

**SIM
PEOPLE
DEVELOPMENT
FUND** ANNUAL REPORT 2021





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Chairman's Message

SIM People Development Fund was set up to enable Singaporeans to participate meaningfully in the fast-changing marketplace.

We seek to do this by bridging opportunities and creating access to customised skills training.

Our differentiating factors: a singular focus on people development; programmes informed by research; and gaps identification.

In developing Singapore's most precious resource, we are glad to come alongside an established community - the government, employers, training institutions, associations, charities and the like-minded.

In our first year of incorporation as a charity, we sharpened our *raison d'être*, defined policies, held conversations with our partners, and piloted a few initiatives. The foundation laid will put us in good stead in the coming year to scale up initiatives and fund solutions that are customised, innovative and effective for our beneficiaries.

We thank SIM for sharing our vision and providing the seed funding as an extension of its mission to do good. We look forward to continuing to work closely with SIM and our partners to further the national agenda for human talent development.

Yours faithfully,

Mrs Lim Hwee Hua

Chairman

SIM People Development Fund



About SIM People Development Fund

Objectives

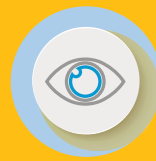
SIM People Development Fund Limited (SIMPDF) was incorporated on 27 Oct 2020 as a Company Limited by Guarantee. SIMPDF was granted IPC (Institutions of Public Character) status in March 2021, in recognition of it as a charity that benefits Singaporeans. As an IPC, our donors are given tax deduction for their donations.

Purpose, Vision, Tagline



PURPOSE

Enabling Singaporeans to participate in the ever-changing market place by realising the potential of their life-skills through access to learning pathways



VISION

Successful bridging of opportunities for Singaporeans to fully participate in the economy

TAGLINE



Keeping it **SIMPLE** –
Singaporeans in the Marketplace, Pathways and Learning Experiences



Logo

Focus on People Development - symbol of a person created from the overlapping letters **P** & **D**



