

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

(Incorporated in Singapore)

(Registration No.: 201418096G)

(Limited by Guarantee)

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

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 2020

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BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

DIRECTORS' STATEMENTS

For the financial year ended 30 June 2020

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 2020.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements of the Company as set out on pages 6 to 24 are drawn up so as to give a true and fair view of the financial position of the Company as at 30 June 2020 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
Mona Siow Bao Ling
Peck Zhining Gillian

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.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

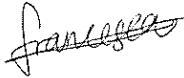
DIRECTORS' STATEMENTS

For the financial year ended 30 June 2020

5. Auditor

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

On behalf of the Board of Directors:



Francesca Phoebe Wah Li Ting
Director



Peck Zhining Gillian
Director

Date: 14 December 2020

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020**

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 6 to 24, which comprise the statement of financial position as at 30 June 2020, 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 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 give a true and fair view of the financial position of the Company as at 30 June 2020 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 matter

The Company has been registered as a charity under the Charities Act with effect from 22 September 2020.

Other Information

Management is responsible for the other information. The other information comprises the Management Committee's Statement set out on pages 1 and 2.

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.
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONTINUED)**

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

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Companies Act, the Charities Act and Regulations and FRSSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized or disposition; and transaction 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 Management's 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 judgment 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.
- 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.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD. FOR
THE FINANCIAL YEAR ENDED 30 JUNE 2020 (CONTINUED)**

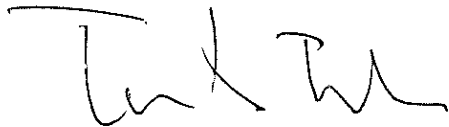
Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- 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 Management 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.



TAN & TEH
Public Accountants and Chartered Accountants
Singapore

Date: 14 December 2020

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME
For the financial year ended 30 June 2020

	Programmes						Total
	Small Soul	Shining Star	Be A Giver	Project Stable Staples	Values in Practise	General	
2020	Note						
<u>Income</u>	\$S	\$S	\$S			\$S	\$S
Donations	13.200	-	-	153.544	22.000	2.325	191.069
Grants	-	12.531	-	25.251	-	-	37.782
Activities income	-	-	963	-	-	-	963
Other income	-	-	-	-	-	5	5
	13.200	12.531	963	178.795	22.000	2.330	229.819
<u>Expenditure</u>							
Programme expenses	4	11.630	15.029	-	151.277	7.725	185.661
Operating expenses							
Admin expenses		-	-	-	-	5.461	5.461
Audit fee		-	-	-	-	2.250	2.250
Bank charges		-	-	-	-	5	5
Depreciation		-	-	-	-	288	288
Tax fee		-	-	-	-	530	530
Website hosting expenses		-	-	-	-	586	586
		-	-	-	-	9.120	9.120
Total expenditure		11.630	15,029	-	151,277	7,725	194,781
Surplus / (deficit) before tax		1,570	(2,498)	963	27,518	(6,790)	35,038
Income tax expense	5						-
Surplus for the year, representing total comprehensive income for the year							<u>35,038</u>

The accompanying notes form an integral part of these financial statements

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

STATEMENT OF INCOME AND EXPENDITURE AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the financial year ended 30 June 2020

	Programmes					Total
	Small Soul	Shining Star	Be A Giver	General		
2019						
<u>Income</u>	Note	S\$	S\$	S\$	S\$	S\$
Donations	-	-	-	14,005	14,005	
Grants	-	8,561	5,675	-	14,236	
Activities income	-	-	-	4,650	4,650	
Other income	-	-	-	866	866	
Total income	-	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
(Deficit) / surplus 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 FINANCIAL POSITION

As at 30 June 2020

	Note	2020 S\$	2019 S\$
<u>ASSETS</u>			
<u>Non-current asset</u>			
Plant and equipment	6	370	288
<u>Current assets</u>			
Other receivables	7	12,396	32,627
Cash and cash equivalents	8	61,662	5,836
		<u>74,058</u>	<u>38,463</u>
<u>LIABILITIES</u>			
<u>Current liabilities</u>			
Other payables	9	<u>10,348</u>	<u>9,709</u>
NET ASSETS			
		<u>64,080</u>	<u>29,042</u>
<u>FUNDS</u>			
Accumulated funds		<u>64,080</u>	<u>29,042</u>
TOTAL FUNDS		<u>64,080</u>	<u>29,042</u>

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

For the financial year ended 30 June 2020

	Accumulated funds S\$
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>29,042</u>
Balance as at 01 July 2019	29,042
Surplus for the year, representing total comprehensive income for the year	<u>35,038</u>
Balance as at 30 June 2020	<u>64,080</u>

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.**STATEMENT OF CASH FLOWS***For the financial year ended 30 June 2020*

	Note	2020 S\$	2019 S\$
Cash flow from operating activities			
Surplus / (Deficit) before tax		35,038	(11,048)
Adjustments for:			
Depreciation	6	288	288
		<u>35,326</u>	<u>(10,760)</u>
<u>Changes in working capital:</u>			
Other receivables		20,231	(1,647)
Other payables		639	7,395
Net cash flows generated from / (used in) operating activities		<u>56,196</u>	<u>(5,012)</u>
Cash flows from investing activities			
Purchase of plant and equipment	6	(370)	-
Net cash flows used in investing activities		<u>(370)</u>	<u>-</u>
Net increase / (decrease) in cash and cash equivalents		55,826	(5,012)
Cash and cash equivalents at beginning of the year		5,836	10,848
Cash and cash equivalents at end of the year	8	<u>61,662</u>	<u>5,836</u>

