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

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION FOR THE YEAR ENDED 31 DECEMBER 2013

BB/OCH/STV

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

DIRECTORS' REPORT

The directors submit this annual report to the members together with the audited financial statements of the company for the year ended 31 December 2013.

1. NAME OF DIRECTORS

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

RONALD PAUL STRIDE
KNUT UNGER
CHIN S CHELLIAH BOTTINELLI

2. ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

During and at the end of the financial year, the company was not a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the company or any other body corporate.

3. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

The directors of the company at the end of the financial year had no interest in the share capital of the company as the company is limited by guarantee.

4. DIRECTORS' BENEFITS

Since the end of the previous financial year, no director of the company has received or has 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, other than disclosed in the financial statements.

5. OPTIONS GRANTED, EXERCISED AND OUTSTANDING

There are no options granted, exercised and outstanding to take up unissued shares as the company is limited by guarantee.

DIRECTORS' REPORT

6. AUDITORS

The auditors, Kreston David Yeung PAC, have expressed their willingness to accept re-appointment.

By the Board,

RONALD PAUL STRIDE
Director

KNUT UNGER
Director

CHIN S CHELLIAH BOTTINELLI
Director

Singapore, 29 MAY 2014

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STATEMENT BY 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 state of affairs of the company as at 31 December 2013, and the results of the business, 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.

By the Board,

RONALD PAUL STRIDE
Director

KNUT UNGER
Director

CHIN S CHELLIAH BOTTINELLI
Director

Singapore, 29 MAY 2014

KRESTON
DAVID YEUNG PAC

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

Report on the Financial Statements

We have audited the accompanying financial statements of Food From The Heart, which comprise the statement of financial position as at 31 December 2013, the income and expenditure statement, and the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 6 to 25.

Management's Responsibility 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 Singapore Charities Act, Cap. 37, Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards, 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 income and expenditure statement and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Singapore Charities Act, Cap. 37, the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 December 2013 and the results, changes in funds and cash flows of the company for the year ended on that date.

KRESTON
DAVID YEUNG PAC

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

Report on Other Legal and Regulatory Requirements

In our opinion,

a) the accounting and other records required by the above regulations to be kept by the company have been properly kept in accordance with those regulations; and

b) the fund-raising appeals held during the financial year have been carried out in accordance with regulation 6 of the Charities (Fund-raising appeals) Regulations 2007 issued under the Charities Act, Cap. 37 and proper accounts and other records have been kept of the fund-raising appeals.

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

a) the total fund-raising expenses of the company exceeded 30% of the total gross receipts from fund-raising; and

b) the donation monies received have not been used in accordance with the company's objectives.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 29 MAY 2014

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 2013

	Note	2013 S$	2012 S$
ASSETS			
Non-current assets			
Plant and equipment	3	147,602	44,333
Current assets			
Other receivables		18,171	115,932
Deposits and prepayments	4	28,142	24,253
Cash and bank balances	5	2,085,784	1,142,969
Total current assets		2,132,097	1,283,154
Total assets		2,279,699	1,327,487
FUND AND LIABILITIES			
Accumulated fund		1,907,726	991,015
Total fund		1,907,726	991,015
Current liabilities			
Other payables and accruals	6	105,033	15,836
Deferred income	7	266,940	320,636
Total liabilities		371,973	336,472
Total fund and liabilities		2,279,699	1,327,487

The notes set out on pages 11 to 25 form an integral part of and should be read in conjunction with this set of financial statements.

FOOD FROM THE HEART
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INCOME AND EXPENDITURE STATEMENT
For the year ended 31 December 2013

	Note	2013 S$	2012 S$
Revenue	8	2,632,687	1,702,940
Other income	9	43,675	3,801
		2,676,362	1,706,741
Costs and expenses			
Direct costs	10	959,443	714,462
Staff costs	11	518,152	449,779
Depreciation of plant and equipment	3	31,552	22,256
Other operating expenses	12	250,504	214,037
		(1,759,651)	(1,400,534)
Surplus before taxation		916,711	306,207
Taxation	13	-	-
Net surplus for the year		916,711	306,207

The notes set out on pages 11 to 25 form an integral part of and should be read in conjunction with this set of financial statements.

FOOD FROM THE HEART
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STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2013

	2013 S$	2012 S$
Net surplus for the year	916,711	306,207
Other comprehensive income	-	-
Total comprehensive income for the year	916,711	306,207

The notes set out on pages 11 to 25 form an integral part of and should be read in conjunction with this set of financial statements.

