

Beautiful Mind Charity
(Registration Number: T12SS0009G)

**Statement by the Management Committee and
Financial Statements
Financial Year Ended 31 December 2020**

KLP LLP
CHARTERED ACCOUNTANTS
Associated worldwide with Abacus Worldwide
13A MacKenzie Road Singapore 228676
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Beautiful Mind Charity
General Information and Table of Contents

Members of Management Committee

Name	Designation
Prof. Yoon Ho Sup	President
Ms. Chia Yong Peng Leslie	Vice President
Ms. Tan Poh Ling	Honorary Treasurer
Mr. Cho Won Joon	Honorary Secretary
Dr. Yoon Seung Uk	Board Member
Dr. Mu Yuguang	Board Member
Mr. Lim Keng Huat	Board Member
Dr. Kim Michael James	Board Member

Registered Address

20 Maxwell Road #09-17 Maxwell House Singapore 069113

Auditor

KLP LLP

Principal Bankers

United Overseas Bank Limited
Oversea-Chinese Banking Corporation Limited (OCBC)


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Beautiful Mind Charity
Statement by the Management Committee


We, on behalf of the Management Committee, state that, in the opinion of the Management Committee,

- (a) the accompanying statement of financial position, statement of financial activities, statement of changes in funds and statement of cash flows together with notes thereto are drawn up so as to give a true and fair view of the financial position of the Society as at 31 December 2020, and the financial performance, changes in funds and cash flows of the Society for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

On behalf of the Management Committee,

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Prof. Yoon Ho Sup
President

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Ms. Tan Poh Ling
Honorary Treasurer

Singapore, 6 May 2021



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Independent Auditor's Report to the Members of Beautiful Mind Charity

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Beautiful Mind Charity (the "Society"), which comprise the statement of financial position as at 31 December 2020, and the statement of financial activities, statement of changes in funds and statement of cash flows 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 Societies Act, Chapter 311 (the Societies 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 present fairly, in all material respects, the state of affairs of the Society as at 31 December 2020 and the results, changes in funds and cash flows of the Society 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 Society 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 Statement of Management Committee set out on page 1.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management Committee 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 Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as management committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.





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Independent Auditor's Report to the Members of Beautiful Mind Charity (continued)

Responsibilities of Management Committee for the Financial Statements (continued)

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

The Management Committee's responsibilities include overseeing the Society'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 Society'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 Society'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 Society to cease to continue as a going concern.



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Independent Auditor's Report to the Members of Beautiful Mind Charity (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 Committee 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.

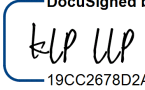
Report on Other Legal and Regulatory Requirements

In our opinion:

- (a) the accounting and other records required to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) There was no fund-raising activity conducted by the Society during the financial year ended 31 December 2020.

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

- (a) The Society has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) The Society has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

DocuSigned by:

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KLP LLP
Public Accountants and
Chartered Accountants

Singapore, 6 May 2021



Beautiful Mind Charity
Statement of Financial Position
As at 31 December 2020

	<u>Note</u>	<u>2020</u> <u>S\$</u>	<u>2019</u> <u>S\$</u>
Assets			
Non-current assets			
Plant and equipment	4	-	-
Current assets			
Other receivables	5	36,461	2,382
Cash at banks	6	217,936	219,368
		<u>254,397</u>	<u>221,750</u>
Total assets		<u>254,397</u>	<u>221,750</u>
Funds and liabilities			
Funds			
Accumulated fund		198,092	172,323
Bicentennial Community Fund	7	33,760	-
Cultural matching fund	8	16,003	42,871
President's Challenge fund	9	-	-
Total funds		<u>247,855</u>	<u>215,194</u>
Current liabilities			
Accrued expenses	10	6,542	6,556
Total liabilities		<u>6,542</u>	<u>6,556</u>
Total funds and liabilities		<u>254,397</u>	<u>221,750</u>

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

Beautiful Mind Charity
Statement of Financial Activities
For the financial year ended 31 December 2020

