

PROJECT SMILE LIMITED
(Incorporated in the Republic of Singapore)
(Reg. No. : 201406530G)

AUDITED FINANCIAL STATEMENTS - 31 DECEMBER 2019

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PROJECT SMILE LIMITED
(Incorporated in the Republic of Singapore)

CORPORATE INFORMATION

COMPANY REGISTRATION NUMBER : 201406530G

BOARD OF DIRECTORS : Selvam S/O Varathappan
Gunasundari D/O Sathu Nair
Suchitra Vipin Chandran Mrs Suchitra Bhaskaran
Rajalaximi D/O Gurusamy
Vinita M Choolani

COMPANY SECRETARY : Madhavan Peter

REGISTERED OFFICE : 39 Robinson Road
#15-01 Robinson Point
Singapore 068911

INDEPENDENT AUDITOR : MGI N Rajan Associates
Public Accountants and
Chartered Accountants
10 Jalan Besar,
#10-12 Sim Lim Tower
Singapore 208787

PRINCIPAL BANKER : OCBC Bank

PROJECT SMILE LIMITED
(Incorporated in the Republic of Singapore)

**DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECMEBER 2019**

The directors are pleased to present their statement to the members together with the audited financial statements of Project Smile Limited (the "Company") for the financial year ended 31 December 2019.

In the opinion of the directors,

- (a) the accompanying financial statements together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2019, and the financial performance, changes in fund and cash flows of the Company for the year then ended in accordance with the provisions of the Charities Act, Chapter 37 and other relevant regulations, the Companies Act, Chapter 50 and Financial Reporting Standards in Singapore; 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:

Selvam S/O Varathappan
Gunasundari D/O Sathu Nair
Suchitra Vipin Chandran Mrs Suchitra Bhaskaran
Rajalaximi D/O Gurusamy
Vinita M Choolani

Arrangements to enable directors to acquire shares or debentures

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 objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of any other corporate.

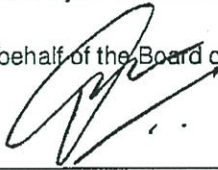
Other matter

As the Company is a company limited by guarantee and does not have a share capital, matters relating to the directors' interests in shares, debentures and share options of the Company are not applicable.

Auditor

MGI N Rajan Associates has expressed its willingness to accept re-appointment as auditor.

On behalf of the Board of Directors



Selvam S/O Varathappan
Director



Gunasundari D/O Sathu Nair
Director

Singapore
Date 04 MAY 2020

**INDEPENDENT AUDITOR'S REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROJECT SMILE LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Project Smile Limited (the "Company"), which comprise the statement of financial position of the Company as at 31 December 2019, the statement of financial activities, statement of changes in funds and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act), 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 December 2019 and of 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 set out on page 3.

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.

Responsibilities of Management and Directors for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

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G. Natarajan, P.S. Somasekharan, D. Govindaraj

**INDEPENDENT AUDITOR'S REPORT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

Report on the Audit of the Financial Statements (Cont'd)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism 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.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

MGI N RAJAN ASSOCIATES
**MGI N RAJAN ASSOCIATES
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
SINGAPORE**

DATE: 04 MAY 2020

PROJECT SMILE LIMITED
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Note	2019 S\$	2018 S\$
ASSETS			
Current assets			
Cash and cash equivalents	10	252,391	202,037
Total assets		252,391	202,037
LIABILITIES AND FUNDS			
CURRENT LIABILITIES			
Accruals		4,220	1,700
Total liabilities		4,220	1,700
FUNDS			
Unrestricted general fund		228,178	200,337
Restricted funds		19,993	-
Total funds		248,171	200,337
Total liabilities and funds		252,391	202,037

(The annexed notes form an integral part and should be read in conjunction with these financial statements.)

PROJECT SMILE LIMITED
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

UNRESTRICTED GENERAL FUND	Note	2019 S\$	2018 S\$
INCOME			
Donations	4	52,817	50,741
Charity show income	5	11,714	21,025
Special project allowance	6	6,800	12,801
Other income	7	12,212	14,474
		83,543	99,041
EXPENSES			
Charity show expenses	5	(3,873)	-
Special project expenses	6	(4,727)	(8,176)
Festival allowances		(3,500)	(6,030)
Financial aid		(1,900)	-
Other expenses	8	(41,702)	(36,491)
Surplus for the year, representing total comprehensive income for the year		27,841	48,344
RESTRICTED FUNDS			
		2019 S\$	2018 S\$
<u>Education Bursary Fund</u>			
INCOME			
Donations		10,000	-
		10,000	-
EXPENSES			
Disbursements		(10,000)	-
Surplus for the year, representing total comprehensive income for the year		-	-
		2019 S\$	2018 S\$
<u>Silver Volunteer Fund</u>			
INCOME			
Donations		50,142	-
		50,142	-
EXPENSES			
Operating expenses		(30,149)	-
Surplus for the year, representing total comprehensive income for the year		19,993	-

(The annexed notes form an integral part and should be read in conjunction with these financial statements.)

