

**FOOD FROM THE HEART**  
**(Limited by Guarantee)**  
**(UEN: 200721064R)**  
**(Incorporated in the Republic of Singapore)**

**AUDITED FINANCIAL STATEMENTS AND  
OTHER INFORMATION  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

**FOOD FROM THE HEART  
(Limited by Guarantee)  
(UEN: 200721064R)**

**DIRECTORS' STATEMENT**

The directors are pleased to present their statement to the members together with the audited financial statements of Food From The Heart (the "company") for the year ended 31 December 2020.

**1. OPINION OF THE DIRECTORS**

In our opinion:-

- i) the accompanying financial statements together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the company for the 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.

**2. DIRECTORS**

The directors in office at the date of this statement are:-

RONALD PAUL STRIDE  
KNUT UNGER  
CHIN S CHELLIAH BOTTINELLI  
SOO YOOK LIN  
EUGENE YANG YUNG-CHUAN  
KHUSHROO DASTUR  
MAHESH UDHAV BUXANI  
CHUA BUAN PONG (CAI MANBANG)  
KUEK KIEN JOO

**3. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES**

The company is a company limited by guarantee and has no share capital.

**4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES**

The company is a company limited by guarantee.

There were no shares or debentures issued.

**5. OPTIONS GRANTED, EXERCISED AND OUTSTANDING**

There are no share options or unissued shares under option as the company is limited by guarantee.

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**DIRECTORS' STATEMENT**

**6. AUDITOR**


The auditor, Kreston David Yeung PAC, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

  
**RONALD PAUL STRIDE**  
Director

  
**KNUT UNGER**  
Director

  
**CHIN S CHELLIAH BOTTINELLI**  
Director

  
**KHUSHROO DASTUR**  
Director

Singapore, **14 JUN 2021**



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
FOOD FROM THE HEART (UEN: 200721064R)  
(Limited by Guarantee)**

**Report on the Audit of the Financial Statements**

*Opinion*

We have audited the financial statements of Food From The Heart (the “company”), which comprise the statement of financial position as at 31 December 2020, the income and expenditure statement, statement of comprehensive income, 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 Companies Act, Chapter 50 (the Companies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 December 2020 and of the financial performance, changes in funds and cash flows of the company for the year ended on that date.

*Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Other Information*

Management is responsible for the other information. The other information comprises the directors’ statement and the information included in the annual report, but does not include the financial statements and our auditor’s report thereon.

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
FOOD FROM THE HEART (UEN: 200721064R) (Continued)  
(Limited by Guarantee)**

*Responsibilities of Management and Directors for the Financial Statements*

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

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

Those charged with governance comprises the directors. Their responsibilities include overseeing the company's financial reporting process.

*Auditor's Responsibilities for the Audit of the Financial Statements*

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
FOOD FROM THE HEART (UEN: 200721064R) (Continued)  
(Limited by Guarantee)**

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Other Legal and Regulatory Requirements**

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

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

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

**KRESTON DAVID YEUNG PAC**  
**Public Accountants and**  
**Chartered Accountants**

Singapore, 14 June 2021

**KRESTON DAVID YEUNG PAC** (UEN: 200717891W)  
A public accounting corporation incorporated with limited liability and a member of **Kreston International**  
128A Tanjong Pagar Road, Singapore 088535  
Tel: 6223 7979 Fax: 6222 7979

**FOOD FROM THE HEART**  
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**STATEMENT OF FINANCIAL POSITION**  
**As at 31 December 2020**

	Note	2020 S\$	2019 S\$
<b>ASSETS</b>			
<b>Non-current asset</b>			
Property, plant and equipment	3	915,932	750,469
<b>Current assets</b>			
Inventories	4	2,450	36,515
Other receivables	5	266,463	146,696
Deposits		80,940	66,659
Prepayments		42,523	71,218
Cash and bank balances	6	11,670,397	6,345,052
<b>Total current assets</b>		<u>12,062,773</u>	<u>6,666,140</u>
<b>Total assets</b>		<u>12,978,705</u>	<u>7,416,609</u>
<b>FUND AND LIABILITIES</b>			
<b>Funds</b>			
Accumulated fund		9,711,572	5,181,360
Designated fund	7	198,356	352,861
Deferred fund	8	236,710	346,659
<b>Total funds</b>		<u>10,146,638</u>	<u>5,880,880</u>
<b>Non-current liability</b>			
Lease liabilities	9	436,394	298,401
<b>Current liabilities</b>			
Other payables		260,897	147,154
Accruals		246,888	156,311
Lease liabilities	9	153,221	118,903
Deferred grant income		53,847	-
Deferred income	10	1,680,820	814,960
<b>Total current liabilities</b>		<u>2,395,673</u>	<u>1,237,328</u>
<b>Total liabilities</b>		<u>2,832,067</u>	<u>1,535,729</u>
<b>Total fund and liabilities</b>		<u>12,978,705</u>	<u>7,416,609</u>

The notes set out on pages 11 to 33 form an integral part of and should be read in conjunction with this set of financial statements.

