

**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 2018**

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**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  
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## 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 2018.

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 2018, and of the financial performance, changes in equity 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	
Shahrul Bariyah Bt Rhazaly Noentil	(Resigned on 30 September 2017)
Kwee Mei Wan Melissa	
Lim Sze Wei	
Yong Yoek Ling	
Koh Siew Eng Serene	(Resigned on 30 September 2017)
Wong Kai Ling	(Appointed on 01 October 2017)
Meena Mylnaganam-Tay	(Appointed on 01 November 2017)
Nur Asshikin Binti Ahmad	(Appointed on 01 October 2017)

### 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 object 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.

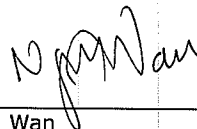
### Independent auditors

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, 02 AUG 2018

# Suhaimi Salleh & Associates

Public Accountants and  
Chartered Accountants of Singapore

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Independent auditor's report to the members of:

**BEAUTIFUL PEOPLE SG LTD.**  
[UEN: 201525056H]  
[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 2018, the statement of comprehensive income, statement of changes in equity 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 2018 and the financial performance, changes in equity 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 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

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Chartered Accountants of Singapore

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(CONT'D)

Independent auditor's report to the members of:

**BEAUTIFUL PEOPLE SG LTD.**

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[Incorporated in the Republic of Singapore]

### *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 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.

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 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  
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(CONT'D)

Independent auditor's report to the members of:

### **BEAUTIFUL PEOPLE SG LTD.**

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#### *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 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*

#### **Suhaimi Salleh & Associates**

Public Accountants and  
Chartered Accountants  
Singapore, 02 AUG 2013

Partner-in-charge: Looi Chee Bin  
PAB No.: 01834

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**STATEMENT OF COMPERHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Note	2018 S\$	2017 S\$
<b>REVENUE</b>	4	115,803	20,920
<b>ADD: OTHER INCOME</b>	5	10,855	13,948
<b>LESS: OPERATING EXPENSES</b>			
Administrative expenses	6	<u>(99,426)</u>	<u>(138,500)</u>
<b>PROFIT/(LOSS) BEFORE INCOME TAX</b>		27,232	(103,632)
Income tax expense	7	0	0
<b>NET PROFIT/(LOSS) AFTER INCOME TAX, REPRESENTING TOTAL COMPREHENSIVE INCOME</b>		<u>27,232</u>	<u>(103,632)</u>

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

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**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018**

	Note	2018 S\$	2017 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	9	68,365	49,132
Other receivables	10	<u>3,424</u>	<u>1,350</u>
		71,789	50,482
<b>Non-current assets</b>			
Property, plant and equipment	11	<u>0</u>	<u>532</u>
<b>Total assets</b>		<u>71,789</u>	<u>51,014</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	12	<u>3,832</u>	<u>10,289</u>
<b>Total liabilities</b>		<u>3,832</u>	<u>10,289</u>
<b>NET ASSETS</b>		<u>67,957</u>	<u>40,725</u>
<b>EQUITY</b>			
Retained earnings		<u>67,957</u>	<u>40,725</u>
<b>TOTAL EQUITY</b>		<u>67,957</u>	<u>40,725</u>

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

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**STATEMENT OF CHANGES IN EQUITY  
FOR THE FINANCIAL YEARE ENDED 31 MARCH 2018**

	Total S\$
<b>2018</b>	
<b>At beginning of financial year</b>	40,725
Total comprehensive income for the year	<u>27,232</u>
<b>At end of financial year</b>	<u>67,957</u>
<b>2017</b>	
<b>At beginning of financial year</b>	144,357
Total comprehensive income for the year	<u>(103,632)</u>
<b>At end of financial period</b>	<u>40,725</u>

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



**STATEMENT OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Note	2018 S\$	2017 S\$
<b>Cash flows from operating activities</b>			
Net profit/(loss) for the year		27,232	(103,632)
Adjustments for:			
Depreciation of property, plant and equipment		<u>532</u>	<u>533</u>
Operating cash flow before working capital changes		27,764	(103,099)
Changes in working capital			
- Other receivables		(2,074)	(1,350)
- Other payables		<u>(6,457)</u>	<u>(5,411)</u>
<b>Net cash generated from/(used in) operating activities</b>		<u>19,233</u>	<u>(109,860)</u>
<b>Net increase/(decrease) in cash and cash equivalents</b>		19,233	(109,860)
Cash and cash equivalents at beginning of financial year		<u>49,132</u>	<u>158,992</u>
<b>Cash and cash equivalents at end of financial year</b>	9	<u>68,365</u>	<u>49,132</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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.

The Company's registered address is located at 3 Shenton Way, #15-01 Shenton House, Singapore 068805. Its principal place of business is at 60 Paya Lebar Road, #06-39 Paya Lebar Square, Singapore 409051.

