

BEAUTIFUL PEOPLE SG LTD.

[UEN. 201525056H]

[A company limited by guarantee and not having
share capital]

[Incorporated in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2019**

CONTENTS

Directors' Statement	2
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	10
Statement of Changes in Funds	11
Statement of Cash Flows	12
Notes to the Financial Statements	13

**SUHAIMI SALLEH &
ASSOCIATES**

[UEN. S88PF0247L]

Public Accountants and

Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6491.5218

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of Beautiful People SG Ltd. (the "Company") for the financial year ended 31 March 2019.

In the opinion of the directors,

- a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company at 31 March 2019, and of the financial performance, changes in funds and cash flows of the Company for the financial 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.

Directors

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

Lim Lay Sar
Ng Mei Wan
Kwee Mei Wan Melissa
Lim Sze Wei
Yong Yoek Ling
Wong Kai Ling
Meena Mynaganam-Tay
Nur Asshikin Binti Ahmad

Arrangements to enable directors to acquire benefits

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose object 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.

Other matters

As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

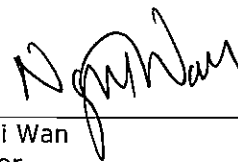
Independent auditors

The independent auditors, Messrs. Suhaimi Salleh & Associates, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,



Kwee Mei Wan Melissa
Director



Ng Mei Wan
Director

Singapore, | **19 AUG 2019**

Suhaimi Salleh & Associates

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6419.5218

Independent auditor's report to the members of:

BEAUTIFUL PEOPLE SG LTD.

[UEN. 201525056H]

[A company limited by guarantee and not having share
capital]

[Incorporated in the Republic of Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Beautiful People SG Ltd. (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2019, the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the financial 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 "Companies Act"), the Charities Act, Chapter 37 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 March 2019 and the financial performance, changes in funds and cash flows of the Company for the financial 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 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 or 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.

Suhaimi Salleh & Associates

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6419.5218

(CONT'D)

Independent auditor's report to the members of:

BEAUTIFUL PEOPLE SG LTD.

[UEN. 201525056H]

[A company limited by guarantee and not having share
capital]

[Incorporated in the Republic of Singapore]

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Companies Act, the Charities Act and Regulations and FRSS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing 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 auditor's 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 management.

Suhaimi Salleh & Associates

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre, #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6419.5218

(CONT'D)

Independent auditor's report to the members of:

BEAUTIFUL PEOPLE SG LTD.

[UEN. 201525056H]

[A company limited by guarantee and not having share
capital]

[Incorporated in the Republic of Singapore]

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

- 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 those charged with governance 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 and the Charities Act and Regulations.

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

- (a) the Company has not used of the donation moneys in accordance with the 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.



Suhaimi Salleh & Associates

Public Accountants and
Chartered Accountants

Singapore, **19 AUG 2019**

Partner-in-charge: Soo Hon Weng
PAB No.: 01089

**STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted fund		Restricted funds		Total unrestricted and restricted funds S\$
		General fund S\$		Dream fund S\$	Community Chest Charity Support fund S\$	
2019						
INCOME						
Income from generating funds						
Voluntary income						
Tax exempt donations	5	65,300		24,000	0	89,300
Non-tax exempt donations		43,360		0	50,000	93,360
		108,660		24,000	50,000	182,660
Other income						
Volunteer activities		4,097		0	0	4,097
Sale of book		5,736		0	0	5,736
Temporary employment credit		105		0	0	105
Programme income		9,250		0	0	9,250
		19,188		0	0	19,188
Total income		127,848		24,000	50,000	201,848
LESS: EXPENDITURE						
Governance and administrative costs						
Audit fee		2,500		0	0	2,500
Bank charges		70		0	0	70
Bonus		3,180		0	0	3,180
Depreciation		2,027		0	0	2,027
Employer's CPF & SDL		7,173		0	0	7,173
Fund raising expenses		1,412		0	0	1,412
General expense		210		0	0	210
Insurance		731		0	0	731
Balance carried forward		17,303		0	0	17,303

**STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019 (CONT'D)**

	Note	Unrestricted fund		Restricted funds		Total unrestricted and restricted funds
		General fund	S\$	Dream fund	Community Chest Charity Support fund	
2019 (CONT'D)						
EXPENDITURE (CONT'D)						
Governance and administrative costs (Cont'd)						
Balance brought forward		17,303		0	0	17,303
IT expenses		896		0	0	896
Membership fee		179		0	0	179
Refreshment		711		0	0	711
Postage		67		0	0	67
Printing and stationery		535		0	0	535
Programme expense		7,406		9,810	37,791	55,007
Rental of office		4,800		0	0	4,800
Staff salaries		25,771		0	12,209	37,980
Staff training		535		0	0	535
Staff welfare		500		0	0	500
Telephone expense		944		0	0	944
Transport expense		74		0	0	74
Upkeep expense		660		0	0	660
Total expenditure		60,381		9,810	50,000	120,191
Net income for the financial year		67,467		14,190	0	81,657
Total funds brought forward		67,957		0	0	67,957
Total funds carried forward		135,424		14,190	0	149,614

**STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Note	Unrestricted fund General fund S\$	Restricted fund Dream fund S\$	Total unrestricted and restricted funds S\$
2018				
INCOME				
Income from generating funds				
Voluntary income				
Tax exempt donations	5	94,928	0	94,928
Non-tax exempt donations		17,235	0	17,235
Youth for causes		3,640	0	3,640
		<u>115,803</u>	<u>0</u>	<u>115,803</u>
Other income				
Volunteer activities		4,949	0	4,949
Sale of book		5,606	0	5,606
Temporary employment credit		300	0	300
		<u>10,855</u>	<u>0</u>	<u>10,855</u>
Total income		<u>126,658</u>	<u>0</u>	<u>126,658</u>
LESS: EXPENDITURE				
Governance and administrative costs				
Audit fee		2,500	0	2,500
Bank charges		50	0	50
Bonus		0	0	0
Depreciation		532	0	532
Employer's CPF & SDL		6,802	0	6,802
Fund raising expenses		727	0	727
General expense		979	0	979
Balance carried forward		<u>11,590</u>	<u>0</u>	<u>11,590</u>

**STATEMENT OF FINANCIAL ACTIVITIES
 FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Unrestricted fund		Restricted fund		Total unrestricted and restricted funds S\$
	General fund S\$	Dream fund S\$	General fund S\$	Dream fund S\$	
2018 (CONT'D)					
EXPENDITURE (CONT'D)					
Governance and administrative costs (Cont'd)					
Balance brought forward	11,590	0	11,590	0	11,590
IT expenses	1,145	0	1,145	0	1,145
Membership fee	174	0	174	0	174
Refreshment	249	0	249	0	249
Postage	108	0	108	0	108
Printing and stationery	894	0	894	0	894
Programme expense	30,397	0	30,397	0	30,397
Publicity and promotion	467	0	467	0	467
Rental of office	5,400	0	5,400	0	5,400
Staff salaries	39,000	0	39,000	0	39,000
Staff training	60	0	60	0	60
Staff welfare	274	0	274	0	274
Telephone expense	761	0	761	0	761
Volunteer development	8,907	0	8,907	0	8,907
Total expenditure	99,426	0	99,426	0	99,426
Net income for the financial year	27,232	0	27,232	0	27,232
Total funds brought forward	40,725	0	40,725	0	40,725
Total funds carried forward	67,957	0	67,957	0	67,957