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**INCOME AND EXPENDITURE STATEMENT**  
**For the year ended 31 December 2020**

	Note	2020 S\$	2019 S\$
<b>Income</b>	11	8,664,989	3,868,439
<b>Other income</b>	12	<u>1,503,394</u>	<u>740,295</u>
		10,168,383	4,608,734
<b>Costs and expenses</b>			
Direct costs	13	3,059,912	2,012,548
Staff costs	14	1,556,399	1,319,986
Depreciation of property, plant and equipment	3	293,743	262,357
Other operating expenses	15	728,117	480,572
		<u>(5,638,171)</u>	<u>(4,075,463)</u>
<b>Surplus before taxation</b>		4,530,212	533,271
Taxation	16	<u>-</u>	<u>-</u>
<b>Net surplus for the year</b>		<u>4,530,212</u>	<u>533,271</u>

The notes set out on pages 11 to 33 form an integral part of and should be read in conjunction with this set of financial statements.



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**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2020**

	Note	2020 S\$	2019 S\$
Net surplus for the year		4,530,212	533,271
<b>Income for restricted funds</b>			
Designated fund - Care and Share Matching Grant	7	<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>4,530,212</u>	<u>533,271</u>

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**STATEMENT OF CHANGES IN FUNDS**  
**For the year ended 31 December 2020**

	Accumulated Fund S\$	Designated Fund S\$	Deferred Fund S\$	Total S\$
Balance as at 01.01.2019	4,648,089	672,326	368,852	5,689,267
Total comprehensive income for the year	533,271	-	-	533,271
Transfer during the year	-	(319,465)	319,465	-
Amortisation of deferred fund	-	-	(220,237)	(220,237)
Utilisation of deferred fund	-	-	(121,421)	(121,421)
Balance as at 31.12.2019/01.01.2020	5,181,360	352,861	346,659	5,880,880
Total comprehensive income for the year	4,530,212	-	-	4,530,212
Transfer during the year	-	(154,505)	154,505	-
Amortisation of deferred fund	-	-	(175,261)	(175,261)
Utilisation of deferred fund	-	-	(89,193)	(89,193)
Balance as at 31.12.2020	9,711,572	198,356	236,710	10,146,638

The notes set out on pages 11 to 33 form an integral part of and should be read in conjunction with this set of financial statements.

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**STATEMENT OF CASH FLOWS**  
**For the year ended 31 December 2020**

	2020	2019
	S\$	S\$
<b>Cash flows from operating activities</b>		
Surplus before taxation	4,530,212	533,271
Adjustments for:-		
Depreciation of plant and equipment	293,743	262,357
Gain on disposal of property, plant and equipment	-	(166)
Interest income	(42,294)	(35,952)
Interest expense	3,606	2,888
Utilisation of deferred fund	(89,193)	(121,421)
Amortisation of deferred fund	(175,261)	(220,237)
<b>Operating surplus before working capital changes</b>	<b>4,520,813</b>	<b>420,740</b>
Decrease in inventories	34,065	20,165
(Increase)/Decrease in other receivables	(119,767)	144,781
Decrease/(Increase) in deposits and prepayments	14,414	(42,068)
Increase in other payables and accruals	204,320	176,249
Increase/(Decrease) in deferred income	919,707	(373,955)
Decrease in restricted use of fund	154,505	319,465
<b>Cash generated from operations</b>	<b>5,728,057</b>	<b>665,377</b>
Interest received	42,294	35,952
<b>Net cash generated from operating activities</b>	<b>5,770,351</b>	<b>701,329</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment	(140,019)	(115,397)
Proceed from disposal of plant and equipment	-	214
<b>Net cash used in investing activities</b>	<b>(140,019)</b>	<b>(115,183)</b>
<b>Cash flows from financing activities</b>		
Interest paid	(3,606)	(2,888)
Payment of principal portion of lease liability	(146,876)	(116,746)
<b>Net cash used in financing activities</b>	<b>(150,482)</b>	<b>(119,634)</b>
<b>Net increase in cash and cash equivalents</b>	<b>5,479,850</b>	<b>466,512</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>5,992,191</b>	<b>5,525,679</b>
<b>Cash and cash equivalents at end of year (Note 6)</b>	<b>11,472,041</b>	<b>5,992,191</b>

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

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

**1. GENERAL**

Food From The Heart (the “company”) was incorporated in the Republic of Singapore on 13 November 2007 under the Companies Act, as a company limited by guarantee. Under Article 9 of its Memorandum of Association, each member of the company guarantees to contribute a sum not exceeding S\$10 to the assets of the company in the event of the same being wound up.

The company has also been registered as a charity under the Charities Act with effect from 1 August 2008. The company has been granted a special account membership with National Council of Social Service, a gazetted Institution of a Public Character (IPC), to enable the company to obtain tax exempt benefit for its donors. The company has been authorised to issue tax deductible receipts by Ministry of Social and Family Development (MSF). The IPC status of the company has been renewed and valid until 31 January 2024.