	<u>Note</u>	<u>2020</u> S\$	<u>2019</u> S\$
Income			
Donations	11	36,238	62,670
Grant income	12	<u>59,279</u>	<u>51,500</u>
		95,517	114,170
Other items of income			
Other income	13	3,000	1,126
Items of expense			
Cost of charitable activities	14	(24,691)	(36,749)
Governance and other administrative costs	14	<u>(41,165)</u>	<u>(46,328)</u>
Total expenses		<u>(65,856)</u>	<u>(83,077)</u>
Surplus for the financial year		<u>32,661</u>	<u>32,219</u>
(Deficit)/Surplus for the financial year attributable to:			
Accumulated fund		25,769	44,070
Bicentennial Community Fund	7	33,760	-
Cultural matching fund	8	(26,868)	(10,202)
President's Challenge fund	9	-	(1,649)
		<u>32,661</u>	<u>32,219</u>

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

Beautiful Mind Charity
Statement of Changes in Funds
For the financial year ended 31 December 2020

	Unrestricted funds		Restricted funds		Total Funds S\$
	Accumulated Fund S\$	Bicentennial Community Fund S\$	Cultural Matching Fund S\$	President's Challenge Fund S\$	
	Balance as at 1 January 2019	128,253	-	53,073	
Surplus/(Deficit) for the financial year	44,070	-	(10,202)	(1,649)	32,219
Balance as at 31 December 2019	172,323	-	42,871	-	215,194
Surplus/(Deficit) for the financial year	25,769	33,760	(26,868)	-	32,661
Balance as at 31 December 2020	198,092	33,760	16,003	-	247,855

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

Beautiful Mind Charity
Statement of Cash Flows
For the financial year ended 31 December 2020

	<u>2020</u>	<u>2019</u>
	<u>S\$</u>	<u>S\$</u>
Cash flows from operating activities		
Surplus for the year	32,661	32,219
<i>Changes in working capital:</i>		
Other receivables	(34,079)	44,149
Accrued expenses	(14)	(3,457)
Net cash flows (used in)/generated from operating activities	<u>(1,432)</u>	<u>72,911</u>
Net (decrease)/increase in cash at banks	(1,432)	72,911
Cash at banks at the beginning of financial year	219,368	146,457
Cash at banks at the end of financial year (Note 6)	<u><u>217,936</u></u>	<u><u>219,368</u></u>

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

Beautiful Mind Charity
Notes to the Financial Statements
For the financial year ended 31 December 2020

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

1. General

Beautiful Mind Charity (the "Society") is a Society registered in Singapore under Societies Act, Cap. 311. It was granted the status of an Institution of a Public Character under the Charities Act, Chapter 27 from 17 August 2019 to 16 February 2021. The Society's status as an IPC was subsequently renewed for period from 17 February 2021 to 16 February 2023.

The principal activities of the Society are those of organizing culture events through arts such as classical and traditional music concerts and art exhibits.

The Society's registered office is located at 20 Maxwell Road #09-17 Maxwell House Singapore 069113.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Society have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (S\$), which is the Society's functional 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 Society has adopted all the new and amended standards which are relevant to the Society and are effective for annual financial periods beginning on or after 1 January 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Society.

2.3 Standards issued but not yet effective

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

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023

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

Beautiful Mind Charity
Notes to the Financial Statements
For the financial year ended 31 December 2020

2. Summary of significant accounting policies (continued)

2.4 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 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.

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

	<u>Useful lives</u>
Computers	1 year

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

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.5 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Society 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.

Subsequent measurement

Financial assets at amortised cost

A financial asset is subsequently measured at amortised cost if the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, the financial asset at amortised cost are measured using the effective interest method and is subject to impairment. Gains or losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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.

Beautiful Mind Charity
Notes to the Financial Statements
For the financial year ended 31 December 2020

2. Summary of significant accounting policies (continued)

2.5 Financial instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society 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.

Derecognition

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 profit or loss.

2.6 Cash at banks

Cash at banks are subject to an insignificant risk of changes in value.

