Company Registration No. 201719893W

THE POSTURE LAB PTE. LTD.

ANNUAL REPORT

For the financial year ended 30 June 2020

THE POSTURE LAB PTE. LTD.

CONTENTS

The Director presents this report to the member together with the unaudited financial statements of the Company for the financial year ended 30 June 2020.

1. OPINION OF THE DIRECTOR

In the opinion of the director,

(i) the financial statements set out on pages 3 to 20 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June 2020 and of the results, changes in equity and cash flows of the Company for the financial year ended on that date, and

(ii) 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. As the shareholder of the company has agreed to provide adequate funds for the company to meet its liabilities.

2. DIRECTOR IN OFFICE

The director in office at the date of this report is as follow: -

Dumont Emile Francois

3. ARRANGEMENTS TO ENABLE THE DIRECTOR 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 object was to enable the director of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. DIRECTOR'S INTERESTS IN SHARES OR DEBENTURES

The director holding office at the end of the financial year and his interests in the share capital and debentures in the Company and related corporations as recorded in the register of director's shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap 50 was as follows: -

	No. of ordinary shares	
Name of Director	At 01.07.2019	At 30.06.2020
Interest in the Company		
Dumont Emile Francois	95	100

5. **DIRECTOR'S CONTRACTUAL BENEFITS**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

6. **SHARE OPTIONS**

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares under option at the end of the financial year.

The Sole Director,

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Dumont Emile Francois

Date : 28 December 2020

THE POSTURE LAB PTE. LTD.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2020

	Note	2020 S$	2019 S$
ASSETS			
Non-current Assets			
Plant and equipment	4	50,568	2,056
Intangible asset	5	384	432
		50,952	2,488
Current Assets			
Other receivables	6	20,804	30,787
Other assets		10,500	-
Cash and cash equivalents	7	15,118	9,252
		46,422	40,039
Total assets		**97,374**	**42,527**
EQUITY AND LIABILITIES			
Non-Current Liabilities			
Bank loan	10	50,076	-
Current Liabilities			
Trade and other payables	8	147,699	11,523
Income tax liability	13	605	-
Bank loan	10	17,398	-
		165,702	11,523
Total liabilities		215,778	11,523
Capital and Reserves			
Share capital	9	100	100
Retained earnings		(118,504)	30,904
		(118,404)	31,004
Total equity and liabilities		**97,374**	**42,527**

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

THE POSTURE LAB PTE. LTD.

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

	Note	2020 S$	2019 S$
REVENUE	11	143,799	137,627
Cost of sales		(84,332)	(54,381)
Gross profit		59,467	83,246
Other income	12	3,700	-
OPERATING EXPENSES			
Administrative expenses		(35,372)	-
Other operating expenses		(173,443)	(63,328)
Finance cost		(3,155)	-
(Loss)/Profit before tax		(148,803)	19,918
Income tax expense	13	(605)	-
(Loss)/Profit for the period, representing total comprehensive (loss)/income for the period		**(149,408)**	**19,918**

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

THE POSTURE LAB PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
For the financial year ended 30 June 2020

	Share Capital S$	Retained Earnings S$	Total S$
At 1 July 2018	100	10,986	11,086
Total comprehensive income for the year	-	19,918	19,918
At 30 June 2019	100	30,904	31,004
At 1 July 2019	100	30,904	31,004
Total comprehensive loss for the year	-	(149,408)	(149,408)
At 30 June 2020	100	(118,504)	(118,404)

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

THE POSTURE LAB PTE. LTD.

STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2020

	2020 S$	2019 S$
Cash flows from operating activities		
(Loss)/Profit before tax	(148,803)	19,918
Adjustment for		
Amortisaton	48	48
Depreciation	46,793	1,801
Operating cash flows before changes in working capital	(101,962)	21,767
Changes in working capital:-		
Trade and other receivables	9,983	(24,378)
Other assets	(10,500)	
Trade and other payables	136,176	7,561
Cash generated from operations	33,697	4,950
Income tax paid	-	-
Net cash generated from operating activities	33,697	4,950
Cash flows from investing activities		
Purchase of intangible	-	(480)
Purchase of plant and equipment	(95,305)	(765)
Net cash used in investing activities	(95,305)	(1,245)
Cash flows from financing activities		
Issue of ordinary shares	-	-
Proceed and (repayment) of loan	67,474	-
Net cash from financing activities	67,474	-
Net increase in cash and cash equivalents	5,866	3,705
Cash and cash equivalents at 1 July	9,252	5,547
Cash and cash equivalents at 30 June (Note 7)	15,118	9,252

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

1. GENERAL INFORMATION

The Company (Reg no: 201719893W) is an exempt private limited company incorporated in the Republic of Singapore. The principal activities of the Company are fitness, health training and rehabilitation.