PROJECT SMILE LIMITED

(Incorporated in the Republic of Singapore)

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

	UNRESTRICTED GENERAL FUND	EDUCATION BURSARY FUND	SILVER VOLUNTEER FUND
	S\$	(Restricted Funds)	
	S\$	S\$	S\$
At 01 January 2018	151,993	-	-
Surplus for the year, representing total comprehensive income for the year	48,344	-	-
At 31 December 2018 and 01 January 2019	200,337	-	-
Surplus for the year, representing total comprehensive income for the year	27,841	-	19,993
At 31 December 2019	228,178	-	19,993

(The annexed notes form an integral part and should be read in conjunction with these financial statements.)

PROJECT SMILE LIMITED

(Incorporated in the Republic of Singapore)

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

	Note	2019 S\$	2018 S\$
Cash flows from operating activities			
Surplus for the year			
- Unrestricted general fund		27,841	48,344
- Silver volunteer fund		19,993	-
Operating surplus before working capital changes		47,834	48,344
Changes in working capital			
Accruals		2,520	200
Net cash flows from operating activities		50,354	48,544
Net increase in cash and cash equivalents		50,354	48,544
Cash and cash equivalents at the beginning of the year		202,037	153,493
Cash and cash equivalents at the end of the year	10	252,391	202,037

(The annexed notes form an integral part and should be read in conjunction with these financial statements.)

PROJECT SMILE LIMITED

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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

1. GENERAL INFORMATION

Project Smile Limited (the "Company") is a charity and a public company limited by guarantee and not having a share capital, is incorporated and domiciled in the Republic of Singapore.

The registered office of the Company is at 39 Robinson Road, #15-01 Robinson Point, Singapore 068911.

The Company is established to help all people, to give relief to anyone in hardship, disaster or need.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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

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

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and amended standards which are relevant to its operations and effective for annual periods beginning on or after 1 January 2019. The adoption of these standards, including the adoption of FRS 116 Leases, does result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current year.

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:

Description	Effective for annual periods beginning on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 Definition of Material	1 January 2020

The directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

PROJECT SMILE LIMITED

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D...

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 as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in statement of financial activities.

2.5 Financial instruments

a) Financial assets

The Company's financial assets are cash and cash equivalents.

Initial recognition and measurement

Financial assets are recognised when, and only when the entity 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 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 statement of financial activities.

Subsequent measurement

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, 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 recognized in statement of financial activities when the assets are derecognised or impaired, and through the amortisation process.

PROJECT SMILE LIMITED

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D...

2.5 Financial instruments cont'd...

b) Financial assets cont'd...

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (and, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in profit or loss.

b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at 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 statement of financial activities when the liabilities are derecognised, and through the amortisation process.

De recognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in statement of financial activities.

2.6 Cash and cash equivalents

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

2.7 Revenue recognition

Donation income is recognised on receipt basis.

Income from charity activities and shows is recognized in the period in which the event takes place.

Sale of merchandise is recognised when the goods are delivered to the customer and all criteria for acceptance have been satisfied.

Interest income is recognized using effective interest method.

PROJECT SMILE LIMITED

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONT'D...

2.8 Related parties

A related party is an entity or person that directly or indirectly through one or more intermediary controls, is controlled by, or is under common or joint control with the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. The transactions are entered on terms agreed by the parties concerned.

2.9 Employee benefits

a) 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 recognized 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.

2.10 Provision

General

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

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

2.11 Funds

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

Unrestricted funds

Unrestricted funds are funds that are expendable at the discretion of the Company for achieving their overall objectives.

Restricted funds

Restricted funds are funds that are set up for specific purposes which may be imposed by the donor or have specific restriction on the management's discretion regarding the utilisation of funds.