The principal activities of the company are involved in providing collection and distribution of food and beverage for homes and institutions of less fortunate, undertaking public education to promote awareness of its causes.

The address of registered office of the company is at 4 Battery Road #25-01, Bank of China Building, Singapore 049908.

The principal place of operation of the company is located at 130 Joo Seng Road, #03-01, Singapore 368357.

The financial statements for the financial year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on 14 June 2021.

The financial statements of the company are presented in Singapore dollar, which is also the company’s functional currency.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**a) Basis of Preparation**

The financial statements of the company have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (“FRSs”).

In the current financial year, the company has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning on or after 1 January 2020. The adoptions of these new/revised FRSs and INT FRSs have no material effect on the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**b) Significant Accounting Estimates and Judgements**

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The critical accounting estimates and assumptions used and areas involving a high degree of judgements are described below.

*Critical assumptions used and accounting estimates in applying accounting policies*

Useful lives of property, plant and equipment

As described in Note 2(c), the company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. The estimated useful lives reflect the management's estimation of the periods that the company intends to derive future economic benefits from the use of the company's property, plant and equipment.

The carrying amount of property, plant and equipment at end of the reporting period are disclosed in Note 3.

Allowance for expected credit losses

The company uses provision matrix to calculate the expected credit losses (ECLs) for financial assets. The amount of ECLs are estimated based on historical credit loss experience with forward-looking information. At the end of each reporting period, historical loss information is updated and changes in the forward-looking estimates are analysed. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

*Critical judgements made in applying accounting policies*

In the process of applying the entity's accounting policies, management had made the following judgement that have the most significant effect on the amounts recognised in the financial statements.

Impairment of property, plant and equipment

The company assesses annually whether property, plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of property, plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.



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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**c) Property, Plant and Equipment**

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line method so as to write off the costs of the property, plant and equipment over the estimated useful lives as follows:-

Computers and software	3 years
Furniture and fittings	5 years
Office equipment and leasehold machine	5 years
Motor vehicles	6 years
Renovation	3 - 6 years
Software development	10 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful lives and depreciation method are reviewed at each financial year-end, to ensure that amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefit embodied in the items of property, plant and equipment.

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

**d) Financial Instruments**

**i) Financial Assets**

*Initial recognition and measurement*

Financial assets are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, transaction costs that are directly attributable to the acquisition of the financial asset.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Financial Instruments**

**i) Financial Assets (Continued)**

*Subsequent measurement*

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the contractual cash flow characteristics of the asset. The company only has debt instruments at amortised cost.

Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains or losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process

*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 is recognised in profit or loss.

**ii) Financial Liabilities**

*Initial recognition and measurement*

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

All financial liabilities are recognised initially at fair value plus directly attributable transaction costs.

*Subsequent measurement*

After initial recognition, financial liabilities 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.

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**d) Financial Instruments (Continued)**

**ii) Financial Liabilities (Continued)**

*Derecognition*

A financial liability is recognised 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.

**e) Impairment of Financial Assets**

The company recognises an allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held of other credit enhancement that are integral to the contractual term.

Financial assets carried at amortised cost

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-months ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For other receivables, the company applies a simplified approach in calculating ECLs. Therefore, the company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at the end of each reporting period. The company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the company may also consider a financial asset to be in default when internal or external information indicates that the company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**f) Inventories**

Cash vouchers are carried at cost which are equivalent to their face values.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**g) Cash and Cash Equivalents**

Cash and cash equivalents are defined as cash in hand and at banks and fixed deposits which form part of the company's cash management that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

**h) 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 an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

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

**i) Deferred Income**

Income received in advance or subject to donor-imposed conditions that specify a future time period in which the expenditure of corresponding resources can take place is recorded as deferred income.

**j) Impairment of Non-Financial Assets**

The company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**k) Revenue Recognition**

Revenue is measured based on the consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Donations are accounted for when monies are received or pledged and collection is certain. Donation income is only deferred when the donor specifies that the donation must only be used in future accounting periods or the donor has imposed conditions which must be met before the company has unconditional entitlement.

Income from fund raising events is recognised in the year in which the event takes place and the monies are received.

Interest income is recognised on an effective interest method.

Government grant is recognised at their fair value where there is reasonable assurance that the grant will be received and attaching condition will be complied with.

**l) Contingencies**

A contingent liability is:-

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or

A present obligation that arises from past events but is not recognised because:

i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent liabilities and assets are not recognised on the statement of financial position of the company.



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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

m) **Taxation**

The company is granted exemption from income tax as a charitable institution under Section 13(1)(zm) of the Singapore Income Tax Act.

n) **Leases**

The company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right 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 leases 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 asset.

*Right-of-use asset*

The company recognises right-of-use asset at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use asset 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 asset 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 asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the asset.

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 asset is also subject to impairment. The accounting policy for impairment is disclosed in Note 2(j).

The company's right-of-use asset is presented within property, plant and equipment (Note 3) and is depreciated over the lease terms of 12 to 60 months.

*Lease liabilities*

At the commencement date of the lease, the company recognises 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.