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

1. Corporate information

Bringing Love to Every Single Soul (Singapore) Ltd. (the “Company”), is a limited by guarantee company, domiciled and incorporated in Singapore and registered as a charity in Republic of Singapore under the Charities Act with effect from 22 September 2020. The Company’s 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 2020 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 of the Company have been drawn up in accordance with the provision of the Charities Act and Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as 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 amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Company has adopted all the new and amended standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 January 2019. The adoption of these standards did not have any material effect on the financial performance or position of the Company.

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Annual Improvements to FRSs (March 2018)	1 Jan 2019

2.3 Standards issued but not yet effective

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

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to References to the Conceptual Framework in FRS Standards	1 Jan 2020

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2. Summary of significant accounting policies (continued)

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 that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the date of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of 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 measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs 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. 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:

	Useful live
Computer software	3 years

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate. 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.

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.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2. Summary of significant accounting policies (continued)

2.6 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, (or, where applicable, when an annual impairment testing 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 party to the contractual provisions of the instruments.

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 2020.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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 depends 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 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 had 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 FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL 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 2020

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

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 2020.

2.9 Cash and cash equivalents

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

2.10 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.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2. Summary of significant accounting policies (continued)

2.10 Provisions (continued)

General (continued)

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.

2.11 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.

2.12 Fund accounting

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

2.13 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.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

2. Summary of significant accounting policies (continued)

2.13 Revenue recognition (continued)

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 receipt.

c) Interest income

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

2.14 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.

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.

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

3. Significant accounting judgments and estimates

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, 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 Judgments made in applying 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 goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and 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.

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 2020 was S\$12,396 (2019: S\$32,627).

BRINGING LOVE TO EVERY SINGLE SOUL (SINGAPORE) LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

4. Programme expenses

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

5. Income tax expense

The major components of income tax expense recognised in profit or loss for the years ended 30 June 2020 and 2019 were:

	2020 S\$	2019 S\$
<u>Income tax</u>		
Current year	-	-

A reconciliation between tax expense and the product of accounting surplus / (deficit) multiplied by the applicable corporate tax rate for the financial years ended 30 June 2020 and 2019 were as follows:

	2020 S\$	2019 S\$
Accounting surplus / (deficit) before tax	35,038	(11,048)
Income tax using statutory rate of 17% (2019: 17%)	5,956	(1,878)
Tax effect of :-		
- Deferred tax benefits not recognised	-	398
- Expenses not deductible for tax purposes	33,113	5,316
- Income not subject to tax	(39,068)	(3,836)
- Utilisation of previously unrecognised DTB	(1)	-
	-	-

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For the financial year ended 30 June 2020

6. Plant and equipment

	Computer software S\$
<u>Cost</u>	
Balance as at 1 July 2019	864
Addition	370
Balance as at 30 June 2020	<u>1,234</u>
<u>Accumulated depreciation</u>	
Balance as at 1 July 2019	576
Depreciation charge for the year	288
Balance as at 30 June 2020	<u>864</u>
<u>Carrying amount</u>	
As at 30 June 2019	<u>288</u>
As at 30 June 2020	<u>370</u>

7. Other receivables

	2020 S\$	2019 S\$
Grants receivables	<u>12,396</u>	<u>32,627</u>

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

8. Cash and cash equivalents

	2020 S\$	2019 S\$
Cash at bank	<u>61,662</u>	<u>5,836</u>

Cash and cash equivalents are denominated in Singapore Dollar.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9. Other payables

	2020	2019
	S\$	S\$
Accrued expenses	2,740	9,695
Refundable deposit	14	14
Other	7,594	-
	<u>10,348</u>	<u>9,709</u>

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

10. Related party transaction

Donation income

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:

	2020	2019
	S\$	S\$
Donations received from key management personnel	<u>4,231</u>	<u>-</u>

Compensation of key management personnel

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

11. Fair value

Assets and liabilities not measured at fair 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 2020

12. Financial risk management

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The Management reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

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.

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For the financial year ended 30 June 2020

12. Financial risk management (continued)

Credit risk (continued)

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

13. Financial instruments by category

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

	2020 S\$	2019 S\$
Financial assets measured at amortised cost		
Other receivables	12,396	32,627
Cash and cash equivalents	61,662	5,836
	<u>74,058</u>	<u>38,463</u>
Total financial assets measured at amortised cost	<u>74,058</u>	<u>38,463</u>
Financial liabilities measured at amortised cost		
Other payables	10,348	9,709
Total financial liabilities measured at amortised cost	<u>10,348</u>	<u>9,709</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 2020 and 30 June 2019.

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

	2020 S\$	2019 S\$	Increase
Unrestricted funds: Accumulated funds	64,080	29,042	120.65%
Ratio of unrestricted funds to annual operating expenditure	<u>0.33</u>	<u>0.65</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.