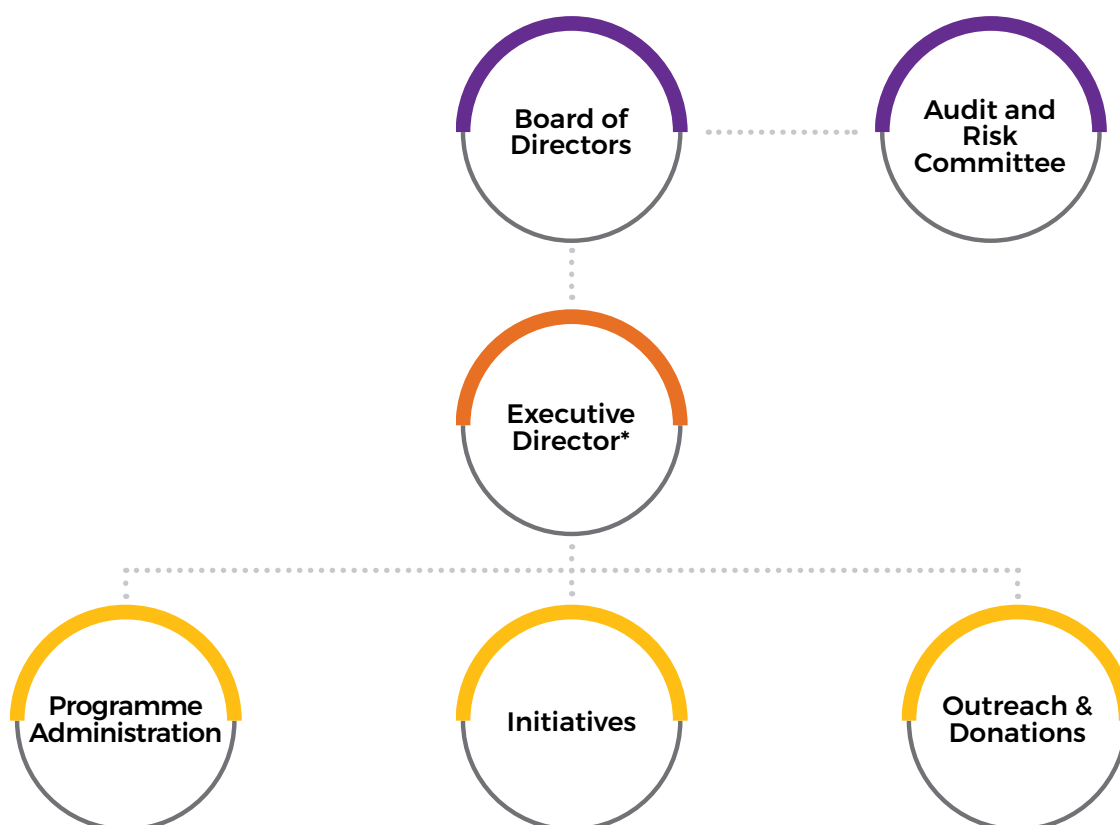
SIM PEOPLE DEVELOPMENT FUND

'Minding the gaps' and successful bridging of opportunities
- overlapping letters **P, D & F**

Dignity of people and work
- use of **purple**

Life skills that enable one to thrive through the seasons
- use of **orange** and **yellow**

Operating Structure



**Executive Director: Ms Liew Yen Lin
Date of Appointment: 12 April 2021*

Corporate Information



Unique Entity Number

202034234Z



Registered Address

41, Namly Avenue, Singapore 267616



Auditor

Ernst & Young LLP
Level 18, North Tower, One Raffles Quay, Singapore 048583



Principal Banker

DBS Bank Ltd
12 Marina Boulevard, DBS Asia Central, Marina Bay Financial Centre Tower 3,
Singapore 018982



Corporate Governance

Governance

Assuming the overall governance of SIMPDF is the Board of Directors. The board members with their diverse background bring to SIMPDF a wealth of perspectives and experience. Comprising majority independent elected members, the Board is responsible for the strategic direction and policies of SIMPDF to fulfil its mission. It provides governance oversight on leadership, financial, risk and audit matters with the support of its various committees.

The board is guided by a Code of Conduct which requires the full disclosure of all potential conflicts and that members recuse themselves in situations of potential conflict, whether direct or indirect.

As part of good corporate governance, SIMPDF has an independent reporting channel (<https://singapore.deloitte-halo.com/simpdfwhistleblowing>) for individuals to raise concerns of misconduct, irregularities or malpractices on our staff and vendors. Individuals' identity will be kept confidential and their concerns duly investigated.

Board of Directors



Lim Hwee Hua

Chairman,
SIMPDF

Co-Chairman,
Tembusu Partners Pte Ltd



Seah Chin Siong

Vice-Chairman,
SIMPDF

**President &
Chief Executive Officer,**
Singapore Institute of Management
Group Limited



Dr Chia Tai Tee

Treasurer,
SIMPDF



Lam Yi Young

Chief Executive Officer,
Singapore Business Federation



Steven Phan

Chairman,
SIMPDF Audit and Risk
Committee



Patrick Tay

Assistant Secretary-General,
National Trades Union Congress
Member of Parliament,
Pioneer SMC

Meeting attendance

Board of Directors			Meeting Attendance 2021	
Name	Designation in Board of Directors	Date of Appointment to Board of Directors	Board of Directors Meetings	Board of Directors Committee Meetings
Mrs Lim Hwee Hua	Chairman	1 January 2021	5/5	NA
Mr Seah Chin Siong	Vice-Chairman	1 January 2021	5/5	NA
Dr Chia Tai Tee	Treasurer	1 January 2021	5/5	NA
Mr Lam Yi Young	Member	1 March 2021	2/3	2/2
Mr Steven Phan	Audit and Risk Committee Chairman	1 January 2021	5/5	2/2
Mr Patrick Tay	Member	1 March 2021	2/3	NA

No member of the Board of Directors was remunerated for his/her board services in FY2021. SIMPDF has no remunerated staff. Audit Committee was renamed Audit and Risk Committee on 1 January 2022 to better reflect its mandate.

Board of Directors Committees

Committee	Chairman and Members	
Audit and Risk Committee	Chairman: Mr Steven Phan	Member: Mr Lam Yi Young



Financial Highlights

Key Financial Highlights

2021



\$4,300,000

Income

SIMPDF's primary source of funding is from donations. The majority of donations was received from a single donor and included a one-off lump sum to seed the incorporation of SIMPDF.