**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

n) **Leases (Continued)**

*As lessee (Continued)*

*Lease liabilities (Continued)*

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 underlying asset.

The company's lease liabilities are included in lease liabilities (Note 9).

*Short-term leases and leases of low-value assets*

The company applies the short-term lease recognition exemption to its short-term leases (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 assets recognition exemption to leases of low value assets. 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.

o) **Employee Benefits**

*Defined Contribution Plans*

As required by law, the company makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expenses in the same period as the employment that gives rise to the contribution.

*Employee Leave Entitlement*

Employee entitlement to annual leave is recognised when it accrues to employees. An accrual 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.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**p) Key Management Personnel**

Key management personnel of the company are those having authority and responsibility for planning, directing and controlling the activities of the company. The directors of the company, executive director, department director and chief executive officer of the company are considered as key management personnel.

**q) Funds**

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

**r) Deferred Fund**

Grant received for approved supported usage is accounted for in respective fund accounts. Amount utilised for the purchase of plant and equipment is transferred to deferred fund account and amortised over the useful lives of the related assets to match the depreciation of the assets through the amortisation of deferred fund. Amount utilised for other approved supported usage is transferred to deferred fund account and recognised as income through the utilisation of fund.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**3. PROPERTY, PLANT AND EQUIPMENT**

Cost	Leasehold		Computers and Software	Furniture and Fittings	Office equipment and Leasehold		Motor Vehicles	Renovation	Software Development	Total
	Office building	Machine			Software	Development				
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
At 01.01.2019	507,702	229,337	72,545	29,498	282,450	225,951	109,625	1,457,108		
Additions	-	15,311	31,730	3,672	-	61,784	2,900	115,397		
Disposal	-	(1,426)	-	-	-	-	-	(1,426)		
At 31.12.2019/01.01.2020	507,702	243,222	104,275	33,170	282,450	287,735	112,525	1,571,079		
Additions	319,187	10,006	24,456	11,440	-	94,117	-	459,206		
At 31.12.2020	826,889	253,228	128,731	44,610	282,450	381,852	112,525	2,030,285		
Accumulated Depreciation										
At 01.01.2019	-	91,638	59,727	13,296	208,815	153,456	32,699	559,631		
Charge for the year	108,140	48,432	18,144	5,808	24,665	46,039	11,129	262,357		
Disposal	-	(1,378)	-	-	-	-	-	(1,378)		
At 31.12.2019/01.01.2020	108,140	138,692	77,871	19,104	233,480	199,495	43,828	820,610		
Charge for the year	136,129	53,204	19,757	4,756	13,666	54,981	11,250	293,743		
At 31.12.2020	244,269	191,896	97,628	23,860	247,146	254,476	55,078	1,114,353		
Net Book Value										
At 31.12.2020	582,620	61,332	31,103	20,750	35,304	127,376	57,447	915,932		
At 31.12.2019	399,562	104,530	26,404	14,066	48,970	88,240	68,697	750,469		

Right-of-use asset acquired under leasing arrangement is presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 9 to the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**4. INVENTORIES**

The amount represents undistributed cash vouchers as at year end.

**5. OTHER RECEIVABLES**

	2020	2019
	S\$	S\$
Loan to staff	-	1,247
Tote Board grants	150,000	24,981
JSS grant	33,085	-
Other receivables	83,378	120,468
	<u>266,463</u>	<u>146,696</u>

Other receivables consist of mainly pledged donations during the year.

The Jobs Support Scheme (JSS) is government assistance intended to provide wage support up to 17 months to entities who retain their local employees during the period of economic uncertainty. The Company's operation was significantly impacted from April 2020, following the circuit-breaker measures which took effect on 7 April 2020. As a result, the Company will recognise the grant income from April 2020 till August 2021.

The grant receivable – JSS of S\$33,085 represents 4th payout of JSS for wage support from September to December 2020 and receivable in March 2021. JSS grant income of S\$244,144 has been recognised during the financial year.

**6. CASH AND CASH EQUIVALENTS**

	2020	2019
	S\$	S\$
Fixed deposits	3,526,391	2,687,812
Cash in hand and at banks	8,144,006	3,657,240
Cash and bank balances	11,670,397	6,345,052
Less: Cash restricted in use		
Care and share matching grant (Note 7)	<u>(198,356)</u>	<u>(352,861)</u>
Cash and cash equivalents	<u>11,472,041</u>	<u>5,992,191</u>

The above fixed deposits earn interest at range of 0.1% - 0.51% (2019: 1.6% - 1.81%) per annum.