The address of the registered office is located at 232A Serangoon Avenue 2 #06-127, Singapore 551232 and the principal place of business is located at 2 Orchard Link #02-15 SCAPE Building, Singapore 237978.

The financial statements were approved and authorised for issue in accordance with a resolution of the director on the date of the statement by the director.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets.*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

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

ADOPTION OF NEW AND REVISED STANDARDS - The accounting policies adopted are consistent with those of the previous financial year except in the current year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 July 2019. The adoption of these standards did not have any material effect on the financial statements.

STANDARD ISSUED BUT NOT YET EFFECTIVE – The Company has not adopted the following standards that have been issued but not yet effective:

Description	***Effective for annual periods beginning on or after***
Amendments to FRS 109, FRS 39, FRS 107 Interest Rate Benchmark Reform	*1 January 2020*
Amendment to FRS 116 Covid-19-Related Rent Concessions	*1 June 2020*
FRS 117 Insurance Contracts	*1 January 2021*
Amendments to FRS 1 Classification of Liabilities as Current or Non-current	*1 January 2023*
Amendments to FRS 16 Property, Plant and Equipment - Proceeds before Intended Use	*1 January 2022*

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

<u>FRS 116 Leases</u>

FRS 116 requires lessees to recognise most leases on balance sheet to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees - leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 July 2019.

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

At the commencement of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right-of-use of the underlying asset during the lease term (i.e. right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of use asset.

The Company plans to adopt the new standard retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 July2019.

In addition, the Company plans to elect the following practical expedients:

- Not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases.

- To apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 July 2019.

- To apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

On the adoption of FRS 116, the Company expects to recognise a lease liability arising from its remaining lease payments on its office lease contracts and a corresponding equivalent right-of-use asset with no corresponding adjustment in the opening retained earnings as of 1 July 2019. The assessment may be subjected to changes arising from ongoing analysis until the Company adopts FRS116 in 2021.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

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

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- 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.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses ("ECL") on other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For other receivables, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the gross domestic product (GDP) and the forecast economic information that relate to the unemployment rate of the countries in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

The company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The company considers that default has occurred when a financial asset is more than 90 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis except for short-term payables when the recognition of interest could be immaterial.

Derecognition of financial liabilities

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

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

LEASES - The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the rights to control the use of an identified asset for a period of time in exchange for consideration.

As Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and lease of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-Use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlaying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlaying asset.

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

Short-Term Leases and Leases of Low-Value Assets

The Company applies the short-term lease recognition exemption to its short-term leases of office rental (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

PLANT AND EQUIPMENT - Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Renovation	-	50%
Equipment	-	33.33%
Furniture	-	33.33%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

INTANGIBLE ASSETS - Intangible assets represent trademarks that are initially recognised at fair value at the acquisition date and are subsequently stated at cost less accumulated amortisation and accumulated impairment losses. These costs amortised to profit or loss using the straight-line method over 10 years.

On disposal of the trademarks, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

PROVISIONS - Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - The company recognises revenue from rendering of services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a service to a customer.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

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

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand that is subject to an insignificant risk of changes in value.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCESOF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying the entity's accounting policies

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The management is of the opinion that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. PLANT AND EQUIPMENT

	Renovation	Furniture	Equipment	Total
	S$	S$	S$	S$
Cost				
At 1 July 2018	-	577	4,061	4,638
Additions	-	765	-	765
At 30 June 2019	-	1,342	4,061	5,403
Additions	77,811	-	17,494	95,305
At 30 June 2020	77,811	1,342	21,555	100,708
Accumulated depreciation				
At 1 July 2018	-	192	1,354	1,546
Depreciation	-	447	1,354	1,801
At 30 June 2019	-	639	2,708	3,347
Depreciation	38,905	703	7,185	46,793
At 30 June 2020	38,905	1,342	9,893	50,140
Carrying amount				
At 30 June 2019	-	703	1,353	2,056
At 30 June 2020	38,906	-	11,662	50,568