\$377,826

Expenditure



10 years
Reserve Level



\$3,922,174

Excess of income over expenditure

For the year ended 31 December.

Reserves computed based on the formula: reserves/total annual expenditure including capital expenditure and grant disbursement. SIMPDF targets to maintain a reserve level of two years taking into consideration its future income streams, operating and capital expenditure.

Programme Highlights

iShop@heartlands

A pilot project funded by SIMPDF to facilitate e-commerce for heartland merchants through regular help from interns.

OBJECTIVES

- Digitisation for heartland enterprises
- Business and life-skills for youths
- Community support for heartland enterprises ie. gotong royong

PARTNERS

- Boon Lay Merchant Association
- People's Association
- Youths
- Heartland Enterprise Centre Singapore



Designing Singaporeans' Resilience Task-by-Task



A research project commissioned by SIMPDF to empower Singaporeans for the future of work by identifying task pathways and requisite training programmes for aviation, MICE, and gig sectors.

OBJECTIVES

- Successful job transitioning for younger PMETs
- New career options for seasoned PMETs

PARTNERS

- Singapore University of Technology and Design (SUTD) LKY Centre for Innovative Cities

Future Plans

To work with training institutions to develop relevant programmes to help PMETs in the aviation, MICE and gig sectors transit and transform



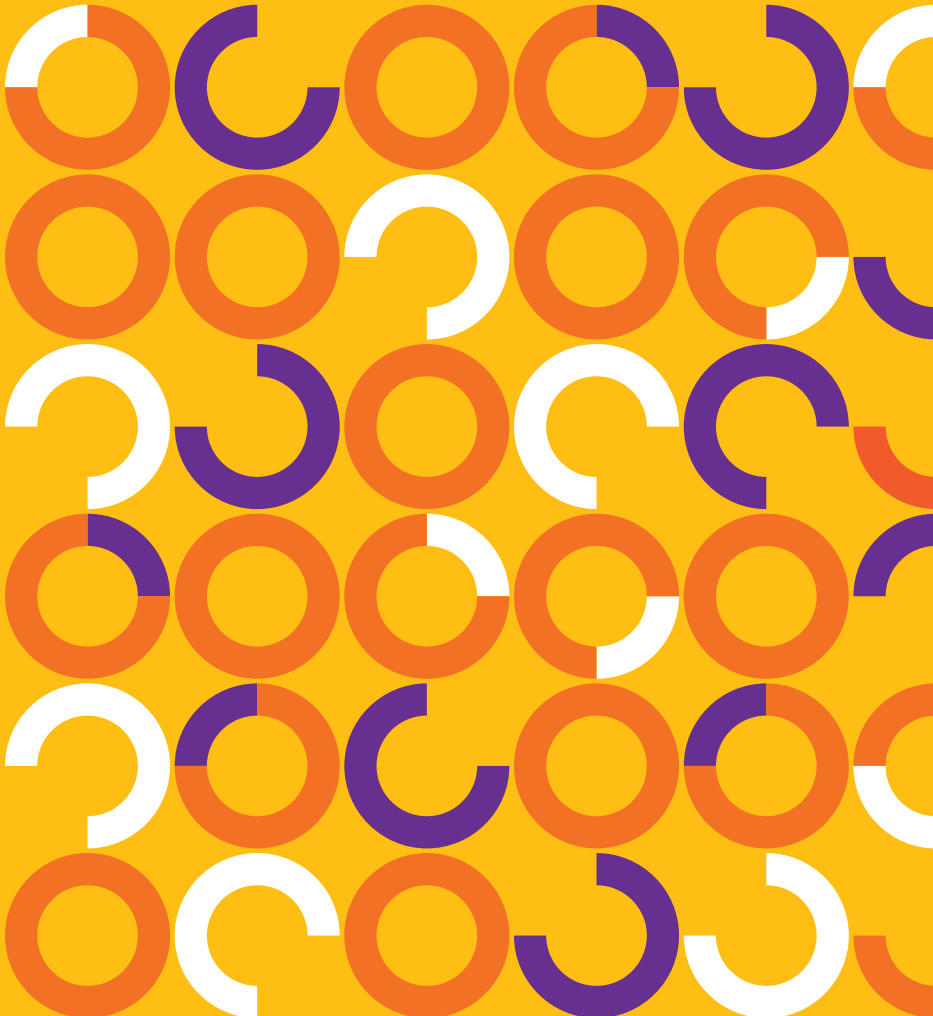
To scale up pilot programmes such as iShop@heartlands and collaborate with stakeholders to transform enterprises through job re-design and training