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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**7. DESIGNATED FUND**

	At beginning of the year S\$	Receipts S\$	Transfer S\$	Net Movement S\$	At end of the year S\$
<u>2020</u>					
<b>Capacity Building</b>					
- Physical infrastructure development	(96,612)	-	-	-	(96,612) #
- Investment in technology	184,168	-	(18,315)	(18,315)	165,853
- Purchase of equipment	452,621	-	(22,398)	(22,398)	430,223
- Investment in security systems	(6,630)	-	-	-	(6,630) #
<b>New Programs to meet emerging or unmet needs and Enhancements/ Expansion of existing services</b>					
- Expansion of existing services	33,000	-	(33,000)	(33,000)	-
- Pop-up fresh market	(5,804)	-	-	-	(5,804) #
- Food security and food wastage education and awareness	(1,589)	-	-	-	(1,589) #
- Community Shop	-	-	(14,989)	(14,989)	(14,989)
<b>Critical Existing needs</b>					
- Recurring operating costs	(58,000)	-	-	-	(58,000) #
<b>Capability Building</b>					
- Consultancy	47,888	-	(4,223)	(4,223)	43,665
- Purchase of equipment	(109,206)	-	-	-	(109,206) #
- Organisational development	(86,975)	-	(61,580)	(61,580)	(148,555) #
	<u>352,861</u>	<u>-</u>	<u>(154,505)</u>	<u>(154,505)</u>	<u>198,356</u>
			Note 8		
<u>2019</u>					
<b>Capacity Building</b>					
- Physical infrastructure development	(28,189)	-	(68,423)	(68,423)	(96,612) #
- Investment in technology	207,892	-	(23,724)	(23,724)	184,168
- Purchase of equipment	474,057	-	(21,436)	(21,436)	452,621
- Investment in security systems	(6,630)	-	-	-	(6,630) #
<b>New Programs to meet emerging or unmet needs and Enhancements/ Expansion of existing services</b>					
- Expansion of existing services	132,000	-	(99,000)	(99,000)	33,000
- Pop-up fresh market	-	-	(5,804)	(5,804)	(5,804) #
- Food security and food wastage education and awareness	-	-	(1,589)	(1,589)	(1,589) #
- Community shop	-	-	-	-	-
<b>Critical Existing needs</b>					
- Recurring operating costs	(58,000)	-	-	-	(58,000) #
<b>Capability Building</b>					
- Consultancy	60,402	-	(12,514)	(12,514)	47,888
- Purchase of equipment	(109,206)	-	-	-	(109,206) #
- Organisational development	-	-	(86,975)	(86,975)	(86,975)
	<u>672,326</u>	<u>-</u>	<u>(319,465)</u>	<u>(319,465)</u>	<u>352,861</u>
			Note 8		

# Deficit balance due to supported usage fund from NCSS not yet received.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**7. DESIGNATED FUND (Continued)**

The designated fund is the fund received/receivable under Care and Share Matching Grant. The fund is designated for specific type of usage. NCSS has extended the fund utilisation period to 31 March 2022, and any remaining funds at the end of the extended date will be returned to NCSS.

Physical Infrastructure Development – The fund is designated for expansion of physical space and renovation of premises.

Investment in Technology – The fund is designated for development of volunteers and donors management system and redesign of website.

Purchase of Equipment – The fund is designated for purchase of 14ft box truck with tailgate, electric reach truck for warehouse and purchase of computers and accessories.

Expansion of existing services – The fund is designated for expansion of existing services to additional schools over 3 years.

Recurring Operating costs – The fund is designated for recurring operating cost to support 5 core programs over 3 years.

Consultancy – The fund is designated for training and development courses for staff and Board members over 4 years.

Purchase of equipment (Capability Building) – The fund is designated for purchase of a van for improves mobility of staffs to carry heavy equipment, computers and accessories.

Pop-up fresh market – The fund is designated for a one day farmer’s market styled events.

Food security and food wastage education and awareness – The fund is designated for a school and corporate outreach programme.

Organisational development – The fund is designated for marketing activities came out to increase the awareness level.

Community shop – The fund is designated for renovation, marketing expenses and food donation drive event expenses.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**8. DEFERRED FUND**

	At beginning of the year	Transfer	Utilisation	Amortisation	At end of the year
<u>2020</u>	S\$	S\$	S\$	S\$	S\$
<b>Capacity Building</b>					
- Physical infrastructure development	118,993	-	-	(58,593)	60,400
- Investment in technology	56,996	18,315	-	(22,380)	52,931
- Purchase of equipment	36,936	22,398	(12,963)	(34,332)	12,039
- Investment in security systems	6,630	-	-	-	6,630
<b>New Programs to meet emerging or unmet needs and Enhancements</b>					
<b>/Expansion of existing services</b>					
- Expansion of existing services to additional schools over 3 years	49,500	33,000	-	(57,750)	24,750
- Pop-up fresh market	-	-	-	-	-
- Food security and food wastage education and awareness	-	-	-	-	-
- Community shop	-	14,989	(3,450)	(912)	10,627
<b>Capability Building</b>					
- Consultancy	(578)	4,223	(4,223)	-	(578)
- Purchase of equipment	78,182	-	-	-	78,182
- Organisational development	-	61,580	(68,557)	(1,294)	(8,271)
	<u>346,659</u>	<u>154,505</u>	<u>(89,193)</u>	<u>(175,261)</u>	<u>236,710</u>
		Note 7			
<u>2019</u>					
<b>Capacity Building</b>					
- Physical infrastructure development	114,746	68,423	(400)	(63,776)	118,993
- Investment in technology	60,066	23,724	(2,498)	(24,296)	56,996
- Purchase of equipment	60,306	21,436	(11,641)	(33,165)	36,936
- Investment in security systems	6,630	-	-	-	6,630
<b>New Programs to meet emerging or unmet needs and Enhancements</b>					
<b>/Expansion of existing services</b>					
- Expansion of existing services to additional schools over 3 years	49,500	99,000	-	(99,000)	49,500
- Pop-up fresh market	-	5,804	(5,804)	-	-
- Food security and food wastage education and awareness	-	1,589	(1,589)	-	-
<b>Capability Building</b>					
- Consultancy	(578)	12,514	(12,514)	-	(578)
- Purchase of equipment	78,182	-	-	-	78,182
- Organisational development	-	86,975	(86,975)	-	-
	<u>368,852</u>	<u>319,465</u>	<u>(121,421)</u>	<u>(220,237)</u>	<u>346,659</u>
		Note 7			