5. INTANGIBLE ASSETS

	Trade Mark	Total
	S$	S$
Cost		
At 1 July 2018	-	-
Additions	480	480
At 30 June 2019 and 2020	480	480
Accumulated amortisation		
At 1 July 2019	48	48
Amortisation	48	48
At 30 June 2020	96	96
Carrying amount		
At 30 June 2019	432	432
At 30 June 2020	384	384

6. OTHER RECEIVABLES

	2020 S$	2019 S$
Other receivables:		
- Deposit and prepayment	20,804	30,787
	20,804	30,787

7. CASH AND CASH EQUIVALENTS

	2020 S$	2019 S$
Cash and cash equivalents	15,118	9,252

Cash and cash equivalents are denominated in Singapore dollars.

8. TRADE AND OTHER PAYABLES

	2020 S$	2019 S$
Trade payables	27,327	550
Other payables:		
- Accruals	3,055	5,920
- Amount due to director	117,317	5,053
	147,699	11,523

9. SHARE CAPITAL

	2020		2019	
	No of shares	S$	No of shares	S$
Issued and fully paid ordinary shares				
At 1 July and 30 June	100	100	100	100

The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restriction.

10. BANK LOAN

	2020 S$	2019 S$
Bank loan secured current		
Aspire financial loan	826	-
DBS SME Micro Loan[1]	11,819	-
OCBC Temporary Bridging Loan[2]	4,753	-
	17,398	-
Bank loan secured non-current		
DBS SME Micro Loan[1]	29,829	-
OCBC Temporary Bridging Loan[2]	20,247	-
	50,076	-

[1] The DBS SME Micro Loan is repayable in 48 monthly instalments over a period of 4 years commencing Sep 2019. The loan bears interest at 7% per annum.

[2] The OCBC temporary bridging loan is repayable in 60 monthly instalments over a period of 5 years commencing June 2020. This loan is guarantee by the board of director of the Company. The loan bears interest at 2.5% per annum on a monthly rest on a 365 day year basis.

11. REVENUE

	2020 S$	2019 S$
Service revenue at invoiced value	143,799	137,627

12. OTHER INCOME

	2020 S$	2019 S$
Government grant	3,700	-

13. INCOME TAX EXPENSE

	2020 S$	2019 S$
Current income tax	-	-

The income tax expense for the year can be reconciled to the profit as per statement by the following:-

	2020 S$	2019 S$
Profit before tax	(148,803)	19,918
Income tax using the statutory tax rate of 17%	(25,297)	3,386
Adjustments:		
Tax effect on non-deductible expenses	7,964	-
Prior year under provision	605	-
Others	17,333	-
Tax exemption for New Start-up Company	-	(3,386)
Income tax expense recognised in profit or loss	605	-

14 Impact of Covid-19

As the 2019 Novel Coronavirus ("Covid-19") continues to evolve, the spread of Covid-19 has created a high level of uncertainty to near-term global economic prospects and caused disruptions to various businesses. The Company is taking precautionary measures to deal with the Covid-19 outbreak in accordance with guidelines provided by the authorities.

The Covid-19 outbreak is expected to have some impact on the Company's operations and trading results, the extent of which will depend on how long the outbreak lasts. Management is proactively managing the Company's businesses, maintaining vigilance and will take the necessary actions to ensure their long-term sustainability.

15 Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2020 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on.28 December 2020.

THE POSTURE LAB PTE. LTD.

PROFIT & LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	2020	2019
	S$	S$
REVENUE		
Sales	143,799	126,840
Other incomes	3,700	10,786
COST of GOOD SOLD	(84,332)	(54,381)
GROSS PROFIT	63,167	83,246
LESS:		
Other operating expenses		
Accounting & professional fees	3,521	3,420
Advertisement & Marketing	21,848	4,730
Amortisation	48	48
Bank charges	1,872	385
Commission	1,710	75
CPF contribution	549	-
Depreciation	46,793	1,801
Director's fee	29,253	-
Director's remuneration	2,340	7,770
Entertainment	1,106	2,618
Late fee	7	-
Hospitality/Staff welfare	450	1,271
Insurance	391	314
Bank loan interest	3,155	-
Internet and website	3,331	2,274
Maintenance and repair	5,204	1,034
Office rental	70,365	25,514
Online subscriptions	4,676	-
Printing and stationery	3,306	1,461
Salary	3,230	-
SDL	17	-
Telephone	964	804
Training	304	1,444
Transportation	6,467	5,670
Traveling	141	905
Utilities	710	1,790
Total other operating expenses	211,970	63,328
(LOSS) /PROFIT BEFORE INCOME TAX	(148,803)	19,918

The above detailed income statements does not form part of the statutory financial statements of the Company.