To launch customised Study Awards for learners with varying and real needs that might not have received sufficient attention



FINANCIAL STATEMENT



Company Registration No. 202034234Z

SIM People Development Fund Limited
(A Company limited by guarantee)

Annual Financial Statements
For the financial period from 27 October 2020 (date of incorporation)
to 31 December 2021



SIM People Development Fund Limited

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SIM People Development Fund Limited

Directors' statement

The directors hereby present their statement to the members together with the audited financial statements of SIM People Development Fund Limited (the "Company") for the financial period from 27 October 2020 (date of incorporation) to 31 December 2021.

Opinion of the directors

In the opinion of the directors,

- (i) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position the Company as at 31 December 2021 and of the financial performance, changes in funds and cash flows of the Company for the period from 27 October 2020 (date of incorporation) to 31 December 2021 in accordance with the provisions of the Singapore Companies Act 1967, the Charities Act 1994 and other relevant regulations and Financial Reporting Standards in Singapore; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors in office during this period are as follows:

Ms Shirley Tay Lay Cheng	(Appointed on 27 October 2020, Retired on 1 January 2021)
Mr Tan Beng Huat Jeffery	(Appointed on 27 October 2020, Retired on 1 January 2021)
Mrs Lim Hwee Hua	(Appointed on 1 January 2021)
Dr Chia Tai Tee	(Appointed on 1 January 2021)
Mr Seah Chin Siong	(Appointed on 1 January 2021)
Mr Phan Swee Kim	(Appointed on 1 January 2021)
Mr Tay Teck Guan Patrick	(Appointed on 1 March 2021)
Mr Lam Yi Young	(Appointed on 1 March 2021)
Ms Narasimhan Kimsuka	(Appointed on 1 February 2022)

Arrangements to enable directors to acquire shares or debentures

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

The Company is a public company limited by guarantee and does not have a share capital. There are no matters to be disclosed under Section 9, Twelfth Schedule of the Companies Act 1967.

Directors' contractual benefits

Since the date of incorporation, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a Company in which the director has a substantial financial interest.

SIM People Development Fund Limited

Directors' statement

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the Board of Directors



Mrs Lim Hwee Hua
Chairman



Dr Chia Tai Tee
Treasurer

Singapore
27 April 2022

SIM People Development Fund Limited

Independent auditor's report

For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021

Independent auditor's report to the members of SIM People Development Fund Limited

Report on the financial statements

Opinion

We have audited the financial statements of the SIM People Development Fund Limited (the "Company"), which comprise the statement of financial position as at 31 December 2021, the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows of the Company for the financial period from 27 October 2020 (date of incorporation) to 31 December 2021, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the "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 the Company as at 31 December 2021 and of the financial performance, changes in funds and cash flows of the Company for the financial period from 27 October 2020 (date of incorporation) to 31 December 2021.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report 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.

SIM People Development Fund Limited

Independent auditor's report

For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021

Independent auditor's report to the members of SIM People Development Fund Limited

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 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 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.

Those charged with governance comprises the directors. Their 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the 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.

SIM People Development Fund Limited

Independent auditor's report

For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021

Independent auditor's report to the members of SIM People Development Fund Limited

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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act 1967 and the Charities Act 1994 and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial period:

- (a) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

Ernst & Young LLP

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
27 April 2022

SIM People Development Fund Limited**Statement of comprehensive income****For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021**

	Note	27.10.2020 to 31.12.2021 \$
Income		
Donation in cash	3	4,300,000
Total income		4,300,000
Expenditure		
Grants and awards	4	146,055
Operating expenses		205,734
Administrative expenses		26,037
Total expenditure		377,826
Net income for the period, representing total comprehensive income for the period		3,922,174