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**9. LEASES**

The company as a lessee

The company has leases contracts for its leasehold office building and copier machine. The company's obligations under these leases are secured by the lessors' title to the leased assets. The company is restricted from assigning and subleasing its leased assets.

The company also has certain leases of office premises with lease terms of 12 months or less and with low value. The company applies the short-term lease and lease of low-value assets recognition exemption of these leases.

(a) Carrying amounts of right-of-use asset classified within property, plant and equipment

	Leasehold office building S\$	Leasehold copier machine S\$	Total S\$
At 01.01.2019	507,702	26,348	534,050
Depreciation	(108,140)	(10,540)	(118,680)
At 31.12.2019/01.01.2020	399,562	15,808	415,370
Addition	319,187	-	319,187
Depreciation	(136,129)	(10,539)	(146,668)
At 31.12.2020	582,620	5,269	587,889

(b) Lease liability

The carrying amounts of lease liability and the movements during the year are as below:-

	1 January 2020 S\$	Cash flows S\$	Acquisition S\$	<-Non-cash changes-> Accretion of Interest S\$	Other S\$	31 December 2020 S\$
Lease liability:-						
- Current	118,903	(150,482)	27,973	3,606	153,221	153,221
- Non-current	298,401	-	291,214	-	(153,221)	436,394
	417,304	(150,482)	319,187	3,606	-	589,615

	1 January 2019 S\$	Cash flows S\$	<---Non-cash changes---> Accretion of Interest S\$	Other S\$	31 December 2019 S\$
Lease liability:-					
- Current	116,746	(119,634)	2,888	118,903	118,903
- Non-current	417,304	-	-	(118,903)	298,401
	534,050	(119,634)	2,888	-	417,304

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**9. LEASES (Continued)**

The company as a lessee (Continued)

(c) Amount recognised in profit or loss

	2020	2019
	S\$	S\$
Depreciation of right-of-use assets	146,668	118,680
Interest expense on lease liability (Note 15)	3,606	2,888
Lease expenses not capitalised in lease liability		
- Expenses relating to short-term lease (included in expenses)	27,898	18,391
	<u>178,172</u>	<u>139,959</u>
Total amount recognised in profit or loss	<u>178,172</u>	<u>139,959</u>

(d) Total cash outflows

The company had total cash outflows for leases of S\$178,380 (2019: S\$138,025).

**10. DEFERRED INCOME**

	2020	2019
	S\$	S\$
<u>Movement in deferred income</u>		
Balance at beginning of year	814,960	1,188,915
Additions	1,960,617	624,463
Recognised during the year	(1,094,757)	(998,418)
Balance at end of year	<u>1,680,820</u>	<u>814,960</u>
Within 1 year	951,150	525,114
Within 2-7 years	729,670	289,846
	<u>1,680,820</u>	<u>814,960</u>

Deferred income comprises voluntary donation income received during the year for food aids, programs and events usage in the future.

Revenue recognised in 2020 which was included in the deferred income balance at beginning of the year was S\$525,114.



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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**11. INCOME**

	2020	2019
	S\$	S\$
Birthday from the Heart	14,120	9,994
Community shop (Mountbatten)	115,138	-
Food (goodie bags) purchases donations	3,195,241	1,201,090
Golf tournaments	-	124,905
I CAN award	-	10,926
Other charitable events	12,300	30,000
Other fundraising events	35,500	35,427
Passion ball event	83,002	649,028
Project Belanja	65,408	17,933
Public outright donations	5,133,521	1,771,941
Toy buffet	10,759	17,195
	<u>8,664,989</u>	<u>3,868,439</u>

**12. OTHER INCOME**

Interest income	42,294	35,952
Grant received	303,321	131,466
Government grant	286,445	-
Operation charge contribution	349,039	126,861
Utilisation of deferred fund	89,193	121,421
Amortisation of deferred fund	175,261	220,237
Donation in kind	160,000	24,450
Miscellaneous income	97,841	79,908
	<u>1,503,394</u>	<u>740,295</u>