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 Singapore Financial Reporting Standards ("FRS"). 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 2017**

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 01 April 2017. The adoption of the standard did not have any material effect on the financial statements.

**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 109 Financial instruments	1 January 2018
FRS 115 Revenue from contracts with customers	1 January 2018
FRS 116 Leases	1 January 2019

Except for the FRS 116, the directors expect that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the FRS 116 is described below.

## **2. Significant accounting policies (Cont'd)**

### **2.1 Basis of preparation (Cont'd)**

#### 2.1.2 Standards issued but not yet effective (Cont'd)

##### FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemption for lessees- leases of "low value" assets and short-term leases which do not contain any purchase options. The new standard is effective for annual periods beginning on or after 1 January 2019.

The Company is currently assessing the impact of new standard and plans to adopt the new standard on the required effective date. The Company expects no material impact upon adoption.

### **2.2 Revenue recognition**

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

#### 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 transfer of significant risks and rewards of ownership of the goods to the customer. 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 Government grants

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

#### 2.2.4 Other income

Other income is recognised when received.

### **2.3 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.

## 2. Significant accounting policies (Cont'd)

### 2.4 Property, plant and equipment

#### Measurement

All property, 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 property, 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.

#### 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

The residual values, useful lives and depreciation method of property, 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 comprehensive income in the financial year in which the changes arise.

#### Subsequent expenditure

Subsequent expenditure relating to property, 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 comprehensive income during the financial year in which it is incurred.

#### Disposal

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

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

### 2.5 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.

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## 2. Significant accounting policies (Cont'd)

### 2.5 Impairment of non-financial assets (Cont'd)

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 comprehensive income.

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 comprehensive income.

### 2.6 Financial assets

#### 2.6.1 Classification

The Company classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are classified within "Cash and cash equivalents" and "Other receivables" on the statement of financial position.

#### 2.6.2 Recognition and derecognition

Usual purchases and sales of financial assets are recognised on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

#### 2.6.3 Initial measurement

Financial assets are initially recognised at fair value plus transaction costs.

#### 2.6.4 Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using effective interest method.

#### 2.6.5 Impairment

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 or financial reorganisation, and default or delinquency in payments is considered indicators that the receivable is impaired.

## **2. Significant accounting policies (Cont'd)**

### **2.6 Financial assets (Cont'd)**

#### **2.6.5 Impairment (Cont'd)**

An allowance for impairment of loans and receivables including trade and other receivables, are recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the amount becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment losses decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

#### **2.7 Cash and cash equivalents**

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

#### **2.8 Other receivables**

Other receivables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

#### **2.9 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 comprehensive income. Financial liabilities include "Other payables".

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

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 comprehensive income.

## **2. Significant accounting policies (Cont'd)**

### **2.10 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.

### **2.11 Operating leases as lessee**

Finance leases which transfer to the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

### **2.12 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.

### **2.13 Employee compensation**

#### **2.13.1 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.

#### **2.13.2 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. Significant accounting policies (Cont'd)

### 2.14 Foreign currencies

Transactions in foreign currencies are measured in Singapore dollars and recorded at exchange rates approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at the reporting date. All exchange differences are recognised in the statement of comprehensive income.

### 2.15 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.

## 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 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.

The Management is of the opinion that there are no significant judgements made in applying accounting policies and estimates 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

	2018 S\$	2017 S\$
Tax exempt donations	94,928	10,036
Non-tax exempt donations	17,235	10,884
Youth For Causes	3,640	0
	<u>115,803</u>	<u>20,920</u>

## 5. Other income

	2018 S\$	2017 S\$
Retreat	4,949	3,960
Sale of books	5,606	7,127
Temporary employment credit	300	861
Training	0	2,000
	<u>10,855</u>	<u>13,948</u>



**6. Administrative expenses**

	Note	2018 S\$	2017 S\$
Audit fee		2,500	2,500
Bank charges		50	50
Depreciation of property, plant and equipment	11	532	533
Employee benefits	8	45,988	54,717
Fund raising expenses		727	0
General expense		979	568
Insurance		0	1,097
IT expense		1,145	0
Membership and license fee		174	1,144
Networking and refreshment		249	718
Postage		108	7
Printing and stationery		894	821
Programme expense		30,397	60,564
Publicity and promotion		467	0
Rental of office		5,400	4,050
Skill development levy		88	106
Staff training		60	1,284
Telephone expense		761	766
Transport expense		0	94
Upkeep expense		0	75
Volunteer development		8,907	9,406
		<u>99,426</u>	<u>138,500</u>

**7. 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.

**8. Employee benefits**

	2018 S\$	2017 S\$
<b>Short-term benefits</b>		
Staff salaries and bonuses	39,000	46,500
Staff welfare	274	228
<b>Defined contribution plan</b>		
Employer's contribution to CPF	6,714	7,989
	<u>45,988</u>	<u>54,717</u>