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SIM People Development Fund Limited**Statement of financial position
As at 31 December 2021**

	Note	2021 \$
Current assets		
Cash and cash equivalents	6	4,234,937
Total assets		<u>4,234,937</u>
Current liabilities		
Other payables	7	312,763
Total current liabilities		<u>312,763</u>
Net current assets		<u>3,922,174</u>
Net assets		<u>3,922,174</u>
Funds		
General fund		3,922,174
Total funds		<u>3,922,174</u>
Total liabilities and funds		<u>4,234,937</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SIM People Development Fund Limited

Statement of changes in accumulated funds

For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021

	General fund \$
At 27 October 2020 (date of incorporation)	–
Net income for the period, representing total comprehensive income for the period	3,922,174
At 31 December 2021	<u>3,922,174</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SIM People Development Fund Limited**Statement of cash flows****For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021**

	Note	27 Oct 2020 to 31 Dec 2021 \$
Cash flows from operating activities		
Net income for the period		3,922,174
Changes in working capital:		
Increase in other payables		312,763
Net cash generated from operating activities		4,234,937
Net increase in cash and cash equivalents		4,234,937
Cash and cash equivalents at the date of incorporation		–
Cash and cash equivalents at the end of the period	6	4,234,937

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

SIM People Development Fund Limited

Notes to the financial statements

For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021

1. Corporate information

SIM People Development Fund Limited (the “Company”) was established on 27 October 2020 to promote philanthropic trusts, foundations and activities in the domains of education, training and lifelong learning, and related research, that are exclusively charitable and for the benefit of the Singapore community.

The Company was incorporated as a company limited by guarantee and domiciled in Singapore. The registered office of the Company is located at 41 Namly Avenue Singapore 267616.

The Company was registered as a charity under the Charities Act, 1994 and other relevant regulations (the “Charities Act and Regulations”) on 27 October 2020.

The Company is an approved Institution of a Public Character (“IPC”) in accordance with Section 37(9) of the Singapore Income Tax Act, 1947 from 10 March 2021 to 09 March 2023.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The financial statements have been prepared in accordance with the 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 dollars (“SGD” or “\$”).

2.2 *Adoption of new standards*

The Company has adopted all the new and revised standards which are effective for annual periods beginning on or after 27 October 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

SIM People Development Fund Limited**Notes to the financial statements****For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021****2. Summary of significant accounting policies (cont'd)****2.3 Standards issued but not yet effective**

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 16: Property, Plant and Equipment-Proceeds before Intended Use	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to FRS 37: Onerous Contracts- Cost of Fulfilling a contract	1 January 2022
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 101 and FRS Practice statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 10 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 Foreign currency

The financial statements are presented in Singapore Dollars, which is also the Company's functional 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 end of the reporting period. 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. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

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

SIM People Development Fund Limited

Notes to the financial statements

For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021

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

2.5 *Financial instruments*

Non-derivative financial liabilities

Initial recognition

The Company initially recognises all financial liabilities on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

Such non-derivative financial liabilities are initially measured at fair value less directly attributable transaction costs.

Subsequent measurement

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the effective interest method. These financial liabilities comprised trade and other payables and accrued expenses.

Derecognition

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired.

2.6 *Cash and cash equivalents*

Cash and cash equivalents comprise of cash at bank, fixed deposits, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2.7 *Fund structure*

General fund

The general fund is available for use at the discretion of the Board of Directors in furtherance of the Company's objectives.

Utilisation of the fund are governed by the Charities' mandate and objectives, Charities Act Chapter 37 and Charities (Institutions of a Public Character) Regulations.

2.8 *Income*

Donations

Donations are recognised in statement of comprehensive income in the period of receipt or when receipt of the amount is certain and measurable.

2.9 *Expenditure*

Expenditures comprises charitable activities expenses, administrative and operating expenses and governance costs. Expenditures are recognised as and when they are incurred in the accounting period in which approval is obtained from the management appointed to exercise stewardship over the Company.

SIM People Development Fund Limited**Notes to the financial statements****For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021****3. Income**

**27.10.2020
to 31.12.2021**
\$

Donation in cash	4,300,000
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In accordance with the disclosure requirement under Section 17(1) of the Charities (Institutions of a Public Character) Regulations, the Company has received a total tax-deductible donation of \$4,300,000 during the financial period ended 31 December 2021.