**13. DIRECT COSTS**

Birthday from the Heart	14,120	9,994
Bread distribution and self collection centre program	7,290	3,042
Clean Plate Campaign	2,444	19,274
Community shop	34,072	413
Food (goodies bags) purchases	2,013,258	1,228,657
Golf tournaments	-	42,559
I CAN award	6,102	19,007
Other charitable events expenses	195,060	97,687
Outright donations	706,282	343,059
Passion ball event	6,063	203,699
Programme Project Belanja	75,221	17,933
Toy buffet	-	27,224
	<u>3,059,912</u>	<u>2,012,548</u>

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**14. STAFF COSTS**

	2020	2019
	S\$	S\$
Staff costs comprise:-		
Key management personnel compensation:-		
- Salaries and bonuses	195,300	173,400
- Employer's contribution to CPF	17,118	14,721
Salaries and other related costs	1,161,647	972,133
Employer's contribution to CPF	<u>182,334</u>	<u>159,732</u>
	<u>1,556,399</u>	<u>1,319,986</u>

No compensation is made to any of the directors of the company as their appointments are honorary.

**15. OTHER OPERATING EXPENSES**

	2020	2019
	S\$	S\$
Other operating expenses include:-		
Lease interest	3,606	2,888
Marketing expenses	57,951	41,035
Media relation expenses	-	17,726
Motor van expenses	29,552	39,964
Operation charge expenses	349,039	126,861
Rental of premises	25,847	17,978
Rebranding/public awareness/media events	<u>15,350</u>	<u>42,435</u>

**16. TAXATION**

The company has been registered as a charity under the Charities Act and is exempted from income tax for the financial year under the provision of the Income Tax Act, Cap. 134.

**17. TAX EXEMPT DONATIONS RECEIVED**

	2020	2019
	S\$	S\$
Tax exempt donation received	<u>7,274,779</u>	<u>3,013,555</u>

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**18. OPERATING LEASE COMMITMENT**

The company had leased office premises under non-cancellable operating lease agreement. Future minimum rentals under non-cancellable lease were as follows:-

	2020	2019
	S\$	S\$
Amount payable:-		
- Within a year	8,365	9,007
- After one year but not more than five years	12,281	6,800
	<u>20,646</u>	<u>15,807</u>

**19. FINANCIAL RISK MANAGEMENT**

**Financial Risk Management Objectives and Policies**

The company does not have written financial risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy but management may use natural hedges or closely monitor the company's risk exposures in connection with its financial assets and financial liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures or losses.

**Interest Rate Risk**

The company has no significant interest-bearing financial assets and financial liabilities except for the fixed deposit placed with financial institution as disclosed in Note 6. As at end of the reporting period, the company is not significantly exposed to interest rate risk. Sensitivity analysis is not performed as the impact is not significant.

**Liquidity Risk**

The company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuation in cash flows.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**19. FINANCIAL RISK MANAGEMENT (Continued)**

**Liquidity Risk (Continued)**

The following table details the remaining contractual maturities at the end of the reporting period of the company's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date that the company required to pay:-

	2020			
	Carrying amount S\$	Total contractual undiscounted cash flow S\$	Within 12 months or on demand S\$	Between 2 to 5 years S\$
Accruals and other payables	507,784	507,784	507,784	-
Lease liabilities	589,615	610,580	161,245	449,335
	<u>1,097,399</u>	<u>1,118,364</u>	<u>669,029</u>	<u>449,335</u>
	2019			
	Carrying amount S\$	Total contractual undiscounted cash flow S\$	Within 12 months or on demand S\$	Between 2 to 5 years S\$
Accruals and other payables	303,465	303,465	303,465	-
Lease liabilities	417,304	433,180	122,086	311,094
	<u>720,769</u>	<u>736,645</u>	<u>425,551</u>	<u>311,094</u>

**Credit Risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The company's exposure to credit risk arises primarily from other receivables. For other financial assets (including cash and cash equivalents), the company minimises credit risk by dealing exclusively with high credit rating counterparties.

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the company's maximum exposure to credit risk without taking into account of the value of any collateral or other security obtained.

**Foreign Currency Risk**

The company is not exposed to foreign currency risk as all its transactions are denominated in Singapore Dollar.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**20. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES**

The following table sets out the financial assets and liabilities as at the end of the reporting period:-

	2020	2019
	S\$	S\$
<u>Financial assets</u>		
Amortised cost:-		
Other receivables	266,463	146,696
Deposits	80,940	66,659
Cash and bank balances	11,670,397	6,345,052
Total financial assets	<u>12,017,800</u>	<u>6,558,407</u>
<u>Financial liabilities</u>		
Amortised cost:-		
Other payables and accruals	507,784	303,465
Lease liabilities	589,615	417,304
Total financial liabilities	<u>1,097,399</u>	<u>720,769</u>

**21. FAIR VALUES**

The carrying amounts of financial assets and financial liabilities are recorded in the financial statements at their approximate fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

**22. RESERVE POLICY**

The company's objective in managing fund is to maintain a level of reserve that enables the company to continue operating within at least twelve months period of time. This reserve is used to fund the working capital, any unexpected expenditures or events, and shortfalls in income. The Board of Directors reviews the company's reserve level on regular basis.

