

**BRINGING LOVE TO EVERY SINGLE SOUL
(SINGAPORE) LTD.**

(Incorporated in the Republic Of Singapore)

(Registration No.: 201418096G)

(Limited by Guarantee)

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2017**

TAN & TEH

Public Accountants and Chartered Accountants Singapore

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

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BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

DIRECTORS' STATEMENT

For the financial year ended 30 June 2017

The Directors are pleased to present their statements to the members together with the audited financial statements of Bringing Love to Every Single Soul (Singapore) Ltd. (the "Company") for the financial year ended 30 June 2017.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements of the Company as set out on pages 5 to 23 are drawn up so as to give a true and fair view of the financial position of the Company as at 30 June 2017 and the financial performance, changes in accumulated funds 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 of the Company in office at the date of this statement are:

Francesca Phoebe Wah Li Ting
Lim Sheng Wei, Justin

3. Arrangements to enable directors to acquire shares or debentures

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

4. Other matters

As the Company is limited by guarantee and has no share capital, the statutory information required to be disclosed under Section 201 (12) of the Companies Act Cap 50 does not apply.

5. Auditors

The auditors, Tan & Teh, have expressed their willingness to accept the re-appointment as auditors.

On behalf of the Board of Directors:



Francesca Phoebe Wah Li Ting
Director
Date: 26 December 2017



Lim Sheng Wei, Justin
Director

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bringing Love To Every Single Soul (Singapore) Ltd. (the "Company"), as set out on pages 5 to 23, which comprise the statement of financial position as at 30 June 2017, the statement of profit or loss and other comprehensive income, statement of changes in funds and the statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (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 30 June 2017 and of the financial performance, changes in funds and cash flows of the Company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement set out on pages 1.

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 BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD. (CONTINUED)**

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the 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 judgement and maintain professional scepticism throughout the audit. We also:

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


**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD. (CONTINUED)***Auditor's Responsibilities for the Audit of the Financial Statements (continued)*

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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



TAN & TEH
Public Accountants and Chartered Accountants
Singapore

26 December 2017

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2017

	Note	Programmes							Total
		Small Soul	Shining Star	Single Senior	Single Stranger	Sweet Soul	Mobile Family Day	General	
		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
2017									
Revenue									
Donations		10,000	-	-	-	-	-	7,002	17,002
Grants		-	7,936	-	55,000	-	-	-	62,936
		10,000	7,936	-	55,000	-	-	7,002	79,938
Expenses									
Programme expenses	4	-	7,809	122	18,040	-	-	-	25,971
Operating expenses									
Admin expenses		-	-	-	-	-	-	5,727	5,727
Audit fee		-	-	-	-	-	-	1,800	1,800
Tax fee		-	-	-	-	-	-	500	500
		-	-	-	-	-	-	8,027	8,027
Total expenses		-	7,809	122	18,040	-	-	8,027	33,998
Surplus before tax		10,000	127	(122)	36,960	-	-	(1,025)	45,940
Income tax expense	5	-	-	-	-	-	-	-	-
Surplus after tax, representing total comprehensive income for the year		-	-	-	-	-	-	-	45,940

The accompanying notes form an integral part of these financial statements

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 30 June 2017

	Note	Programmes							Total
		Small Soul S\$	Shining Star S\$	Single Senior S\$	Single Stranger S\$	Sweet Soul S\$	Mobile Family Day S\$	General S\$	
2016									
Revenue									
Donations		4,684	-	-	-	-	-	12,589	17,273
Grants		-	9,250	-	-	-	23,095	101	32,446
		4,684	9,250	-	-	-	23,095	12,690	49,719
Expenses									
Programme expenses	4	-	-	-	-	-	24,798	-	24,798
Operating expenses									
Admin expenses		5,286	2,156	246	3,305	326	-	12,888	24,207
Audit fee		-	-	-	-	-	-	1,500	1,500
Tax fee		-	-	-	-	-	-	500	500
		5,286	2,156	246	3,305	326	-	14,888	26,207
Total expenses		5,286	2,156	246	3,305	326	24,798	14,888	51,005
Deficit before tax		(602)	7,094	(246)	(3,305)	(326)	(1,703)	(2,198)	(1,286)
Income tax expense	5								-
Deficit after tax, representing total comprehensive loss for the year									(1,286)

The accompanying notes form an integral part of these financial statements

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2017

	Note	2017 S\$	2016 S\$
<u>ASSETS</u>			
<u>Non-current asset</u>			
Plant and equipment	6	864	864
<u>Current assets</u>			
Other receivables	7	6,139	431
Other current assets	8	20,250	-
Cash and cash equivalents	9	23,022	3,151
		<u>49,411</u>	<u>3,582</u>
<u>LIABILITIES</u>			
<u>Current liabilities</u>			
Other payables	10	<u>2,314</u>	<u>2,425</u>
NET ASSETS			
		<u>47,961</u>	<u>2,021</u>
<u>FUNDS</u>			
Accumulated funds		<u>47,961</u>	<u>2,021</u>
TOTAL FUNDS		<u>47,961</u>	<u>2,021</u>