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2019

	Note	2019 S\$	2018 S\$
ASSETS			
Current assets			
Cash and cash equivalents	7	137,423	68,365
Other receivables	8	<u>11,370</u>	<u>3,424</u>
		148,793	71,789
Non-current asset			
Plant and equipment	9	<u>4,651</u>	<u>0</u>
Total assets		<u>153,444</u>	<u>71,789</u>
LIABILITY			
Current liability			
Other payables	10	<u>3,830</u>	<u>3,832</u>
Total liability		<u>3,830</u>	<u>3,832</u>
NET ASSETS		<u>149,614</u>	<u>67,957</u>
FUNDS			
Unrestricted fund			
General fund	11	<u>135,424</u>	<u>67,957</u>
Restricted funds			
Dream fund	11	14,190	0
Community Chest Charity Support fund	11	<u>0</u>	<u>0</u>
TOTAL FUNDS		<u>149,614</u>	<u>67,957</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	At beginning of financial year S\$	Net income for the financial year S\$	At end of financial year S\$
2019			
Unrestricted fund			
Accumulated general fund	<u>67,957</u>	<u>67,467</u>	<u>135,424</u>
Restricted funds			
Dream fund	0	14,190	14,190
Community Chest Charity Support fund	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>14,190</u>	<u>14,190</u>
Total funds	<u><u>67,957</u></u>	<u><u>81,657</u></u>	<u><u>149,614</u></u>
	At beginning of financial year S\$	Net expenditure for the financial year S\$	At end of financial year S\$
2018			
Unrestricted fund			
Accumulated general fund	<u>40,725</u>	<u>27,232</u>	<u>67,957</u>
Restricted fund			
Dream fund	<u>0</u>	<u>0</u>	<u>0</u>
Total funds	<u><u>40,725</u></u>	<u><u>27,232</u></u>	<u><u>67,957</u></u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

	Note	2019 S\$	2018 S\$
Cash flows from operating activities			
Net income for the financial year		81,657	27,232
Adjustment for:			
- Depreciation	9	2,027	532
Operating cash flow before changes in working capital		83,684	27,764
Changes in working capital			
- Other receivables		(7,946)	(2,074)
- Other payables		(2)	(6,457)
Net cash generated from operating activities		<u>75,736</u>	<u>19,233</u>
Cash flows from investing activity			
Purchase of plant and equipment	9	(6,678)	0
Net cash used in investing activity		<u>(6,678)</u>	<u>0</u>
Net increase in cash and cash equivalents		69,058	19,233
Cash and cash equivalents at beginning of financial year		68,365	49,132
Cash and cash equivalents at end of financial year	7	<u>137,423</u>	<u>68,365</u>

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2019**

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

1. General information

Beautiful People SG Ltd. (the "Company") is a public company limited by guarantee and not having share capital. The Company is incorporated and domiciled in Singapore.

Every member of the Company undertakes to contribute to the assets of the Company if the Company is wound up during the time he is a member, or within one year afterwards, for payment of the Company's debts and liabilities contracted before he ceases to be a member and the costs and expenses of the winding up, and for adjusting the rights among contributors, any amount may be required, but not exceeding the sum of S\$2.00 only.

The Company's registered address is located at 3 Shenton Way, #15-01 Shenton House, Singapore 068805. Its principal place of business is at 1 Lorong 2 Toa Payoh, #07-00 Braddell House, Singapore 319637.

The Company was registered as charity under the Charities Act, Chapter 37 on 3 September 2015. The Company has been accorded an Institutions of a Public Character ("IPC") status until 30 November 2019.

The principal activities of the Company are those of providing social services without accommodation for children, youth and families.

2. Significant accounting policies

2.1 Basis of preparation

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

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

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.1.1 Interpretations and amendments to published standards effective in 2018

In the current financial year, the Company has adopted all the new and revised FRS and interpretations of FRS ("INT FRS") that are relevant to its operations and effective on 1 April 2018. The adoption of the standard did not have any material effect on the financial statements.

The adoption of these new or amended FRSs and INT FRSs did not result in substantial changes to the accounting policies of the Company and had no material effect on the amounts reported for the current or prior financial years.

2. Significant accounting policies (Cont'd)

2.1 Basis of preparation (Cont'd)

2.1.2 Standards issued but not yet effective

The Company has not adopted the following relevant new/revised FRS, INT FRS and amendments to FRSs that were issued but not yet effective:

Description	Effective for annual periods beginning on or after
FRS 116 Leases	1 January 2019
SFRS(I) INT 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

The Board expects that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

2.2 Income recognition

Income 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.