**23. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS**

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2021. The company does not expect that adoption of these accounting standards or interpretations will have a material impact on the company's financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020**

**24. SIGNIFICANT EVENT OCCURRING DURING THE REPORTING PERIOD**

The development of the Covid-19 pandemic since the beginning of the year 2020 has significantly disrupted activities and operations of many organisations. In line with the enforcement of circuit breaker measures from 7 April to 1 June 2020, the company had ceased certain face to-face human interactions fund raising activities. The company is taking precautionary measures to deal with the Covid-19 outbreak in accordance with guidelines provided by the authorities.

As the Covid-19 situation stabilises in Singapore gradually, the management has estimated the financial impact of the outbreak in future may not be drastic to the company. The company's operating reserve is sufficient for the company to continue as a going concern for at least 12 months periods from the date of this report.

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**INCOME AND EXPENDITURE STATEMENT**  
**For the year ended 31 December 2020**

	2020 S\$	2019 S\$
<b>Income</b>		
Birthday from the Heart	14,120	9,994
Community shop	115,138	-
Programme Project Belanja!	65,408	17,933
Food (goodie bags) purchases donations	3,195,241	1,201,090
Golf tournaments	-	124,905
I CAN award	-	10,926
Other fundraising event	35,500	35,427
Other charitable events	12,300	30,000
Passion ball event	83,002	649,028
Public outright donations	5,133,521	1,771,941
Toy buffet	10,759	17,195
<b>Total income</b>	<b>8,664,989</b>	<b>3,868,439</b>
<b>Direct costs</b>		
Birthday from the Heart	14,120	9,994
Bread distribution and self collection centre program	7,290	3,042
Clean Plate Campaign	2,444	19,274
Community shop	34,072	413
Food (goodies bags) purchases	2,013,258	1,228,657
Golf tournaments	-	42,559
I CAN award	6,102	19,007
Other charitable events expenses	195,060	97,687
Outright donations	706,282	343,059
Passion ball event	6,063	203,699
Programme Project Belanja!	75,221	17,933
Toy buffet	-	27,224
<b>Total direct costs</b>	<b>(3,059,912)</b>	<b>(2,012,548)</b>
<b>Total contribution</b>	<b>5,605,077</b>	<b>1,855,891</b>
<b>Other income</b>		
Interest income	42,294	35,952
Government grant	286,445	23,028
Grant received	303,321	131,466
Operation charge contribution	349,039	126,861
Utilisation of deferred fund	89,193	121,421
Amortisation of deferred fund	175,261	220,237
Donation in kind	160,000	24,450
Miscellaneous income	97,841	56,880
	<b>1,503,394</b>	<b>740,295</b>
	<b>7,108,471</b>	<b>2,596,186</b>
<b>Operating expenses</b>	<b>(2,578,259)</b>	<b>(2,062,915)</b>
<b>Surplus before taxation</b>	<b>4,530,212</b>	<b>533,271</b>

This schedule does not form part of the statutory audited financial statements.

**FOOD FROM THE HEART**  
**(Limited by Guarantee)**  
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**INCOME AND EXPENDITURE STATEMENT**  
**For the year ended 31 December 2020**

	2020	2019
	S\$	S\$
<b>Operating expenses</b>		
Audit fee	12,514	8,519
Bank charges	13,891	782
Board meeting	17	1,964
Courier and postage	2,747	2,169
CPF contribution	182,334	159,732
Computer and IT expenses	10,242	9,828
Depreciation of property, plant and equipment	293,743	262,357
General expenses	9,691	5,508
HDB sublet fee	4,936	3,918
Impact studies on programmes	-	15,519
Insurance	19,054	15,554
Key management personnel compensation:		
- Salary and bonus	195,300	173,400
- CPF contribution	17,118	14,721
Lease interest	3,606	2,888
Low value plant and equipment	5,027	2,900
Marketing expenses	57,951	41,035
Medical expenses	3,467	4,269
Media relation expenses	-	17,726
Motor van expenses	29,552	39,964
Office cleaning	4,260	4,160
Operation charge expenses	349,039	126,861
Packing fee	25,314	29,281
Pest control services	6,742	684
Printing and stationery	5,815	7,744
Professional fees	3,937	4,251
Rebranding/public awareness/media events	15,350	42,435
Rental of premises	25,847	17,978
Repair and maintenance	28,234	13,707
Staff recruitment	1,680	1,014
Staff salary and bonus	1,121,972	936,358
Staff welfare and training	9,211	19,390
Subscription fee	1,826	1,831
Telecommunication	13,895	15,293
Temporary staffs	25,317	11,102
Transaction fee on web donations	43,117	11,118
Transportation	9,351	8,874
Utilities	20,920	22,137
Volunteer appreciation	5,242	5,944
	<u>2,578,259</u>	<u>2,062,915</u>

This schedule does not form part of the statutory audited financial statements.