2.7 Funds

The Society maintains unrestricted funds and restricted funds. Funds set up for specific purposes are classified as restricted funds. Restricted funds may only be utilised in accordance with the purpose established by the source of such funds and are in contrast with the unrestricted funds over which the Society members retains full control of use in achieving any of its institutional purposes.

2.8 Income recognition

The financial reporting standard on income from contracts with customers establishes a five-step model to account for income arising from contracts with customers. Income is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Beautiful Mind Charity
Notes to the Financial Statements
For the financial year ended 31 December 2020

2. Summary of significant accounting policies (continued)

2.8 Income recognition (continued)

(i) Donations

Income from donations are recognised at point in time when the Society received donations.

(ii) Government grant

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants receivable are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate.

2.9 Employee benefits

Defined contribution plans

The Society 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.

2.10 Taxes

The Society is a tax-exempted institution under Section 13(1)(zm) of the Income Tax Act, Chapter 134.

2.11 Conflict of interest policy

Management Committee (the "MC") members are expected to avoid actual and perceived conflicts of interest. Where MC members have personal interest in business transactions or contracts that the Society may enter into, or have vested interest in other organisations that the Society have dealings with or is considering to enter into joint ventures with, they are expected to declare such interests to the MC as soon as possible and abstain from discussion and decision-making on the matter. Where such conflicts exist, the MC will evaluate whether any potential conflicts of interest will affect the continuing independence of MC members and whether it is appropriate for the MC member to continue to remain on the MC.

3. Significant accounting judgments and estimates

The preparation of the Society'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.

Management is of the opinion that there are no significant judgements 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.

Beautiful Mind Charity
Notes to the Financial Statements
For the financial year ended 31 December 2020

4. Plant and equipment

	<u>Computers</u>	<u>Total</u>
	<u>S\$</u>	<u>S\$</u>
Cost		
At 1 January 2019, 31 December 2019 and 31 December 2020	<u>4,760</u>	<u>4,760</u>
Accumulated depreciation		
At 1 January 2019, 31 December 2019 and 31 December 2020	<u>4,760</u>	<u>4,760</u>
Carrying amount		
At 31 December 2019	<u>-</u>	<u>-</u>
At 31 December 2020	<u>-</u>	<u>-</u>

5. Other receivables

	<u>2020</u>	<u>2019</u>
	<u>S\$</u>	<u>S\$</u>
Deposit	2,382	2,382
Fund receivable - Bicentennial Community Fund	33,760	-
Other receivable	319	-
	<u>36,461</u>	<u>2,382</u>

Other receivables are denominated in Singapore Dollar.

6. Cash at banks

Cash at banks are denominated in Singapore Dollar.

7. Bicentennial Community Fund

	<u>2020</u>	<u>2019</u>
	<u>S\$</u>	<u>S\$</u>
Balance at beginning of financial year	-	-
Utilised Bicentennial Community Fund (Note 12)	<u>33,760</u>	-
Balance at end of financial year	<u>33,760</u>	<u>-</u>

The Bicentennial Community Fund (BCF) is a grant received from the Ministry of Culture, Community and Youth (MCCY) to match the private cash donations received by the Society, up to a cap of S\$400,000. The fund is unrestricted fund and is utilised by the Society to carry out local charitable causes.

Beautiful Mind Charity
Notes to the Financial Statements
For the financial year ended 31 December 2020

8. Cultural matching fund

The Cultural Matching Fund (CMF) is a grant received from the Ministry of Culture, Community and Youth (MCCY) to match the private cash donations received by the Society. The fund is a restricted fund aiming to encourage a more sustainable arts and heritage scene.

Movements of the fund during the year are as follows:

	<u>2020</u>	<u>2019</u>
	S\$	S\$
Balance at beginning of financial year	42,871	53,073
Surplus attributable to Cultural Matching Fund		
Utilised Cultural Matching Fund (Note 12)	25,519	51,500
Less: Expenses (Note 14)	(52,387)	(61,702)
	<u>(26,868)</u>	<u>(10,202)</u>
Balance at end of financial year	<u>16,003</u>	<u>42,871</u>

9. President's Challenge fund

President's Challenge fund is a fund received from the President's Office. The beneficiaries are annually selected from a list of approved Institution of Public Character by the President's Office. President's' Challenge fund is a restricted fund which supports various sectors from children and family services, healthcare and eldercare, disability services and rehabilitation of ex-offenders.