FOOD FROM THE HEART
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STATEMENT OF CHANGES IN FUND
For the year ended 31 December 2013

	Accumulated fund S$
Balance as at 01.01.2012	684,808
Total comprehensive income for the year	306,207
Balance as at 31.12.2012/01.01.2013	991,015
Total comprehensive income for the year	916,711
Balance as at 31.12.2013	1,907,726

The notes set out on pages 11 to 25 form an integral part of and should be read in conjunction with this set of financial statements.

FOOD FROM THE HEART
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STATEMENT OF CASH FLOWS
For the year ended 31 December 2013

	2013 S$	2012 S$
Cash flows from operating activities		
Surplus before taxation	916,711	306,207
Adjustments for:-		
Depreciation of plant and equipment	31,551	22,256
Interest income	(1,827)	(1,110)
Operating surplus before working capital changes	946,435	327,353
Decrease/(Increase) in other receivables	97,761	(69,525)
(Increase)/Decrease in deposits and prepayments	(3,889)	28,241
Decrease in deposit received	-	(25,967)
Increase/(Decrease) in other payables and accruals	89,197	(50,392)
(Decrease)/Increase in deferred income	(53,696)	320,636
Cash generated from operations	1,075,808	530,346
Interest received	1,827	1,110
Net cash generated from operating activities	1,077,635	531,456
Cash flows from investing activity		
Purchase of plant and equipment	(134,820)	(8,480)
Net cash used in investing activity	(134,820)	(8,480)
Cash flows from financing activity		
Increase in fixed deposits (restricted)	(101)	(177)
Net cash used in financing activity	(101)	(177)
Net increase in cash and cash equivalents	942,714	522,799
Cash and cash equivalents at beginning of year	1,042,668	519,869
Cash and cash equivalents at end of year (Note 5)	1,985,382	1,042,668

The notes set out on pages 11 to 25 form an integral part of and should be read in conjunction with this set of financial statements.

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, Chapter 50 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, to enable the company to obtain tax exempt benefit for its donors. The company has been authorised to issue tax deductible receipts effective from 1 November 2012 for a period of 2 years by the Ministry of Community Development, Youth and Sports (MCYS). MCYS is restructured to become the Ministry of Social and Family Development (MSF) on 1 November 2012.

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 161B Thomson Road, Goldhill Centre, Singapore 307614.

The financial statements for the financial year ended 31 December 2013 were authorised for issue in accordance with a resolution of the directors on 29 May 2014.

The financial statements of the company are presented in Singapore dollars, 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") including its interpretation.

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 2013. The adoptions of these new/revised FRSs and INT FRSs have no material effect on the financial statements.

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 plant and equipment

As described in Note 2(c), the company reviews the estimated useful lives of 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 intents to derive future economic benefits from the use of the company's plant and equipment.

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

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 plant and equipment

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

c) **Plant and Equipment**

All items of plant and equipment are initially recorded at cost. The cost of an item of 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, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

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

c) **Plant and Equipment** (Continued)

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

Computers and software	3 years
Furniture and fittings	5 years
Office equipment	5 years
Motor vehicles	6 years

The carrying values of 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 plant and equipment.

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

d) **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. The company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends of their classification as follows:-

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) **Financial Assets** (Continued)

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.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e the date that the company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

e) **Impairment of Financial Assets**

The company assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

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

e) **Impairment of Financial Assets** (Continued)

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in income and expenditure statement.

f) **Cash and Cash Equivalents**

Cash and cash equivalents are defined as cash in hand and at banks which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

g) **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.

h) **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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Financial Liabilities (Continued)

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in income and expenditure statement when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in income and expenditure statement.

i) Deferred Income

Amounts received in advance for the donation are reflected in the statement of financial position as deferred income. They are transferred to income on a straight-line basis over the year of the period of the donations.

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 to sell 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. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. 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 except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Impairment of Non-Financial Assets (Continued)

An assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. 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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

k) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The company assesses its revenue arrangements to determine if it is acting as principal or agent in all of its revenue arrangements.

Donations are accounted for on accrual basis when monies are received or pledged and collection is certain.

Incomes from fund raising events are recognised in the year in which the monies are received.

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.

Interest income is recognised on an effective interest method.

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.

