$576,000 relating to the course fee subsidy that its customers received from SkillsFuture Singapore (SSG) under SkillsFuture Career Transition Programme (SCTP) [Scheme] (2022: S\$1,175,000 under the SG United Mid-Career Pathways (Company Training) scheme (Scheme)) of which the services provided by the entity is not intended to directly benefit the customer or the main grantor (SSG) but to provide upskilling and employment linkage support to all Singaporean job seekers and is therefore a grant income received by the entity from the Scheme through the customer.

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NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2023

6. OTHER INCOME

	2023 S\$	2022 S\$
Government grant	21,165	51,593
Interest income	3,561	-
	<u>24,726</u>	<u>51,593</u>

Government grant includes an amount of S\$11,396 (2022: S\$42,466) relating to the Jobs Growth Incentives (as "JGI").

7. AFFILIATION FEES

This relates to affiliation fees charged by affiliated company at a contractual rate of 3% (2022: 3%) of total expenses. The affiliation fee for year 2023 include program development costs incurred on behalf of GYS by the affiliated company and subsequently recharged to GYS.

8. (LOSS)/PROFIT BEFORE TAXATION

(Loss)/Profit before income tax is arrived at after charging: -

	2023 S\$	2022 S\$
Included under office expenses		
- Loss on disposal of plant and equipment	255	-
- Short term lease	40,325	22,729
	<u>40,325</u>	<u>22,729</u>

9. EMPLOYEES BENEFITS

	2023 S\$	2022 S\$
Salaries, bonuses and other costs	763,102	958,073
Contributions to Central Provident Fund	97,978	115,972
	<u>861,080</u>	<u>1,074,045</u>

Included in the above are the following key management personnel compensation costs:

	2023 S\$	2022 S\$
Salaries, bonuses and other costs	199,013	183,813
	<u>199,013</u>	<u>183,813</u>

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2023

10. INCOME TAX EXPENSES

	2023 S\$	2022 S\$
Current tax expenses	-	-
Reconciliation of effective tax rate: - (Loss)/Profit before taxation	(153,230)	689,758
Tax at the income tax rate of 17% (2022: 17%)	(26,049)	117,259
Income not taxable for tax purposes	(1,588)	(116,952)
Expenses not deductible for tax purpose	1,349	1,302
Tax allowance	-	(1,609)
Deferred tax assets not recognised	26,288	-
	-	-

GYS registered as a Charity on 20 September 2020 and accordingly is exempted from tax under section 13(1)(zm) of the Income Tax Act effective from the date GYS registered as a Charity. GYS has unrecognised tax losses of S\$154,638 (2022: Nil) available for set-off against future taxable income subject to agreement with the Tax Authority and compliance with certain provisions of the Singapore Income Tax Act.

11. PLANT AND EQUIPMENT

	Computers S\$
<u>Cost</u>	
As at 1 January 2022	23,084
Additions	3,520
As at 31 December 2022 and 1 January 2023	26,604
Additions	7,733
Write off	(2,290)
As at 31 December 2023	32,047
<u>Accumulated depreciation</u>	
As at 1 January 2022	9,462
Charge for the year	7,657
As at 31 December 2022 and 1 January 2023	17,119
Charge for the year	7,182
Write off	(2,035)
As at 31 December 2023	22,266
<u>Carrying amount</u>	
As at 31 December 2022	9,485
As at 31 December 2023	9,781

NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2023

12. TRADE AND OTHER RECEIVABLES

	2023 S\$	2022 S\$
Trade receivables	-	89,051
Other receivables	6,432	6,432
Deposits	12,000	12,000
Financial assets (Note 17(a))	<u>18,432</u>	<u>107,483</u>
Prepayments	436	2,993
Unbilled revenue	296,500	59,500
	<u>315,368</u>	<u>169,976</u>

Trade and other receivables are denominated in the following currencies:

	2023 S\$	2022 S\$
Singapore dollars	308,936	161,474
United States dollars	-	2,070
Euro	6,432	6,432
	<u>315,368</u>	<u>169,976</u>

13. CASH AND CASH EQUIVALENTS

	2023 S\$	2022 S\$
Cash at bank	<u>716,960</u>	<u>1,244,391</u>

Cash and cash equivalents are denominated in Singapore dollar.