Company Registration No. 201719893W

THE POSTURE LAB PTE. LTD.

ANNUAL REPORT
For the financial year ended 30 June 2021

THE POSTURE LAB PTE. LTD.

CONTENTS

DIRECTOR'S STATEMENT
For the financial year ended 30 June 2021

The Director presents this report to the member together with the unaudited financial statements of the Company for the financial year ended 30 June 2021.

1. OPINION OF THE DIRECTOR

In the opinion of the director,

(i) the financial statements set out on pages 3 to 20 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June 2021 and of the results, changes in equity and cash flows of the Company for the financial year ended on that date, and

(ii) 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. As the shareholder of the company has agreed to provide adequate funds for the company to meet its liabilities.

2. DIRECTOR IN OFFICE

The director in office at the date of this report is as follow: -

Dumont Emile Francois

3. ARRANGEMENTS TO ENABLE THE DIRECTOR 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 object was to enable the director of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

4. DIRECTOR'S INTERESTS IN SHARES OR DEBENTURES

The director holding office at the end of the financial year and his interests in the share capital and debentures in the Company and related corporations as recorded in the register of director's shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap 50 was as follows: -

	No. of ordinary shares	
	At	At
Name of Director	01.07.2020	30.06.2021
Interest in the Company		
Dumont Emile Francois	100	100

5. **DIRECTOR'S CONTRACTUAL BENEFITS**

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

6. **SHARE OPTIONS**

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares under option at the end of the financial year.

The Sole Director,

Emile

____
Dumont Emile Francois

Date : 20 December 2021

THE POSTURE LAB PTE. LTD.

STATEMENT OF FINANCIAL POSITION
As at 30 June 2021

	Note	2021 S$	2020 S$
ASSETS			
Non-current Assets			
Plant and equipment	4	36,462	50,568
Intangible asset	5	336	384
		36,798	50,952
Current Assets			
Other receivables	6	60	20,804
Other assets		-	10,500
Cash and cash equivalents	7	434	15,118
		494	46,422
Total assets		**37,292**	**97,374**
EQUITY AND LIABILITIES			
Non-Current Liabilities			
Bank loan	10	32,521	50,076
Current Liabilities			
Trade and other payables	8	159,470	147,699
Income tax liability	13	-	605
Bank loan	10	26,348	17,398
		185,818	165,702
Total liabilities		218,339	215,778
Capital and Reserves			
Share capital	9	100	100
Retained earnings/(loss)		(181,147)	(118,504)
		(181,047)	(118,404)
Total equity and liabilities		**37,292**	**97,374**

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

THE POSTURE LAB PTE. LTD.

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 30 June 2021

	Note	2021 S$	2020 S$
REVENUE	11	134,821	143,799
Cost of sales		(88,628)	(84,332)
Gross profit		46,193	59,467
Other income	12	41,039	3,700
OPERATING EXPENSES			
Administrative expenses		(29,185)	(35,372)
Other operating expenses		(117,036)	(173,443)
Finance cost		(3,654)	(3,155)
(Loss)/Profit before tax		(149,875)	(148,803)
Income tax expense	13	-	(605)
(Loss)/Profit for the period, representing total comprehensive (loss)/income for the period		**(62,643)**	**(149,408)**

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

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2021

	Share Capital S$	Retained Earnings S$	Total S$
At 1 July 2019	100	30,904	31,004
Total comprehensive loss for the year	-	(149,408)	(149,408)
At 30 June 2020	100	(118,504)	(118,404)
At 1 July 2020	100	(118,504)	(118,404)
Total comprehensive loss for the year	-	(62,643)	(62,643)
At 30 June 2021	100	(181,147)	(181,047)

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

THE POSTURE LAB PTE. LTD.