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

l) **Contingencies (Continued)**

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, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be realiably determined.

m) **Taxation**

The company is granted exemption from income tax, as a charitable institution under the Singapore Income Tax Act.

n) **Leases – As Leasee**

Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased term, are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight line basis. Contingent rents, if any, are charge as expenses in the period in which they are incurred are recognised as an expense in the profit or loss in the year in which they are incurred.

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.

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 executive directors of the company are considered as key management personnel.

3. PLANT AND EQUIPMENT

	Computers and Software S$	Furniture and Fittings S$	Office Equipment S$	Motor Vehicles S$	Total S$
Cost					
At 01.01.2012	56,971	28,141	20,806	124,152	230,070
Additions	7,640	-	840	-	8,480
Written off	(48,858)	-	(10,735)	-	(59,593)
At 31.12.2012/01.01.2013	15,753	28,141	10,911	124,152	178,957
Additions	17,510	-	4,184	113,127	134,821
At 31.12.2013	33,263	28,141	15,095	237,279	313,778
Accumulated Depreciation					
At 01.01.2012	54,166	24,465	16,504	76,826	171,961
Charge for the year	4,804	1,082	1,816	14,554	22,256
Written off	(48,858)	-	(10,735)	-	(59,593)
At 31.12.2012/01.01.2013	10,112	25,547	7,585	91,380	134,624
Charge for the year	6,183	1,082	1,877	22,410	31,552
At 31.12.2013	16,295	26,629	9,462	113,790	166,176
Net Book Value					
At 31.12.2013	16,968	1,512	5,633	123,489	147,602
At 31.12.2012	5,641	2,594	3,326	32,772	44,333

4. DEPOSITS AND PREPAYMENTS

	2013 S$	2012 S$
Deposits	20,480	18,340
Prepayments	7,662	5,913
	28,142	24,253

5. CASH AND BANK BALANCES

Fixed deposits (restricted)	100,402	100,301
Cash and bank balances	1,985,382	1,042,668
	2,085,784	1,142,969

Fixed deposits earn an interest of 1.00% (2012: 1.00%) per annum.

6. OTHER PAYABLES AND ACCRUALS

	2013 S$	2012 S$
Other payables	100,033	11,836
Accruals	5,000	4,000
	105,033	15,836

7. DEFERRED INCOME

Movement in deferred income		
Balance beginning of year	320,636	-
Additions	496,213	485,256
Utilised during the year	(549,909)	(164,620)
Balance at end of year	266,940	320,636

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

8. REVENUE

	2013 S$	2012 S$
Public outright donations	712,498	323,237
Food (goodie bags) purchases donations	794,565	550,599
Passion ball event	915,260	510,045
Shanghai Yue opera event	21,853	195,855
Fun from the heart	166,644	92,296
Toys from the heart	287	15,600
Christmas party	7,372	12,256
Birthday from the heart	7,657	3,052
Other charitable events	6,551	-
	2,632,687	1,702,940

9. OTHER INCOME

Interest income	1,827	1,110
Grant received	40,000	2,200
Miscellaneous income	1,848	491
	43,675	3,801

10. DIRECT COST

Food (goodies bags) purchases	650,518	421,463
Passion ball event	207,843	158,924
Shanghai Yue opera event	6,383	56,244
Fun from the heart	48,178	24,143
Toys from the heart	13,151	9,436
Christmas party	7,372	32,735
Birthday from the heart	6,107	3,440
Bread distribution and self collection centre program	9,516	7,081
Other charitable events expenses	10,375	996
	959,443	714,462

11. STAFF COSTS

	2013	2012
	S$	S$
Staff costs comprise: -		
Key management personnel compensation:-		
- Excecutive director's salary and bonus (other than director)	91,100	87,600
- Employer's contribution to CPF	12,071	12,071
Salaries and other related costs	360,824	305,420
Employer's contribution to CPF	54,157	44,688
	518,152	449,779

12. OTHER OPERATING EXPENSES

Other operating expenses include:-		
Motor van expenses	29,418	23,503
Rental of premises	36,000	31,200
Rental of warehouse	55,726	55,726
Transportation	3,075	2,941
Volunteer appreciation	22,157	927

13. 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.