14. AMOUNTS DUE TO AFFILIATED COMPANY

The amounts due to affiliated company denominated in United States dollar are non-trade in nature, unsecured, interest free and repayable as follow:

	2023 S\$	2022 S\$
Payable within one year	<u>32,409</u>	<u>195,978</u>
	<u>32,409</u>	<u>195,578</u>

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NOTES TO FINANCIAL STATEMENTS - 31 DECEMBER 2023

15. OTHER PAYABLES

	2023 S\$	2022 S\$
Other payables	23,619	5,500
Accrued expenses	110,656	185,286
Financial Liabilities (Note 17(a))	<u>134,275</u>	<u>190,786</u>
Advances	77	8,510
	<u>134,352</u>	<u>199,296</u>

Accrued expenses consists of mainly of bonuses and unutilized leaves for the employees of GYS for the financial years ended 31 December 2023 and 31 December 2022.

Advances relates to donation received in advance from an organisation in support the programs and services in Singapore. The donation received was on voluntarily basis and not arising from any fund-raising activities conducted during the year.

Other payables are denominated in the following currencies:

	2023 S\$	2022 S\$
Singapore dollars	134,275	190,786
United States dollars	77	8,510
	<u>134,352</u>	<u>199,296</u>

16. RELATED COMPANY TRANSACTIONS

In addition to related party information disclosed elsewhere in the financial statements, the following significant transactions between GYS and related parties took place on terms agreed between the parties during the financial year: -

	2023 S\$	2022 S\$
<u>Transaction with affiliated company</u>		
Disbursement of grant income and other related programme income from affiliated company	350,457	717,136
Miscellaneous revenue - donation	-	(50)
Reimbursement from affiliated company	(5,687)	-
Grant income and other related programme income disbursed and recognised during the year	(523,528)	(511,180)
Affiliation fees paid to affiliated company	42,124	42,515
Repayment of loan	-	113,205
Service fee income from affiliated company	<u>(29,001)</u>	<u>(68,908)</u>

The amount of key management personnel compensation costs disclosed under Note 9 is recharged by GYS from affiliated company and is included in service fee income from affiliated company disclose above.

17. FINANCIAL RISK MANAGEMENT

(a) Financial risk management objective and policies

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

All financial risk management activities are carried out and monitored by senior management staff.

GYS's carrying amount of financial assets and liabilities recorded at the end of the financial year by categories are summarised as follows:

	Note	2023 S\$	2022 S\$
Financial assets:			
Trade and other receivables	12	18,432	107,483
Cash and cash equivalents	13	716,960	1,244,391
Financial assets at amortised cost		<u>735,392</u>	<u>1,351,874</u>
Financial liabilities:			
Amounts due to affiliated company	14	32,409	195,978
Other payables	15	134,275	190,786
Financial liabilities at amortised cost		<u>166,684</u>	<u>386,764</u>

(i) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for other party by failing to discharge an obligation. During the year, GYS does not have trade receivables. Whereas in previous year, GYS had trade receivables amounting to S\$89,051 that is not yet past due and was subsequently collected after the financial year ended. For cash and cash equivalents, GYS manages its credit risk by dealing with financial institutions that are regulated by the relevant authorities.

Accordingly, the trade receivables, cash and cash equivalents, deposits and other receivables are subject to minimal risk of default and hence immaterial credit loss.

17. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk management objective and policies (cont'd)

(ii) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities due to the shortage of funds. GYS's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities.

The objective of liquidity management is to ensure GYS has sufficient funds to meet its contractual and finance obligations. To manage liquidity risk, GYS's policy is to monitor its net operating cash flows and to maintain an adequate level of cash and cash equivalents to meet its working capital requirement.