STATEMENT OF CASH FLOWS
For the financial year ended 30 June 2021

	2021 S$	2020 S$
Cash flows from operating activities		
(Loss)/Profit before tax	(62,643)	(148,803)
Adjustment for		
Amortisaton	48	48
Depreciation	59,895	46,793
Operating cash flows before changes in working capital	(2,700)	(101,962)
Changes in working capital:-		
Trade and other receivables	20,744	9,983
Other assets	10,500	(10,500)
Trade and other payables	11,771	136,176
Cash generated from operations	40,315	33,697
Income tax paid	(605)	-
Net cash generated from operating activities	39,710	33,697
Cash flows from investing activities		
Purchase of plant and equipment	(45,789)	(95,305)
Net cash used in investing activities	(45,789)	(95,305)
Cash flows from financing activities		
Proceed and (repayment) of loan	(8,605)	67,474
Net cash from financing activities	(8,605)	67,474
Net increase in cash and cash equivalents	(14,684)	5,866
Cash and cash equivalents at 1 July	15,118	9,252
Cash and cash equivalents at 30 June (Note 7)	434	15,118

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

1. GENERAL INFORMATION

The Company (Reg no: 201719893W) is an exempt private limited company incorporated in the Republic of Singapore. The principal activities of the Company are fitness, health training and rehabilitation.

The address of the registered office is located at 232A Serangoon Avenue 2 #06-127, Singapore 551232 and the principal place of business is located at 31A Kreta Ayer Road, Singapore 088998.

The financial statements were approved and authorised for issue in accordance with a resolution of the director on the date of the statement by the director.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Financial Reporting Standards in Singapore ("FRSs").

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the company takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within the scope of FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 *Inventories* or value in use in FRS 36 *Impairment of Assets.*

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;

- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and

- Level 3 inputs are unobservable inputs for the asset or liability.

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

GOING CONCERN - As at the financial year ended 30 June 2021, the Company's total liabilities exceeded its total assets by $181,047 (2020: $118,404). The financial statements have been prepared on the assumption that the Company will continue as a going concern.

ADOPTION OF NEW AND REVISED STANDARDS - The accounting policies adopted are consistent with those of the previous financial year except in the current year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 July 2020. The adoption of these standards did not have any material effect on the financial statements.

STANDARD ISSUED BUT NOT YET EFFECTIVE – The Company has not adopted the following standards that have been issued but not yet effective:

Description	***Effective for annual periods beginning on or after***
Amendment to FRS 116 Leases: Covid-19-Related Rent Concessions	*1 April 2021*
Annual improvements to FRSs 2018-2020	*1 January 2022*
FRS 117 Insurance Contracts	*1 January 2021*
Amendments to FRS 1 Classification of Liabilities as Current or Non-current	*1 January 2023*
Amendments to FRS 16 Property, Plant and Equipment - Proceeds before Intended Use	*1 January 2022*

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

<u>FRS 116 Leases</u>

FRS 116 requires lessees to recognise most leases on balance sheet to reflect the rights to use the leased assets and the associated obligations for lease payments as well as the corresponding interest expense and depreciation charges. The standard includes two recognition exemptions for lessees - leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 July 2019.

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

At the commencement of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right-of-use of the underlying asset during the lease term (i.e. right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of use asset.

The Company plans to adopt the new standard retrospectively with the cumulative effect of initial application as an adjustment to the opening balance of retained earnings as at 1 July2020.

In addition, the Company plans to elect the following practical expedients:

- Not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases.

- To apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 July 2019.

- To apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

On the adoption of FRS 116, the Company expects to recognise a lease liability arising from its remaining lease payments on its office lease contracts and a corresponding equivalent right-of-use asset with no corresponding adjustment in the opening retained earnings as of 1 July 2020. The assessment may be subjected to changes arising from ongoing analysis until the Company adopts FRS116 in 2021.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised on the statement of financial position when the company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets and financial liabilities, as appropriate, on initial recognition.

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

Financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost:

- 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.

Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial instruments other than purchased or originated credit-impaired financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. On the other hand, the gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest is recognised using the effective interest method for debt instruments measured subsequently at amortised cost, except for short-term balances when the effect of discounting is immaterial.