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

For the financial year ended 30 June 2017

	Accumulated funds
	S\$
Balance as at 01 July 2015	3,307
Deficit after tax, representing total comprehensive loss for the year	<u>(1,286)</u>
Balance as at 30 June 2016	<u><u>2,021</u></u>
Balance as at 01 July 2016	2,021
Surplus after tax, representing total comprehensive income for the year	<u>45,940</u>
Balance as at 30 June 2017	<u><u>47,961</u></u>

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2017

	Note	2017 S\$	2016 S\$
Cash flow from operating activities			
Surplus / (Deficit) before tax		45,940	(1,286)
<u>Changes in working capital:</u>			
Other receivables		(5,708)	6,018
Other current assets		(20,250)	-
Other payables		(111)	(10,690)
Net cash flows generated from / (used in) operating activities		<u>19,871</u>	<u>(5,958)</u>
Cash flows from investing activities			
Purchase of plant and equipment	6	-	(864)
Net cash flows used in investing activities		<u>-</u>	<u>(864)</u>
Net increase / (decrease) in cash and cash equivalents		19,871	(6,822)
Cash and cash equivalents at beginning of the year		<u>3,151</u>	<u>9,973</u>
Cash and cash equivalents at end of the year	9	<u><u>23,022</u></u>	<u><u>3,151</u></u>

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

1. Corporate information

Bringing Love to Every Single Soul (Singapore) Ltd. (the "Company"), is a limited by guarantee company, domiciled and incorporated in Singapore with its registered office and principal place of business at 465 Jurong West Street 41, #03-542, Singapore 640465.

The principal activity of the Company is to provide social services for children, youth and families without stay in accommodation. There are no significant changes in the nature of these activities during the financial year.

The financial statements of the Company for the financial year ended 30 June 2017 were authorised for issue by the Board of Directors on the date of the Directors' Statement.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The financial statements have been prepared under the historical cost convention, except as otherwise disclosed in the accounting policies stated below.

The financial statements are presented in Singapore Dollar, which is the Company's functional currency and presentation currency.

2.2 Adoption of new and revised standards

On 1 July 2016, the Company adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application for annual financial periods beginning on or after 1 January 2016. Changes to the Company's accounting policies have been made as required and in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of the following FRS and INT FRS that are relevant to the Company did not result in any substantial changes to the Company's accounting policies or any significant impact on these financial statements:

<u>New or improvements to FRSs issued:</u>	<u>Effective periods (annual periods beginning on or after)</u>
FRS 16, FRS 38	Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation
Various FRS	Improvements to FRSs (November 2014)
FRS 1	Amendments to FRS 1: Disclosure Initiative

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective

Certain new accounting standards, amendments and interpretations have been issued as at the end of the financial year but are not yet effective. The management assessment of those standards, amendments and interpretations that are relevant to the Company within 12 months from the end of the financial year are as follows:

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

<u>Descriptions</u>	<u>Effective periods</u> <u>(Annual Periods Beginning on or after)</u>
FRS 115 Revenue from Contracts with Customers	01 January 2018
FRS 109 Financial Instruments	01 January 2018
FRS 7 Amendments to FRS 7: Disclosure Initiative	01 January 2017
FRS 12 Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	01 January 2017
FRS 115 Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	01 January 2018

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 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 reporting period are recognised in profit or loss.

2.5 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 accumulated impairment losses. The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. 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:

	<u>Useful lives</u>
Computer software	1 year

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (continued)

2.5 Plant and equipment (continued)

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for the depreciation is made in respect of these items.

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 derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.7 Financial instruments

a) Financial assets

Initial recognition and measurement

Financial assets 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 assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (continued)

2.7 Financial instruments (continued)

a) Financial assets (continued)

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recognised at fair value, plus directly attributable transaction costs and subsequently carried at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Loans and receivables comprise other receivables and cash and cash equivalents.

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition 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 has been recognised in other comprehensive income is recognised in profit or loss.

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 fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss 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.

Such financial liabilities comprise other payables.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (continued)

2.7 Financial instruments (continued)

b) Financial liabilities (continued)

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.8 Impairment of financial assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (continued)

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand are subject to an insignificant risk of changes in value.

2.10 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.11 Employee benefits

a) Defined contribution plans

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.