The table below summarises the maturity profile of GYS's financial assets and liabilities based on contractual undiscounted cash flows at balance sheet date:

<u>2023</u>	On demand or within 1 year S\$	Payable with 2 to 5 years S\$	Total S\$
<u>Financial assets</u>			
Trade and other receivables	18,432	-	18,432
Cash and cash equivalents	716,960	-	716,960
Total undiscounted financial assets	<u>735,392</u>	<u>-</u>	<u>735,392</u>
<u>Financial liabilities</u>			
Amounts due to affiliated company	(32,409)	-	(32,409)
Other payables	(134,275)	-	(134,275)
Total undiscounted financial liabilities	<u>(166,684)</u>	<u>-</u>	<u>(166,684)</u>
Total net undiscounted financial assets	<u>568,708</u>	<u>-</u>	<u>568,708</u>
<u>2022</u>	On demand or within 1 year S\$	Payable with 2 to 5 years S\$	Total S\$
<u>Financial assets</u>			
Trade and other receivables	107,483	-	107,483
Cash and cash equivalents	1,244,391	-	1,244,391
Total undiscounted financial assets	<u>1,351,874</u>	<u>-</u>	<u>1,351,874</u>
<u>Financial liabilities</u>			
Amounts due to affiliated company	(195,978)	-	(195,978)
Other payables	(190,786)	-	(190,786)
Total undiscounted financial liabilities	<u>(386,764)</u>	<u>-</u>	<u>(386,764)</u>
Total net undiscounted financial assets	<u>965,110</u>	<u>-</u>	<u>965,110</u>

17. FINANCIAL RISK MANAGEMENT (CONT'D)

(a) Financial risk management objective and policies (cont'd)

(iii) Market risk

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

GYS has transactional currency exposures arising from transactions that are denominated in currency other than its functional currencies of Singapore dollar ("SGD"). GYS had amount owing to affiliated company denominated in USD as disclosed in Note 14 and Note 15. As a result, GYS is exposed to the movements of USD exchange rate. However, it is not GYS's policy to enter into derivative forward foreign exchange contracts for hedging and speculative purposes.

Sensitivity analysis

Other than as disclosed in Notes 12, 14 and 15, GYS does not have any other balances denominated in foreign currencies. Assuming that all other variables, in particular interest rates, remain constant, the following table is a sensitivity analysis of a reasonable possible change in the foreign exchange rate movements of USD against SGD by 3%: -

<u>2023</u>	Increase/(decrease)	
	(Loss)/Profit before tax	Equity
USD against SGD by 3%		
- Strengthened	973	
- Weakened	(973)	
<u>2022</u>		
USD against SGD by 3%		
- Strengthened	(5,879)	-
- Weakened	5,879	-

Interest rate risk - cash flow and fair value risk

Interest rate risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in market interest rates. As GYS has no significant interest-bearing financial instruments, GYS has no significant risk exposure to changes in market interest rate.

18. FAIR VALUES ESTIMATION OF FINANCIAL ASSETS AND LIABILITIES

- (i) *Fair value of GYS's financial assets and liabilities that are measured at fair value on a recurring basis*

Fair value is defined as the amount at which the financial instruments could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from undiscounted cash flow models and option pricing models as appropriate.

GYS classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a. quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- b. inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- c. inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

GYS has no financial assets and financial liabilities carried at fair value as at 31 December 2023 and 31 December 2022.

- (ii) *Fair value of financial assets and liabilities that are not carried at fair value and whose carrying amounts are a reasonable approximation of fair value*

The carrying amounts of other financial assets and liabilities with a maturity of less than one year (including cash and cash equivalents, other receivables (excluding prepayments), and amounts due to affiliated company and other payables) approximate their fair values due to relatively short-term maturities of these financial instruments. For financial assets and liabilities with a maturity of more than one year, management are of the view that the carrying amounts of those assets and liabilities approximate their fair values.

19. CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES

Management's objectives when managing capital are to ensure that GYS will be able to continue as a going concern and to maintain an optimal capital structure so as to maximise the return to shareholders.

The capital structure of GYS consists of mainly the retained earnings and amount due to affiliated company. Management reviews the capital structure on an annual basis and balances its overall capital structure by making adjustments to it in light of changes in economic conditions. In order to maintain or achieve an optimal capital structure, GYS may take on new borrowings or reduce its borrowings through redemption of existing debts, issue of new shares, increase or decrease the amounts of its dividend payments.

GYS's overall strategy remains unchanged from the previous financial year. GYS is not subject to any externally imposed capital requirements for the financial year ended 31 December 2023 and 31 December 2022.

The management's objectives when managing capital are to ensure that GYS will be able to continue as a going concern and to maintain an optimal capital structure so as to maximise the return to shareholders.