Movements of the fund for the financial year ended 31 December 2019 are as follows:

	<u>2019</u>
	S\$
Balance at beginning of financial year	1,649
Surplus attributable to President's Challenge Fund	
Less: Expenses (Note 14)	(1,649)
Balance at end of financial year	<u>-</u>

There is no movement of fund for the financial year 2020 as the fund has been fully utilised in financial year 2019.

10. Accrued expenses

Accrued expenses are denominated in Singapore Dollar.

Beautiful Mind Charity
Notes to the Financial Statements
For the financial year ended 31 December 2020

11. Income

Disaggregation of income

<u>Timing of transfer good or service</u>	<u>At a point in time S\$</u>	<u>Total S\$</u>
2020		
Donations	<u>36,238</u>	<u>36,238</u>
2019		
Donations	<u>62,670</u>	<u>62,670</u>

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted tax deduction for the donations made to the Society. The quantum of the tax deduction for each calendar year may vary as announced in the Singapore Budget. The Institutions of a Public Character status granted to the Society is for the period from 17 August 2019 to 16 February 2021 under the Ministry of Culture, Community and Youth.

	<u>2020 S\$</u>	<u>2019 S\$</u>
Tax-exempt donations	<u>35,960</u>	<u>58,942</u>

The Society did not conduct any fund-raising event and did not receive any sponsorship in cash or in kind during the financial year.

12. Grant income

	<u>2020 S\$</u>	<u>2019 S\$</u>
Bicentennial Community Fund (Note 7)	33,760	-
Cultural Matching Fund (Note 8)	25,519	51,500
	<u>59,279</u>	<u>51,500</u>

13. Other income

	<u>2020 S\$</u>	<u>2019 S\$</u>
Special Employment Credit	-	1,126
National Council of Social Service grant	3,000	-
	<u>3,000</u>	<u>1,126</u>

Beautiful Mind Charity
Notes to the Financial Statements
For the financial year ended 31 December 2020

14. Expenses

	Accumulated Fund S\$	Cultural Matching Fund (Note 8) S\$	President's Challenge Fund (Note 9) S\$	Total S\$
2020				
Cost of charitable activities				
Core programs	5,160	19,531	-	24,691
	<u>5,160</u>	<u>19,531</u>	<u>-</u>	<u>24,691</u>
Governance and other administrative costs				
Accounting fees	1,712	-	-	1,712
Audit fees	2,461	2,140	-	4,601
Bank charges	565	94	-	659
Printing and stationery	167	48	-	215
Staffs costs	2,804	29,404	-	32,208
Office admin	350	1,071	-	1,421
Virtual office	250	99	-	349
	<u>8,309</u>	<u>32,856</u>	<u>-</u>	<u>41,165</u>
Total	<u>13,469</u>	<u>52,387</u>	<u>-</u>	<u>65,856</u>
2019				
Cost of charitable activities				
Core programs	7,962	27,046	216	35,224
Purchase of music instrument	-	1,525	-	1,525
	<u>7,962</u>	<u>28,571</u>	<u>216</u>	<u>36,749</u>
Governance and other administrative costs				
Accounting fees	1,712	-	-	1,712
Audit fees	2,461	2,141	-	4,602
Bank charges	537	236	-	773
Printing and stationery	195	48	-	243
Staffs costs	6,859	28,446	1,433	36,738
Office admin	-	1,611	-	1,611
Virtual office	-	149	-	149
Membership fee	-	500	-	500
	<u>11,764</u>	<u>33,131</u>	<u>1,433</u>	<u>46,328</u>
Total	<u>19,726</u>	<u>61,702</u>	<u>1,649</u>	<u>83,077</u>

15. Income tax expense

The Society is an approved charity under the Singapore Charities Act, Chapter 37 ("Charities Act") and an institution of a Public Character under the Income Tax Act, Chapter 134. No provision for taxation has been made in the financial statements as the Society is exempt from income tax in accordance with the provisions of the Income Tax Act, Chapter 134.

