

**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 2019**

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 2019

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BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

DIRECTORS' STATEMENT

For the financial year ended 30 June 2019

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 2019.

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 2019 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 Chin Voon, Jesslyn (Appointed on 1 September 2019)
Mona Siow Bao Ling (Appointed on 1 September 2019)
Peck Zhining Gillian (Appointed on 1 September 2019)

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



Peck Zhining Gillian
Director

Date: 13 December 2019

**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 2019, the statement of income and expenditure and other comprehensive income, statement of changes in accumulated 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 2019 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 page 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)**

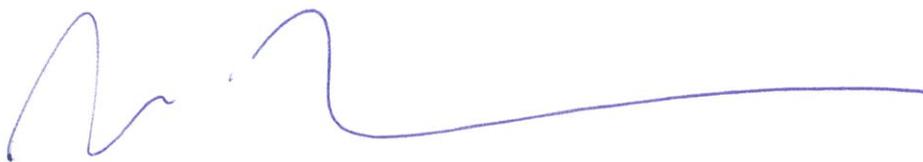
Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 director 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

Partner-in-charge: Teh Kwang Hwee

Date: 13 December 2019

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

**STATEMENT OF INCOME AND EXPENDITURE AND
OTHER COMPREHENSIVE INCOME**

For the financial year ended 30 June 2019

	Note	Programmes			General	Total
		Small Soul	Shining Star	Be A Giver		
<u>2019</u>		S\$	S\$	S\$	S\$	S\$
<u>Income</u>						
Donations		-	-	-	14,005	14,005
Grants		-	8,561	5,675	-	14,236
Activities income		-	-	-	4,650	4,650
Other income		-	-	-	866	866
		-	8,561	5,675	19,521	33,757
<u>Expenditure</u>						
Programme expenses	4	1,657	23,566	10,702	-	35,925
Operating expenses						
Admin expenses		-	-	-	4,758	4,758
Advertisement expenses		-	-	-	1,074	1,074
Audit fee		-	-	-	1,800	1,800
Bank charges		-	-	-	97	97
Depreciation		-	-	-	288	288
Tax fee		-	-	-	500	500
Website hosting expenses		-	-	-	363	363
		-	-	-	8,880	8,880
Total expenditure		1,657	23,566	10,702	8,880	44,805
Surplus / (deficit) before tax		(1,657)	(15,005)	(5,027)	10,641	(11,048)
Income tax expense	5					-
Deficit for the year, representing total comprehensive loss for the year						(11,048)

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

**STATEMENT OF INCOME AND EXPENDITURE AND
OTHER COMPREHENSIVE INCOME**

For the financial year ended 30 June 2019

	Note	Programmes				General	Total
		Small Soul	Shining Star	Single Stranger	Be A Giver		
2018		S\$	S\$	S\$	S\$	S\$	S\$
Income							
Donations		-	-	-	-	8,617	8,617
Grants		-	18,461	3,906	8,625	-	30,992
Activities income		-	-	-	4,161	-	4,161
Other income		-	-	-	-	3	3
Total income		-	18,461	3,906	12,786	8,620	43,773
Expenditure							
Programme expenses	4	2,639	4,391	27,000	11,289	-	45,319
Operating expenses							
Admin expenses		-	-	-	-	3,505	3,505
Audit fee		-	-	-	-	2,000	2,000
Bank charges		-	-	-	-	2	2
Depreciation		-	-	-	-	288	288
Tax fee		-	-	-	-	530	530
		-	-	-	-	6,325	6,325
Total expenditure		2,639	4,391	27,000	11,289	6,325	51,644
(Deficit) / surplus before tax		(2,639)	14,070	(23,094)	1,497	2,295	(7,871)
Income tax expense	5						-
Deficit for the year, representing total comprehensive loss for the year							<u>(7,871)</u>

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019

	Note	2019 S\$	2018 S\$
<u>ASSETS</u>			
<u>Non-current asset</u>			
Plant and equipment	6	288	576
<u>Current assets</u>			
Other receivables	7	32,627	30,980
Cash and cash equivalents	8	5,836	10,848
		<u>38,463</u>	<u>41,828</u>
<u>LIABILITIES</u>			
<u>Current liabilities</u>			
Other payables	9	<u>9,709</u>	<u>2,314</u>
NET ASSETS			
		<u>29,042</u>	<u>40,090</u>
<u>FUNDS</u>			
Accumulated funds		<u>29,042</u>	<u>40,090</u>
TOTAL FUNDS		<u>29,042</u>	<u>40,090</u>