PROJECT SMILE LIMITED

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

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 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 judgments made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. DONATIONS

	2019 S\$	2018 S\$
Donations received	52,817	50,741
	<u>52,817</u>	<u>50,741</u>

5. CHARITY SHOW

	2019 S\$	2018 S\$
Income received	11,714	21,025
Less: Expenses incurred	(3,873)	-
	<u>7,841</u>	<u>21,025</u>

6. SPECIAL PROJECT INCOME

	2019 S\$	2018 S\$
Income received	6,800	12,801
Less: Expenses incurred	(4,727)	(8,176)
	<u>2,073</u>	<u>4,625</u>

7. OTHER INCOME

	2019 S\$	2018 S\$
Sale of items	11,960	14,224
Interest on fixed deposit	252	250
	<u>12,212</u>	<u>14,474</u>

PROJECT SMILE LIMITED

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

8. OTHER EXPENSES

	2019	2018
Other expenses include the following:	S\$	S\$
Salaries	12,000	14,013
Purchase of materials	1,856	5,826
Training allowance	13,165	7,917
Trainers allowance	3,721	1,930

No Board members receives remuneration for their Board services.

9. TAXATION

The Company is a registered charity under the Charities Act, Cap.37, and is exempted from income tax under Section 13(1)(zm) of the Income Tax Act (Cap 134).

10. CASH AND CASH EQUIVALENTS

	2019	2018
	S\$	S\$
Cash at bank	181,249	151,140
Cash on hand	500	500
Fixed deposit with bank	50,649	50,397
	<u>252,391</u>	<u>202,037</u>

Fixed deposit is held with the bank maturing on June 2020 and carries interest @ 0.50% (2018: 0.50%) p.a.

11. 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 and liquidity risk.

a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company with no history of default.

The Company has no concentration of credit risk. The Company has no significant exposure to credit risk as the Company has no significant financial assets. Cash is held with financial institutions of good standing and established financial institution with high credit rating and no history of default.

PROJECT SMILE LIMITED

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

11. FINANCIAL RISK MANAGEMENT (CONTD.,)

b) 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 optimizing the return on risk.

(i) 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 is not exposed to any significant interest rate risk out of its very low rate interest bearing fixed deposits and has no floating interest bearing financial instruments.

(ii) Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Company has no significant foreign currency risk as majority of its transactions are denominated in Singapore dollars.

c) 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.

The Company manages its liquidity risk by matching the payment and receipt cycle, as well as ensuring the availability of funding through committed continuing financial and operational support from its donors. The director is satisfied that funds are available to finance the operations of the Company.

12. 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:

	2019	2018
	S\$	S\$
Financial assets at amortised cost		
Cash and cash equivalents (Note 10)	252,391	202,037
Total financial assets at amortised cost	<u>252,391</u>	<u>202,037</u>
Financial liabilities at amortised cost		
Accruals	4,220	1,700
Total financial liabilities at amortised cost	<u>4,220</u>	<u>1,700</u>

PROJECT SMILE LIMITED

(Incorporated in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

13. FAIR VALUES

The carrying amounts of cash and cash equivalents and accruals approximate their fair values due to the short term nature of these balances.

14. FUND MANAGEMENT

The Company's objectives when managing funds are to safeguard the Company's ability to maintain adequate working capital to promote its objective to lead and uphold the public interest.

The Company is a company limited by guarantee with no issued capital. The funds of the Company include restricted funds and unrestricted general fund in its operation fund.

There were no changes in the Company's approach to fund management during the year.

The Company is not subject to externally imposed capital requirements.

15. EVENT AFTER REPORTING PERIOD

Since January 2020, the outbreak of Novel Coronavirus ("COVID-19") has impacted the global business environment. Up to the date of these financial statements, COVID-19 has not resulted in material impact to the Company. The Company will continue to monitor the development of COVID-19 and react actively to its impact on the financial position and operating results of the Company.

16. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2019 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on the date of the Directors' statement.

PROJECT SMILE LIMITED

(Incorporated in the Republic of Singapore)

*This does not form part of the audited financial statements***DETAILED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

	2019	2018
	S\$	S\$
RESTRICTED AND UNRESTRICTED FUNDS		
Items of Income		
Donation Income	52,817	50,741
Sale of beneficiary items	11,960	14,224
Income from charity show	11,714	21,025
Receipts towards education bursary	10,000	-
SVF project fund	30,149	-
Special project allowance	6,800	12,801
Interest Income	252	250
	123,692	99,041
Items of expense		
Audit fees	3,320	2,500
Bank charges	351	690
Salaries	12,000	14,013
Charity show expenses	3,873	-
Education bursary	10,000	-
Festival allowances	3,500	6,030
Financial aid	1,900	-
General expenses	1,970	928
Purchase of materials	1,856	5,826
Refreshments	791	1,501
Secretarial fees	3,964	-
Special project expenses	4,727	8,176
Training allowance	13,165	7,917
SVF project expenses	30,149	-
Trainers Allowances	3,721	1,930
Telephone	359	247
Stationary	-	140
Web page hosting charges	205	799
	95,851	50,697
Surplus for the year	27,841	48,344