**9. Cash and cash equivalents**

	2018 S\$	2017 S\$
Cash at bank	<u>68,365</u>	<u>49,132</u>

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

**10. Other receivables**

	2018 S\$	2017 S\$
Deposit	0	900
Prepayments	<u>3,424</u>	<u>450</u>
	<u>3,424</u>	<u>1,350</u>

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

**11. Property, plant and equipment**

	Computer S\$	Total S\$
<b>Cost</b>		
At 1 April 2016	0	0
Additions	0	0
At 31 March 2017 and 31 March 2018	<u>1,598</u>	<u>1,598</u>
<b>Accumulated depreciation</b>		
At 1 April 2016	0	0
Depreciation charge	<u>533</u>	<u>533</u>
At 31 March 2017	1,066	1,066
Depreciation charge	<u>532</u>	<u>532</u>
At 31 March 2018	<u>1,598</u>	<u>1,598</u>
<b>Carrying amount</b>		
At 31 March 2017	<u>532</u>	<u>532</u>
At 31 March 2018	<u>0</u>	<u>0</u>

**12. Other payables**

	2018 S\$	2017 S\$
Accruals	3,832	3,820
Amount due to a director	<u>0</u>	<u>6,469</u>
	<u>3,832</u>	<u>10,289</u>

Amount due to a director is non-trade in nature, unsecured, interest free and repayable on demand.

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

**13. Related party transactions**

**13.1 Related party transactions and balances**

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	2018 S\$	2017 S\$
Settlement of liabilities on behalf of a director	<u>0</u>	<u>3,531</u>

**13.2 Compensation of key management personnel**

The key management personnel compensation for the financial year was as follows:

	2018 S\$	2017 S\$
Directors' remuneration:		
Salaries and other short-term employee benefits	0	7,500
Employer's contribution to CPF	<u>0</u>	<u>1,275</u>
	<u>0</u>	<u>8,775</u>

**14. Employee remuneration**

None of the Company's employees were remunerated more than or equal to S\$100,000 during the financial years ended 31 March 2018 and 2017.

**15. Operating lease commitments**

The Company lease office premise 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:

	2018 S\$	2017 S\$
Not later than one year	<u>1,800</u>	<u>1,350</u>

## 16. Financial instruments

The financial assets and liabilities of the Company as at the financial reporting date are as follows:

	2018 S\$	2017 S\$
<b>Financial assets</b>		
Cash and cash equivalents	68,365	49,132
Other receivables (excluding prepayments)	0	900
	<u>68,365</u>	<u>50,032</u>
<b>Financial liabilities</b>		
Other payables	<u>3,832</u>	<u>10,289</u>

## 17. 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 provides written principles for overall risk management, as well as written policies covering specific areas, such as credit risk and liquidity risk and no derivative financial instruments is used and investing excess liquidity.

### 17.1 Credit risk

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

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

### 17.2 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 arises primarily from mis-matches of the maturities of financial assets or liabilities.

Management monitors and ensures that 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 assets and liabilities at the end of 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\$
<b>2018</b>			
<b>Financial assets</b>			
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>
<b>Financial liabilities</b>			
Other payables	(3,832)	0	(3,832)
	<u>64,533</u>	<u>0</u>	<u>64,533</u>

**17. Financial risk management (Cont'd)**

**17.2 Liquidity risk (Cont'd)**

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2017</b>			
<b>Financial assets</b>			
Cash and cash equivalents	49,132	0	49,132
Other receivables (excluding prepayments)	900	0	900
	<u>50,032</u>	<u>0</u>	<u>50,032</u>
<b>Financial liabilities</b>			
Other payables	(10,289)	0	(10,289)
	<u>39,743</u>	<u>0</u>	<u>39,743</u>

**18. Fair values**

As at 31 March 2018, 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.

**19. Capital management**

The Company's objective when managing capital is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its operations. No changes were made to the objectives, policies or processes during the year ended 2018 and 2017 respectively. The Company is not subject to any externally imposed capital requirement.

Consistent with the others in the industry, the Company monitors capital on the basis of debt-to-equity ratio. This ratio is calculated as total debt divided by total equity.

The Company's debt-to-equity ratio as of 31 March 2018 and 2017 is as follows:

	2018 S\$	2017 S\$
Total debts	3,832	10,289
Total equity	67,957	40,725
Debt-to-equity ratio	<u>6%</u>	<u>25%</u>

**20. Management of conflict of interest**

During the current and previous financial period, none of the board member received any remuneration from the Company except for those disclosed in Note 13.

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.

**16. Authorisation of financial statements**

The financial statements for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the Board of Directors on

02 AUG 2018