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

For the financial year ended 30 June 2019

	Accumulated funds S\$
Balance as at 01 July 2017	47,961
Deficit for the year, representing total comprehensive loss for the year	<u>(7,871)</u>
Balance as at 30 June 2018	<u><u>40,090</u></u>
Balance as at 01 July 2018	40,090
Deficit for the year, representing total comprehensive loss for the year	<u>(11,048)</u>
Balance as at 30 June 2019	<u><u>29,042</u></u>

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

STATEMENT OF CASH FLOWS

For the financial year ended 30 June 2019

	Note	2019 S\$	2018 S\$
Cash flow from operating activities			
Deficit before tax		(11,048)	(7,871)
Adjustments for:			
Depreciation	6	288	288
		<u>(10,760)</u>	<u>(7,583)</u>
<u>Changes in working capital:</u>			
Other receivables		(1,647)	(24,841)
Other current assets		-	20,250
Other payables		7,395	-
Net cash flows used in operating activities		<u>(5,012)</u>	<u>(12,174)</u>
Net decrease in cash and cash equivalents		(5,012)	(12,174)
Cash and cash equivalents at beginning of the year		10,848	23,022
Cash and cash equivalents at end of the year	8	<u><u>5,836</u></u>	<u><u>10,848</u></u>

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

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 11, Haig Road, #11-393, Haig View, Singapore 430011.

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 2019 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 (S\$), which is the Company’s functional currency and presentation currency.

2.2 Adoption of new and revised standards

On 1 July 2018, 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 2018. 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 for annual periods beginning on or after</u>
FRS 109 Financial Instruments	1 Jan 2018
Improvements to FRSs (December 2016)	1 Jan 2018

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective

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

<u>Descriptions</u>	<u>Effective for annual periods beginning on or after</u>
INT FRS 123 Uncertainty over Income Tax Treatments	1 Jan 2019

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 live. The estimated useful live are as follows:

Computer software	Useful live 3 years
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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.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

2. Summary of significant accounting policies (continued)

2.5 Plant and equipment (continued)

The useful life, 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.

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

The Company does not have any trade receivables as at year ended 30 June 2019.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

2. Summary of significant accounting policies (continued)

2.7 Financial instruments (continued)

a) Financial assets (continued)

Subsequent measurement

Investments in debt instruments

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

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

De-recognition

A financial asset is de-recognised where 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 for debt instruments 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.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

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, cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.8 Impairment of financial assets

Financial assets carried at amortised cost

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

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

For other receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Company does not have any trade receivables as at year ended 30 June 2019.

2.9 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.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

2. Summary of significant accounting policies (continued)

2.10 Cash and cash equivalents

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

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.

2.13 Fund accounting

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

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

2. Summary of significant accounting policies (continued)

2.14 Revenue recognition

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

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

a) Donations

Donations are recognised as income when received.

b) Activities income

Activities income pertains to the income received from fundraising activities to support the Company's various programmes. Activities income is recognised upon completion of the activities.

c) Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

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 2019

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 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

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

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.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

3. Significant accounting judgements and estimates (continued)

3.2 Key sources of estimation uncertainty (continued)

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 2019 was \$288 (2018: \$576).

b) Provision for expected credit losses of other receivables

When measuring ECL, the Company uses reasonable and supportable forward-looking information, which is based on the assumptions for the future movement of the different economic drivers and how these drivers will affect each other.

Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitute a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The carrying amount of the Company's other receivables as at 30 June 2019 was S\$32,627 (2018: S\$30,980).

4. Programme expenses

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

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

5. Income tax expense

	2019	2018
	S\$	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:

	2019	2018
	S\$	S\$
Accounting (deficit)	(11,048)	(7,871)
Income tax using statutory rate of 17% (2018: 17%)	(1,878)	(1,338)
Tax effect of :-		
- Deferred tax benefits not recognised	398	45
- Expenses not deductible for tax purposes	5,316	6,560
- Income not subject to tax	(3,836)	(5,267)
	-	-

6. Plant and equipment

	Computer software S\$
<u>Cost</u>	
Balance as at 30 June 2018 and 30 June 2019	864
<u>Accumulated depreciation</u>	
Balance as at 30 June 2018	288
Depreciation charge for the year	288
Balance as at 30 June 2019	576
<u>Carrying amount</u>	
As at 30 June 2018	576
As at 30 June 2019	288

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

7. Other receivables

	2019	2018
	S\$	S\$
Grants receivables	<u>32,627</u>	<u>30,980</u>

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

8. Cash and cash equivalents

	2019	2018
	S\$	S\$
Cash at bank	<u>5,836</u>	<u>10,848</u>

Cash and cash equivalents are denominated in Singapore Dollar.