2.12 Provisions

General

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (continued)

2.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

a) Donations

Donations are recognised as income when received.

b) Grant

Grant from government organisations are recognised only when there is reasonable assurance that the program has complied with the conditions of the grants and the grant will be received. Such grants are recognised on an accrual basis. Where the grant relates to an expense item, it is recognised in profit or loss on a systematic and rational basis over the periods to match them with the related costs that it is intended to compensate.

2.14 Fund accounting

Unless specifically indicated, fund balances are not represented by any specific assets, but are represented by all assets of the Company.

2.15 Taxation

(a) Current income 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.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

2. Summary of significant accounting policies (continued)

2.15 Taxation (continued)

(b) 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.

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.

3. Significant accounting judgements and estimates

The preparation of the Company'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.

3.1 Judgements made in accounting policies

Determination of functional currency

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

a) Useful lives of plant and equipment

The useful life of an item of plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Company's plant and equipment as at 30 June 2017 and 2016 were \$864.

b) Impairment of loans and receivables

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Company considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amounts of the Company's loans and receivables at the end of the reporting period are as disclosed in statement of financial position.

4. Programme expenses

These include expenses for running the programmes such as gifts, video photography, meals, transportations, T-shirts and others.

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For the financial year ended 30 June 2017

5. Income tax expense

	2017 S\$	2016 S\$
<u>Income tax</u>		
Current year	-	-

The reconciliation of the tax expense and the result of the financial statements for the period multiplied by the applicable rate are as follows:-

	2017 S\$	2016 S\$
Accounting profit / (loss)	45,940	(1,286)
Tax at applicable rate of 17% (2016: 17%)	7,810	(219)
Tax effect of :-		
- Expenses not deductible for tax purposes	5,780	8,671
- Income not subject to tax	(13,590)	(8,452)
	-	-

6. Plant and equipment

	Computer software S\$
<u>Cost</u>	
Balance as at 30 June 2016 and 30 June 2017	864
<u>Accumulated depreciation</u>	
Depreciation charge for the year and balance as at 30 June 2017	-
<u>Carrying amount</u>	
Balance as at 30 June 2016 and 30 June 2017	864

The computer software was not depreciated as it is still not in use as at year end.

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7. Other receivables

	2017	2016
	S\$	S\$
Amount due from director	115	115
Grants receivables	6,024	-
Sundry receivables	-	316
	<u>6,139</u>	<u>431</u>

Other receivables are non-trade, unsecured, non-interest bearing, collectible on demand and are denominated in Singapore Dollar.

8. Other current assets

	2017	2016
	S\$	S\$
Prepayment	<u>20,250</u>	<u>-</u>

Other current assets are denominated in Singapore dollar.

9. Cash and cash equivalents

	2017	2016
	S\$	S\$
Cash on hand	-	410
Cash in bank	23,022	2,741
Total cash and cash equivalents	<u>23,022</u>	<u>3,151</u>

Cash and cash equivalents are denominated in Singapore Dollars.

10. Other payables

	2017	2016
	S\$	S\$
Accrued expenses	2,300	2,000
Refundable deposit	14	425
	<u>2,314</u>	<u>2,425</u>

Other payables are non-trade, unsecured, non-interest bearing, and payable on demand and are denominated in Singapore Dollar.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

11. Related party transaction

The following transactions with related parties took place at terms agreed between the parties during the financial year:

	2017	2016
	S\$	S\$
Donations received from a director	<u>1,700</u>	<u>2,000</u>

During the financial year, there were no compensation of key management personnel.

12. Financial risk management

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include liquidity risk and credit risk.

The board of directors reviews and agrees policies and procedures for the management of these risks, 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 above mentioned 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.

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

All the Company's liability at the end of the reporting period will mature in one year or less.

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For the financial year ended 30 June 2017

12. Financial risk management (continued)

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Financial assets that are neither past due nor impaired

Financial assets that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies and other receivables with credit worthy debtors.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired.

13. Fair value measurement

The carrying amounts of the financial assets and financial liabilities as reflected in the statement of financial position, approximates their fair values.

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 equivalent, other receivables and other payables

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

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2017

14. Financial instruments by category

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised costs were as follows:

	2017	2016
	S\$	S\$
Loans and receivables		
Other receivables (Note 7)	6,139	431
Cash and cash equivalents (Note 9)	23,022	3,151
	<u>29,161</u>	<u>3,582</u>
Total financial assets	<u>29,161</u>	<u>3,582</u>
Financial liabilities measured at amortised cost		
Other payables (Note 10)	2,314	2,425
	<u>2,314</u>	<u>2,425</u>

15. Fund management

The Company's objectives when managing its funds are to safeguard and maintain adequate working capital to continue as going concern and to develop its principal activities over the longer term from donations. No changes were made to the objectives, policies or processes of fund management during the years ended 30 June 2017 and 30 June 2016.