Impairment of financial assets

The company recognises a loss allowance for expected credit losses ("ECL") on other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

For other receivables, the company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

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

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the company considers historical loss rates for each category of customers and adjusts to reflect current and forward-looking macroeconomic factors affecting the ability of the customers to settle the receivables. The company has identified the gross domestic product (GDP) and the forecast economic information that relate to the unemployment rate of the countries in which it sells goods and services to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

The company presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the company has reasonable and supportable information that demonstrates otherwise.

The company assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The company considers that default has occurred when a financial asset is more than 90 days past due unless the company has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Write-off policy

The company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

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

Measurement and recognition of expected credit losses

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the company in accordance with the contract and all the cash flows that the company expects to receive, discounted at the original effective interest rate.

If the company has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the company measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities and equity instruments

<u>Classification as debt or equity</u>

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

<u>Equity instruments</u>

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

<u>Financial liabilities</u>

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis except for short-term payables when the recognition of interest could be immaterial.

<u>Derecognition of financial liabilities</u>

The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

LEASES - The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the rights to control the use of an identified asset for a period of time in exchange for consideration.

As Lessee

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and lease of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-Use Assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlaying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

Lease Liabilities

At the commencement date of the lease, the Company recognise lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlaying asset.

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

Short-Term Leases and Leases of Low-Value Assets

The Company applies the short-term lease recognition exemption to its short-term leases of office rental (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

PLANT AND EQUIPMENT - Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Renovation	-	50%
Equipment	-	33.33%
Furniture	-	33.33%
Software	-	33.33%

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the profit or loss.

IMPAIRMENT OF NON-FINANCIAL ASSETS - At the end of each reporting period, the company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the profit or loss.

2. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the profit or loss.

INTANGIBLE ASSETS - Intangible assets represent trademarks that are initially recognised at fair value at the acquisition date and are subsequently stated at cost less accumulated amortisation and accumulated impairment losses. These costs amortised to profit or loss using the straight-line method over 10 years.

On disposal of the trademarks, the difference between the disposal proceeds and its carrying amount is recognised in profit or loss.

PROVISIONS - Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION - The company recognises revenue from rendering of services. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The company recognises revenue when it transfers control of a service to a customer.

RETIREMENT BENEFIT COSTS - Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT - Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

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

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS - Cash and cash equivalents in the statement of cash flows comprise cash on hand that is subject to an insignificant risk of changes in value.

INCOME TAX - Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCESOF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgments in applying the entity's accounting policies

Management is of the opinion that there are no critical judgements involved that have a significant effect on the amounts recognised in the financial statements.

Key sources of estimation uncertainty

The management is of the opinion that there are no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. PLANT AND EQUIPMENT

	Renovation S$	Furniture S$	Equipment S$	Software S$	Total S$
Cost					
At 30 June 2019	-	1,342	4,061	-	5,403
Additions	77,811	-	17,494	-	95,305
At 30 June 2020	77,811	1,342	21,555	-	100,708
Additions	-	-	3,789	42,000	45,789
At 30 June 2021	77,811	1,342	25,344	42,000	146,497
Accumulated depreciation					
At 30 June 2019	-	639	2,708	-	3,347
Depreciation	38,905	703	7,185	-	46,793
At 30 June 2020	38,905	1,342	9,893	-	50,140
Depreciation	38,906	-	6,989	14,000	59,895
At 30 June 2021	77,811	1,342	16,882	14,000	110,035
Carrying amount					
At 30 June 2020	38,906	-	11,662	-	50,568
At 30 June 2021	-	-	8,462	28,000	36,462

5. INTANGIBLE ASSETS

	Trade Mark S$	Total S$
Cost		
At 1 July 2019	480	480
Additions	-	-
At 30 June 2020 and 2021	480	480
Accumulated amortisation		
At 1 July 2020	96	96
Amortisation	48	48
At 30 June 2021	144	144
Carrying amount		
At 30 June 2020	384	384
At 30 June 2021	336	336

6. OTHER RECEIVABLES

	2021 S$	2020 S$
Other receivables:		
- Deposit and prepayment	60	20,804
	60	20,804

7. CASH AND CASH EQUIVALENTS

	2021 S$	2020 S$
Cash and cash equivalents	434	15,118

Cash and cash equivalents are denominated in Singapore dollars.