14. TAX EXEMPT DONATIONS RECEIVED

	2013	2012
	S$	S$
Tax exempt donation received	2,269,461	1,741,222

15. OPERATING LEASE COMMITMENT

The company leases an office equipment, warehouse and office premises under operating lease. The lease expenses recognised in the financial year amount to S$99,719 (2012: S$99,124). None of the lease includes contingent rent. Future minimum rentals under non-cancellable leases as at the end of the reporting period are as follows:-

	2013 S$	2012 S$
Amount payable:-		
- within a year	79,069	78,324
- after one year but not more than five years	28,954	61,829
	108,023	140,153

16. FINANCIAL RISK MANAGEMENT POLICIES

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 business 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 5. 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 fluctuations in cash flows. The maturity profile of the company's financial liabilities is within the next 12 months after the end of the reporting period.

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.

16. FINANCIAL RISK MANAGEMENT POLICIES (Continued)

Credit Risk (Continued)

The company has no significant concentration of credit risk. The company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. In addition, receivables balances are monitored on an ongoing basis with the result that the company's exposure to bad debts is not significant.

Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are creditworthy debtors. Cash and cash equivalents that are neither past due nor impaired are placed with financial institution with high rating.

Foreign Currency Risk

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

17. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

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

	2013	2012
	S$	S$
Financial assets		
Loans and receivables: -		
Other receivables	18,171	115,932
Deposits	20,480	18,340
Cash and bank balances	2,085,784	1,142,969
Total financial assets	2,124,435	1,277,241
Financial liabilities		
Amortised cost: -		
Other payables and accruals	105,033	15,836
Total financial liabilities	105,033	15,836

18. 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.

19. 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 for working capital, any unexpected expenditures or events, and shortfalls in income. The Board of Directors reviews the company's reserve level on quarterly basis.

20. 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 2014. The company does not expect that adoption of these accounting standards or interpretations will have a material impact on the company's financial statements.

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

INCOME AND EXPENDITURE STATEMENT
For the year ended 31 December 2013

	2013 S$	2012 S$
Income		
Public outright donations	712,498	323,237
Food (goodie bags) purchases donations	794,565	550,599
Passion ball event	915,260	510,045
Shanghai Yue opera event	21,853	195,855
Fun from the heart	166,644	92,296
Toys from the heart	287	15,600
Christmas party	7,372	12,256
Birthday from the heart	7,657	3,052
Other charitable events	6,551	-
Total income	2,632,687	1,702,940
Direct costs		
Food (goodies bags) purchases	650,518	421,463
Passion ball event	207,843	158,924
Shanghai Yue opera event	6,383	56,244
Fun from the heart	48,178	24,143
Toys from the heart	13,151	9,436
Christmas party	7,372	32,735
Birthday from the heart	6,107	3,440
Bread distribution and self collection centre program	9,516	7,081
Other charitable events expenses	10,375	996
Total direct costs	(959,443)	(714,462)
Total contribution	1,673,244	988,478
Other income		
Interest income	1,827	1,110
Grant received	40,000	2,200
Miscellaneous income	1,848	491
	43,675	3,801
	1,716,919	992,279
Operating expenses	(800,208)	(686,072)
Surplus before taxation	916,711	306,207

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

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

INCOME AND EXPENDITURE STATEMENT
For the year ended 31 December 2013

	2013 S$	2012 S$
Operating expenses		
Advertising	657	294
Audit fee	4,000	4,000
Bank charges	126	240
Courier and postage	741	815
CPF contribution	54,157	44,688
Credit card charges	4,233	1,546
Depreciation of plant and equipment	31,552	22,256
Entertainment and gifts	867	1,435
Events expenses	15,498	21,663
General expenses	3,717	953
Insurance	5,199	4,448
Key management personnel compensation:		
- Salary and bonus	91,100	87,600
- CPF contribution	12,071	12,071
Medical expenses	2,163	1,830
Membership and subscriptions	2,796	2,898
Motor van expenses	29,418	23,503
Office cleaning	2,100	2,120
Pest control services	1,780	410
Printing and stationery	11,548	10,805
Professional fees		
- current year	1,000	1,231
- under/(over) provision in prior year	4,667	(3,000)
Refreshment	4,281	3,608
Rental of office equipment	7,993	12,198
Rental of premises	36,000	31,200
Rental of warehouse	55,726	55,726
Repair and maintenance	4,534	6,525
Security charges	616	462
Staff salary and bonus	327,667	271,465
Staff welfare and training	14,124	11,838
Telecommunication	12,428	14,822
Temporary staffs	16,870	20,287
Transportation	3,075	2,941
Utilities	8,750	9,762
Volunteer appreciation	22,157	927
Warehouse expenses	6,597	2,505
	800,208	686,072

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