9. Other payables

	2019	2018
	S\$	S\$
Accrued expenses	9,695	2,300
Refundable deposit	14	14
	<u>9,709</u>	<u>2,314</u>

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

10. Related party transaction

Compensation of key management personnel

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

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

11. 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 directors review and agree 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.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from other receivables. For other financial assets (including cash), the Company minimises credit risk by dealing with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

The Company has no significant concentration of credit risk. The Company has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12-month ECL. The Company assessed that there is no ECL on the outstanding receivables as at year end.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2019

11. Financial risk management (continued)

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's operations are financed mainly through contributions. The directors are satisfied that funds are available to finance the operations of the Company.

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

Market risk

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

a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company's exposure to interest rate risk arises primarily from their cash and cash equivalents.

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

b) Foreign currency risk

The Company's exposure to foreign currency risk is minimal as most of the transactions are denominated in its functional currency, which is Singapore dollar.

12. 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 2019

13. Financial instruments by category

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

	2019	2018
	S\$	S\$
Financial assets measured at amortised cost		
Other receivables	32,627	30,980
Cash and cash equivalents	5,836	10,848
	<u>38,463</u>	<u>41,828</u>
Total financial assets at amortised cost	<u>38,463</u>	<u>41,828</u>
Financial liabilities measured at amortised cost		
Other payables	<u>9,709</u>	<u>2,314</u>
Total financial liabilities at amortised cost	<u>9,709</u>	<u>2,314</u>

14. 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 2019 and 30 June 2018.

The Company's reserves position at the end of the reporting period were:

	2019	2018	Decrease
	S\$	S\$	
Unrestricted funds: Accumulated funds	29,042	40,090	-27.56%
Ratio of unrestricted funds to annual operating expenditure	<u>0.65</u>	<u>0.78</u>	

The reserves that the Company has set aside provide financial stability and the means for the development of its principal activities. The Company reviews annually the amount of reserves that are required to ensure that they are adequate to fulfil their continuing obligations.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

JOURNAL ADJUSTMENTS

For the financial year ended 30 June 2019

S/N	Descriptions	Debit S\$	Credit S\$
<u>Audit journal adjustments</u>			
1	Account receivables Other fund <i>(Being adjustment to record Be A Giver grant earned but not yet received as at 30 June 2019.)</i>	1,700.00	1,700.00
2	Other fund Account receivables <i>(Being adjustment to reverse over accrued Shining Star grants receivable in prior year.)</i>	1,394.08	1,394.08
3	Audit fee Tax fee Other business expenses Accrual <i>(Being adjustment for current year accrued audit and tax fees.)</i>	1,800.00 500.00 240.00	2,540.00
4	Grants receivables Grants income- Shining Star <i>(Being adjustment on the recognition of OSF grants receivables for Be a Giver.)</i>	3,975.00	3,975.00
5	Grants receivables Grants income- Shining Star <i>(Being adjustment for recognition of grants receivables For Shining Star from Southwest CDC)</i>	9,955.39	9,955.39
6	Shining Stars Expense Accrued Expense <i>(Being adjustment to accrue FY 2019 payable expenses)</i>	7,154.79	7,154.79

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JOURNAL ADJUSTMENTS

For the financial year ended 30 June 2019

S/N	Descriptions	Debit S\$	Credit S\$
<u>Reclassification journal adjustments</u>			
1	MYOB at cost MYOB Accum Depreciation Software (MYOB) <i>(Being reclassification of accounts)</i>	864.00	288.00 576.00
2	Software (MYOB) MYOB Accum Depreciaton <i>(Being reclassification of accounts)</i>	288.00	288.00
3	Bank charges Other business expenses Audit fee <i>(Being reclassification of accounts)</i>	50 240	290
4	Donation Activities income <i>(Being reclassification of accounts)</i>	4,650	4,650
5	Donation Other income <i>(Being reclassification of accounts)</i>	50	50

We hereby authorise and approve the above journal adjustments to the Company's financial statements.

On behalf of the Board of Directors:



Francesca Phoebe Wah Li Ting
Director



Peck Zhining Gillian
Director

Date: 13 December 2019