8. TRADE AND OTHER PAYABLES

	2021 S$	2020 S$
Trade payables	9,946	27,327
Other payables:		
- Accruals	2,700	3,055
- Amount due to director	146,824	117,317
	159,470	147,699

9. SHARE CAPITAL

	2021		2020	
	No of shares	S$	No of shares	S$
Issued and fully paid ordinary shares				
At 1 July and 30 June	100	100	100	100

The holders of ordinary shares are entitled to receive dividends as and when declared by the company. All ordinary shares carry one vote per share without restriction.

10. BANK LOAN

	2021 S$	2020 S$
Bank loan secured current		
Aspire financial loan	-	826
DBS SME Micro Loan[1]	21,446	11,819
OCBC Temporary Bridging Loan[2]	4,902	4,753
	26,348	17,398
Bank loan secured non-current		
DBS SME Micro Loan[1]	17,148	29,829
OCBC Temporary Bridging Loan[2]	15,373	20,247
	32,521	50,076

[1] The DBS SME Micro Loan is repayable in 48 monthly instalments over a period of 4 years commencing Sep 2019. The loan bears interest at 7% per annum.

[2] The OCBC temporary bridging loan (Enterprise Financing Scheme) is repayable in 60 monthly instalments over a period of 5 years commencing June 2020. This loan is guarantee by the board of director of the Company. The loan bears interest at 2.5% per annum on a monthly rest on a 365 day year basis.

11. REVENUE

	2021 S$	2020 S$
Service revenue at invoiced value	134,821	143,799

12. OTHER INCOME

	2021 S$	2020 S$
Government grant		
Job support scheme	5,991	-
Wage credit scheme	274	-
Productivity Solutions Grant	34,774	-
Other	-	3,700
	41,039	3,700

13. INCOME TAX EXPENSE

	2021 S$	2020 S$
Current income tax	-	605

The income tax expense for the year can be reconciled to the profit as per statement by the following:-

	2021 S$	2020 S$
Profit before tax	(62,643)	(148,803)
Income tax using the statutory tax rate of 17%	(10,649)	(25,297)
Adjustments:		
Income not subject to tax	(6,930)	-
Tax effect on non-deductible expenses	10,550	7,964
Prior year under provision	-	605
Others	7,029	17,333
Tax exemption for New Start-up Company	-	-
Income tax expense recognised in profit or loss	-	605

14 Impact of Covid-19

As the 2019 Novel Coronavirus ("Covid-19") continues to evolve, the spread of Covid-19 has created a high level of uncertainty to near-term global economic prospects and caused disruptions to various businesses. The Company is taking precautionary measures to deal with the Covid-19 outbreak in accordance with guidelines provided by the authorities.

The Covid-19 outbreak is expected to have significantly impact on the Company's operations and trading results, the extent of which will depend on how long the outbreak lasts. Management is proactively managing the Company's businesses, maintaining vigilance and will take the necessary actions to ensure their long-term sustainability.

15 Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2021 were authorised for issue in accordance with a resolution of the Board of Directors of the Company on.20 December 2021.

THE POSTURE LAB PTE. LTD.

PROFIT & LOSS ACCOUNT
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2021

	2021	2020
	S$	S$
REVENUE		
Sales	134,821	143,799
Other incomes	41,039	3,700
COST of GOOD SOLD	(88,628)	(84,332)
GROSS PROFIT	87,232	63,167
LESS:		
Other operating expenses		
Accounting & professional fees	3,300	3,521
Advertisement & Marketing	7,075	21,848
Amortisation	48	48
Bank charges	847	1,872
Commission	-	1,710
CPF contribution	2,346	549
Depreciation	59,895	46,793
Director's fee	5,434	29,253
Director's remuneration	7,605	2,340
Entertainment	1,727	1,106
Late fee	389	7
Hospitality/Staff welfare	390	450
Insurance	460	391
Bank loan interest	3,654	3,155
Internet and website	817	3,494
Medical expenses	430	-
Maintenance and repair	1,911	5,204
Office rental	20,744	70,365
Online subscriptions	3,755	4,676
Printing and stationery	1,123	3,306
Salary	13,800	3,230
SDL	80	17
Telephone	2,891	964
Training	2,501	304
Transportation	8,336	6,469
Traveling	-	141
Utilities	317	757
Total other operating expenses	149,875	211,970
(LOSS) /PROFIT BEFORE INCOME TAX	(62,643)	(148,803)

The above detailed income statements does not form part of the statutory financial statements of the Company.