Income is recognised when the Company satisfies a performance obligation by transferring a promised good and 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 income recognised is the amount allocated to the satisfied performance obligation.

2.2.1 Donations

Donations are taken up and accrued as and when they are committed. Those uncommitted donations, income from charity events and all income except as listed below, are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Sale of goods

Revenue from sale of goods is recognised upon the issuance of invoice. Satisfaction of performance obligation is at a point of time. Revenue is not recognised to the extent where there are significant uncertainties regarding recovery of the consideration due, associated costs or the possible return of goods.

2.2.3 Other income

Other income is recognised when received.

2. Significant accounting policies (Cont'd)

2.3 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 the statement of financial activities 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.

2.4 Cost and expense recognition

All expenses is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the operation where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

Governance and administrative costs

Governance and administrative costs include the cost of governance arrangement, which related to the general running of the Company, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

2.5 Employee compensation

2.5.1 Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Company pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Company has no further payment obligations once the contribution has been paid. The Company's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

2.5.2 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.

2.6 Operating leases

Operating leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of financial activities.

2. Significant accounting policies (Cont'd)

2.7 Financial assets

2.7.1 The accounting for financial assets before 1 April 2018 under FRS 39 are as follows:

Loans and receivables

Cash and cash equivalents
Other receivables

Cash and cash equivalents and other receivables are initially recognised at fair value plus transaction costs and subsequently carried at amortised cost using effective interest method, less accumulated impairment losses.

The Company assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets are reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

2.7.2 The accounting for financial assets from 1 April 2018 under FRS 109 are as follows:

The Company classifies its financial assets into the following measurement categories:

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

The classification of debt instruments depends on the Company's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

At initial recognition

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

2. Significant accounting policies (Cont'd)

2.7 Financial assets (Cont'd)

2.7.2 The accounting for financial assets from 1 April 2018 under FRS 109 are as follows:
(Cont'd)

At subsequent measurement

Debt measurement

Debt instruments of the Company mainly comprise of cash and cash equivalents and other receivables.

There are three prescribed subsequent measurement categories, depending on the Company's business model in managing the assets and the cash flow characteristics of the assets. The Company managed these group of financial assets by collecting the contractual cash flows and these cash flows represents solely payment of principal and interest. Accordingly, these group of financial assets are measured at amortised cost subsequent to initial recognition.

A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

The Company assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

For other receivable, the Company applied the simplified approach permitted by the FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For cash and cash equivalents and other receivables, the general 3 stage approach is applied. Credit loss allowance is based on 12-month expected credit loss if there is no significant increase in credit risk since initial recognition of the assets. If there is a significant increase in credit risk since initial recognition, lifetime expected credit loss will be calculated and recognised.

2.8 Cash and cash equivalents

Cash and cash equivalents include deposits with financial institutions, which is subject to an insignificant risk of changes in value.

2.9 Plant and equipment

2.9.1 Measurement

All plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

2. Significant accounting policies (Cont'd)

2.9 Plant and equipment (Cont'd)

2.9.2 Depreciation

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

	Useful lives
Computer	3 years
Office equipment	5 years

The residual values, useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision are recognised in the statement of financial activities in the financial year in which the changes arise.

2.9.3 Subsequent expenditure

Subsequent expenditure relating to plant and equipment that have already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

2.9.4 Disposal

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of financial activities.

Fully depreciated assets still in use are retained in the financial statement.

2.10 Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of the assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit (CGU) to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the statement of financial activities.

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in the statement of financial activities.

2. Significant accounting policies (Cont'd)

2.11 Financial liabilities

Financial liabilities are recognised when the Company becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables".

Financial liabilities are derecognised when the obligations under the liability is discharged or cancelled or expires. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

2.12 Other payables

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs will be recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.13 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.14 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.15 Funds

Restricted funds balance are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Board of Directors. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Board of Directors retains full control over the use of unrestricted funds for any of the Company's purposes.

3. Significant accounting judgements and estimates

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

3.1 Judgements made in applying accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Government grants

Government grants to meet operating expenses are recognised as income in the income and expenditure statement on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Company will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Company if the conditions are not met.