The majority of donations was received from a single donor and included a one off lump sum to seed the incorporation of the Company.

4. Grants and awards

Grants and awards pertain to research activities.

As at the date of this report, the Board has approved \$622,500 of grants and awards to be disbursed in subsequent financial years.

5. Income tax expenses

The Company is an approved charity organisation under the Charities Act 1994 and an institution of a public character under the Income Tax Act, Chapter 134. No provision for taxation has been made in the financial statements as the Company is a registered charity with income tax exemption.

6. Cash and cash equivalents

2021
\$

Cash at bank	4,234,937
--------------	-----------

Cash at bank are denominated in Singapore Dollars and are non-interest bearing.

7. Other payables

2021
\$

Other payables	70,584
Accruals	242,179
	312,763

The Company's exposures to liquidity risk related to other payables are disclosed in Note 9 to the financial statements.

SIM People Development Fund Limited

Notes to the financial statements

For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021

8. Related parties

Key management personnel compensation

Key management personnel of the Company are those persons who have the authority and responsibility for planning, directing and controlling the activities of the entity. The Board of Directors is considered as key management personnel of the Company.

The Board of Directors did not receive any form of remuneration from the Company during the financial period.

9. Financial risk management objectives and policies

Overview

The Company is exposed to financial risks, namely credit risk, liquidity risk and market risk, arising from its operations.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

Risk management framework

Risk management is integral to the operations of the Company. The Company has a system of controls in place to create an acceptable balance between cost of risks occurring and the cost of managing the risks. The Board of Directors continually monitor the Company's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect the changes in market conditions and the Company's activities.

Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and cash equivalents.

At the reporting date, there is no significant concentration of credit risk. The carrying amount of financial assets in the statement of financial position represents the Company's maximum exposure to credit risk, before taking into account any collateral held. The Company does not hold any collateral in respect of its financial assets.

The Company only records donations when the receipt is certain and measurable. The Board of Directors regularly monitor the recoverability of its financial assets and believe that it has adequately provided for any exposure to potential losses.

SIM People Development Fund Limited**Notes to the financial statements****For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021****9. Financial risk management objectives and policies (cont'd)*****Credit risk (cont'd)****Cash and cash equivalents*

Cash is placed with banks and financial institutions which are regulated.

The Company held cash and cash equivalent of \$4,234,937 at 31 December 2021.

Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Company considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents to be immaterial.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under normal and stressed conditions without incurring unacceptable losses or risking damage to the Company's reputation.

The Company monitors its liquidity risk and maintains an adequate level of cash and cash equivalents to finance the Company's operations and to mitigate the effects of fluctuations in cash flows.

The following are the expected contractual undiscounted cash outflows of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

	Carrying amount	Contractual cash flows within 1 year
	\$	\$
2021		
Other payables	312,763	312,763
	<hr/> 312,763	<hr/> 312,763

SIM People Development Fund Limited**Notes to the financial statements****For the financial period from 27 October 2020 (date of incorporation) to 31 December 2021****9. Financial risk management objectives and policies (cont'd)*****Market risk***

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Accounting classifications and estimation of fair values

The table below shows the classifications of financial assets and liabilities together with their carrying amounts recorded in the statement of financial position. For financial assets and financial liabilities not measured at fair value, the carrying amount is a reasonable approximation of their fair value due to their short-term nature.

	Note	Amortised cost \$	Total carrying amount \$
2021			
<i>Financial assets not measured at fair value</i>			
Cash and cash equivalents	6	4,234,937	4,234,937
		4,234,937	4,234,937
<i>Financial liabilities not measured at fair value</i>			
Other payables	7	312,763	312,763
		312,763	312,763

10. Comparative figures

The financial statements cover the financial period from 27 October 2020 (date of incorporation) to 31 December 2021. This being the first set of audited financial statements, there are no comparative figures.

11. Authorisation of financial statements for issue

The financial statements for the financial period ended 31 December 2021 were authorised for issue in accordance with a resolution of the directors on 27 April 2022.



SIM PEOPLE DEVELOPMENT FUND