Beautiful Mind Charity
Notes to the Financial Statements
For the financial year ended 31 December 2020

16. Significant related party transactions

Apart from the related party information disclosed elsewhere in the financial statements, there have been no transactions with related parties during the financial year.

Compensation of key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the Society. There is no key management personnel compensation paid during the year.

17. Financial risk management

The Society's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk and liquidity risk.

The Management Committee 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 Society's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Society'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 Society's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The carrying amount of cash and cash equivalents, represent the Society's maximum exposure to credit risk in relation to financial assets.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial instruments presented on the statement of financial position. The Society's only class of financial assets is cash at banks. Cash at banks is placed with reputable financial institution with high credit rating and no history of default.

As at 31 December 2020 and 2019, there were no significant concentrations of credit risk.

Liquidity risk

Liquidity risk refers to the risk that the Society will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Society'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 Society's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Society's operations are financed mainly through donations and funding from Ministry of Culture, Community and Youth. The Management Committee is satisfied that funds are available to finance the operations of the Society.

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17. Financial risk management (continued)

Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Society's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	<u>Carrying amount</u> S\$	<u>Contractual cash flows</u> S\$	<u>One year or less</u> S\$
31 December 2020			
Financial assets:			
Other receivables	36,461	36,461	36,461
Cash at banks	<u>217,936</u>	<u>217,936</u>	<u>217,936</u>
Total undiscounted financial assets	<u>254,397</u>	<u>254,397</u>	<u>254,397</u>
Financial liabilities:			
Accrued expenses	<u>6,542</u>	<u>6,542</u>	<u>6,542</u>
Total undiscounted financial liabilities	<u>6,542</u>	<u>6,542</u>	<u>6,542</u>
Net undiscounted financial assets	<u>247,855</u>	<u>247,855</u>	<u>247,855</u>
31 December 2019			
Financial assets:			
Other receivables	2,382	2,382	2,382
Cash at banks	<u>219,368</u>	<u>219,368</u>	<u>219,368</u>
Total undiscounted financial assets	<u>221,750</u>	<u>221,750</u>	<u>221,750</u>
Financial liabilities:			
Accrued expenses	<u>6,556</u>	<u>6,556</u>	<u>6,556</u>
Total undiscounted financial liabilities	<u>6,556</u>	<u>6,556</u>	<u>6,556</u>
Net undiscounted financial assets	<u>215,194</u>	<u>215,194</u>	<u>215,194</u>

18. Reserves policy

	<u>2020</u> S\$	<u>2019</u> S\$
Unrestricted funds	231,852	172,323
Annual operating expenditure	65,856	83,077
Ratio of reserves to annual operating expenditure	<u>3.52</u>	<u>2.07</u>

The reserves that the Society have set aside provide financial stability and the means for the development of its principal activities. The Management Committee intend to maintain the reserves at a level which is at least equivalent to one year of the operating expenses.

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19. Fair values

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash at banks, other receivables and accrued expenses

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

20. 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:

	<u>2020</u>	<u>2019</u>
	<u>S\$</u>	<u>S\$</u>
Financial assets measured at amortised cost		
Other receivables (Note 5)	36,461	2,382
Cash at banks (Note 6)	217,936	219,368
Total financial assets measured at amortised cost	<u>254,397</u>	<u>221,750</u>
Financial liabilities measured at amortised cost		
Accrued expenses (Note 10)	6,542	6,556
Total financial liabilities measured at amortised cost	<u>6,542</u>	<u>6,556</u>

21. Fund management

The Society's objective when managing the Fund is to ensure that the funds are utilised in accordance with the purpose of the funds.

The Society is not subject to externally imposed capital requirement.

22. Authorisation of financial statements

The financial statements for the financial year ended 31 December 2020 were authorised for issue by the Management Committee on the date of the Statement by the Management Committee.