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.

Management is of the opinion that there are no key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Revenue from contracts with customers

a) Disaggregation of revenue from contracts with customers

	2019 S\$	2018 S\$
Revenue from:		
Tax exempt donations	89,300	94,928
Non-tax exempt donations	93,360	17,235
Volunteer activities	4,097	4,949
Sale of book	5,736	5,606
Temporary employment credit	105	300
Programme income	9,250	0
Youth for causes	0	3,640
	<u>201,848</u>	<u>126,658</u>
 Timing of transfer of services		
- At a point in time	192,598	126,658
- Over time	9,250	0
	<u>201,848</u>	<u>126,658</u>

There are no contract liabilities balances.

5. Donations

	2019 S\$	2018 S\$
Tax deductible donations	89,300	94,928
Non-tax deductible donations	93,360	20,875
	<u>182,660</u>	<u>115,803</u>
The donations were allocated as follows:		
• Tax exempt donations	89,300	94,928
• Non-tax exempt donations	93,360	20,875
	<u>182,660</u>	<u>115,803</u>

During the financial year, the Company issued tax-deductible receipts for donations totalling S\$89,300 (2018: S\$94,928) pursuant to its Institutions of a Public Charterer ("IPC") status.

6. Income tax

The Company is a charity registered under the Charities Act since 03 September 2015. Consequently, the income of the Company is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

7. Cash and cash equivalents

	2019 S\$	2018 S\$
Cash at bank	<u>137,423</u>	<u>68,365</u>

At the reporting date, the carrying amounts of cash and cash equivalents approximate their fair values.

8. Other receivables

	2019 S\$	2018 S\$
Donation receivables	20	0
Programme fee receivables	9,250	0
Deposit	350	0
Prepayments	1,750	3,424
	<u>11,370</u>	<u>3,424</u>

At the reporting date, the carrying amounts of other receivables approximate their fair values.

9. Plant and equipment

	Computer S\$	Office equipment S\$	Total S\$
Cost			
At 1 April 2017	1,598	0	1,598
Additions	0	0	0
At 31 March 2018	1,598	0	1,598
Additions	5,183	1,494	6,678
At 31 March 2019	6,781	1,494	8,276
Accumulated depreciation			
At 1 April 2017	1,066	0	1,066
Depreciation	532	0	532
At 31 March 2018	1,598	0	1,598
Depreciation	1,728	299	2,027
At 31 March 2019	3,326	299	3,625
Carrying amount			
At 31 March 2018	0	0	0
At 31 March 2019	3,455	1,195	4,651

10. Other payables

	2019 S\$	2018 S\$
Accruals	3,830	3,832

At the reporting date, the carrying amounts of other payables approximate their fair values.

11. Funds

Unrestricted fund

The accumulated general fund represents the accumulated income of the Company. It is for the purpose of meeting the expenditure in accordance with the objectives of the Company.

Restricted funds

Dream fund

The fund was established to support mentees' educational pursuits to achieve their dreams and independence. The receipts of this scholarship are encouraged to 'pay it forward' either through contribution back to the fund or through their involvement and service to the Company and the community. During the financial year, the Company received funds and donations amounting to S\$24,000 (2018: S\$Nil).

11. Funds

Restricted fund (Cont'd)

Community Chest Charity Support fund

The fund was established to provide funding to support smaller and under-supported social service organisations in meeting social service needs. The Community Chest Charity Support Fund will support programmes to empower social service users and families, capital expenditure and build capability for community engagements to benefit social service users. The funding period is from 1 March 2018 to 28 Feb 2019.

The fund has been fully utilised at the end of the reporting period.

12. Related party transactions

There was no transaction between the Company and related party for the financial years ended 31 March 2019 and 31 March 2018.

During the current and previous year, none of the directors and key management personnel received any remuneration from the Company.

13. Employees' remuneration

None of the Company's employees were remunerated more than or equal to S\$100,000 during the financial years ended 31 March 2019 and 31 March 2018.

14. Operating lease commitments

The Company leases office premise from a non-related party under non-cancellable operating lease agreement.

The future minimum rental payable under non-cancellable operating lease contracted for at the reporting date but not recognised as liabilities, are as follows:

	2019 S\$	2018 S\$
Not later than one year	4,200	1,800
More than one year but not more than five years	6,300	10,500
	<u>10,500</u>	<u>12,300</u>

15. Financial instruments by category

The aggregate carrying amounts of loans and receivables, financial assets and financial liabilities at amortised costs are as follows:

	2019 S\$
Financial assets, at amortised cost	147,043
Financial liabilities, at amortised cost	<u>3,830</u>
	2018 S\$
Loans and receivables	68,365
Financial liabilities, at amortised cost	<u>3,832</u>

16. Financial risk management

The Company is mainly exposed to credit risk and liquidity risk.

Risk management is carried out under policies approved by the Board of Directors. The Board of Directors review and agree on policies and procedures for management of these risks.

16.1 Credit risk

Credit risk is the potential financial loss resulting from customer defaulting on its contractual obligations to the Company.

The Company has minimal exposure to credit risks due to the nature of its activities.

16.2 Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting its financial obligations due to shortage of funds. The Company exposure to liquidity risk primarily from mis-matches of the maturities of financial assets or liabilities.

Board of Directors monitors and ensure the Company maintains a level of cash and cash equivalents deemed adequate to finance the Company's operations.

The table below summarises the maturity profile of the Company's financial liability at the reporting period based on the contractual undiscounted repayment obligations:

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2019			
<u>Financial assets</u>			
Cash and cash equivalents	137,423	0	137,423
Other receivables (excluding prepayments)	9,620	0	9,620
	<u>147,043</u>	<u>0</u>	<u>147,043</u>
<u>Financial liabilities</u>			
Other payables	<u>(3,830)</u>	<u>0</u>	<u>(3,830)</u>
Net financial assets	<u>143,213</u>	<u>0</u>	<u>143,213</u>

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
2018			
<u>Financial assets</u>			
Cash and cash equivalents	68,365	0	68,365
Other receivables (excluding prepayments)	0	0	0
	<u>68,365</u>	<u>0</u>	<u>68,365</u>
<u>Financial liabilities</u>			
Other payables	<u>(3,832)</u>	<u>0</u>	<u>(3,832)</u>
Net financial assets	<u>64,533</u>	<u>0</u>	<u>64,533</u>

17. Fair values

As at 31 March 2019, the carrying amounts of the financial assets and liabilities recorded in the financial statements of the Company approximate their fair values due to their short-term nature.

18. Reserve position and policy

The Company's reserves position for financial years ended 31 March 2019 and 31 March 2018 is as follows:

		2019	2018	Increase / (Decrease)
		S\$'000	S\$'000	%
A	Unrestricted funds			
	General fund	135	68	98.53
B	Restricted			
	Restricted fund	14	0	100.00
C	Endowment funds	N/A	N/A	N/A
D	Total funds	149	68	119.12
E	Total annual operating expenditure	120	99	21.11
F	Ratio of reserves to annual operating expenditure (A/E)	1.24	0.69	

Reference:

- C. An endowment fund consists of assets, funds or properties that are held in perpetuity which produce annual income flow for a foundation to spend as grants.
- D. Total funds include unrestricted, restricted / designated and endowment funds.
- E. Total annual operating expenditure includes expenditure related to Governance and Administrative costs.

The Company's reserve policy is as follows:

The reserve of the Company provide financial stability and the means for the development of the Company's activities. The Board of Directors intend to maintain the reserves at a level sufficient for its operating needs. The Company reviews the level of reserves regularly for the Company's continuing obligations.

19. Management of conflict of interest

There are no paid staff in the Company's Board of Directors.

Directors are required to disclose any interest that they may have, whether directly or indirectly, that the Company may enter into or in any organisations that the Company has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Company's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Directors may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

20. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2019 were authorised for issue in accordance with a resolution of the Board of Directors on **19 AUG 2019**