

**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 2016**

**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 the company for the year ended 31 December 2016.

**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 2016 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  
CHANDRAN VIVIAN PEARL JOHNSTON  
LEE KOONG YINN CHERYL  
LEONG LAI ONN SUSAN

**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.

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**DIRECTORS' STATEMENT**

**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.

**6. AUDITORS**

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

On behalf of the Board of Directors,



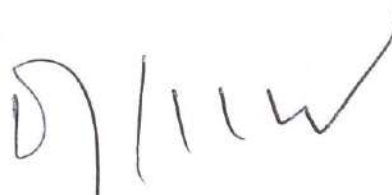
**RONALD PAUL STRIDE**  
Director



**KNUT UNGER**  
Director



**CHIN S CHELLIAH BOTTINELLI**  
Director



**EUGENE YANG YUNG-CHUAN**  
Director

Singapore, 16 MAY 2017



**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 2016, 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 2016 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 as set out on pages 1 to 2 and a separate annual report comprises the Chairman's Foreword, FFTH by the Numbers, Core Programmes, Voices of Volunteers and Beneficiaries, Donors and Sponsors, Key Events, Year in Review, Board of Directors, Staff and Management, Getting Involved.

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 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, **16 MAY 2017**

**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 2016**

	Note	2016 S\$	2015 S\$
<b>ASSETS</b>			
<b>Non-current asset</b>			
Plant and equipment	3	428,742	303,002
<b>Current assets</b>			
Other receivables		754	7,431
Deposits		54,582	63,382
Prepayments		16,583	26,246
Cash and bank balances	4	4,098,477	4,290,392
<b>Total current assets</b>		<u>4,170,396</u>	<u>4,387,451</u>
<b>Total assets</b>		<u>4,599,138</u>	<u>4,690,453</u>
<b>FUND AND LIABILITIES</b>			
<b>Funds</b>			
<b>Unrestricted Funds</b>			
Accumulated fund		3,635,708	3,374,012
Designated fund	5	265,776	786,137
Deferred fund	6	369,886	269,017
<b>Total funds</b>		<u>4,271,370</u>	<u>4,429,166</u>
<b>Current liabilities</b>			
Other payables		104,979	66,638
Accruals		6,000	6,000
Deferred income	7	216,789	188,649
<b>Total liabilities</b>		<u>327,768</u>	<u>261,287</u>
<b>Total fund and liabilities</b>		<u>4,599,138</u>	<u>4,690,453</u>

The notes set out on pages 11 to 28 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 2016**

	Note	2016 S\$	2015 S\$
<b>Income</b>	8	2,053,562	2,468,416
<b>Other income</b>	9	<u>510,532</u>	<u>419,132</u>
		2,564,094	2,887,548
<b>Costs and expenses</b>			
Direct costs	10	1,062,074	1,095,094
Staff costs	11	861,812	583,571
Depreciation of plant and equipment	3	91,398	68,562
Other operating expenses	12	287,114	249,709
		<u>(2,302,398)</u>	<u>(1,996,936)</u>
<b>Surplus before taxation</b>		261,696	890,612
Taxation	13	<u>-</u>	<u>-</u>
<b>Net surplus for the year</b>		<u>261,696</u>	<u>890,612</u>

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**STATEMENT OF COMPREHENSIVE INCOME**  
**For the year ended 31 December 2016**

	2016 S\$	2015 S\$
Net surplus for the year	261,696	890,612
Other comprehensive income	-	-
- Net surplus in restricted funds	-	-
- Net surplus in deferred capital grant	-	-
	-	-
Total comprehensive income for the year	261,696	890,612

The notes set out on pages 11 to 28 form an integral part of and should be read in conjunction with this set of financial statements.

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**STATEMENT OF CHANGES IN FUND**  
**For the year ended 31 December 2016**

	Accumulated Fund S\$	Designated Fund S\$	Deferred Fund S\$	Total S\$
Balance as at 01.01.2015	2,483,400	283,846	-	2,767,246
Total comprehensive income for the year	890,612	-	-	890,612
Fund received during the year	-	1,133,154	-	1,133,154
Transfer during the year	-	(630,863)	630,863	-
Amortisation of deferred fund	-	-	(38,158)	(38,158)
Utilisation of deferred fund	-	-	(323,688)	(323,688)
Balance as at 31.12.2015/01.01.2016	3,374,012	786,137	269,017	4,429,166
Total comprehensive income for the year	261,696	-	-	261,696
Fund received during the year	-	8,000	-	8,000
Transfer during the year	-	(528,361)	528,361	-
Amortisation of deferred fund	-	-	(59,192)	(59,192)
Utilisation of deferred fund	-	-	(368,300)	(368,300)
Balance as at 31.12.2016	3,635,708	265,776	369,886	4,271,370

The notes set out on pages 11 to 28 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 2016**

	2016	2015
	S\$	S\$
<b>Cash flows from operating activities</b>		
Surplus before taxation	261,696	890,612
Adjustments for:-		
Depreciation of plant and equipment	91,398	68,562
Interest income	(19,003)	(13,482)
Utilisation of deferred fund	(368,300)	(323,688)
Amortisation of deferred fund	(59,192)	(38,158)
Designated fund received	8,000	1,133,154
<b>Operating surplus before working capital changes</b>	<b>(85,401)</b>	<b>1,717,000</b>
Decrease/(Increase) in other receivables	6,677	(6,268)
Decrease/(Increase) in deposits and prepayments	18,463	(3,113)
Increase in other payables and accruals	38,341	10,727
Increase/(Decrease) in deferred income	28,140	(117,363)
<b>Cash generated from operations</b>	<b>6,220</b>	<b>1,600,983</b>
Interest received	19,003	13,482
<b>Net cash generated from operating activities</b>	<b>25,223</b>	<b>1,614,465</b>
<b>Cash flows from investing activity</b>		
Purchase of plant and equipment	(217,138)	(94,484)
<b>Net cash used in investing activity</b>	<b>(217,138)</b>	<b>(94,484)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(191,915)</b>	<b>1,519,981</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>4,290,392</b>	<b>2,770,411</b>
<b>Cash and cash equivalents at end of year (Note 4)</b>	<b>4,098,477</b>	<b>4,290,392</b>

The notes set out on pages 11 to 28 form an integral part of and should be read in conjunction with this set of financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

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 October 2018.

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 2016 were authorised for issue in accordance with a resolution of the directors on 16 May 2017.

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 2016. The adoptions of these new/revised FRSs and INT FRSs have no material effect on the financial statements.



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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**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 intends 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.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

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

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

Subsequent to recognition, 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 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
Renovation	6 years
Software development	10 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 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. 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.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

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

**d) Financial Instruments (Continued)**

**i) Financial Assets (Continued)**

*Subsequent measurement*

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.

*De-recognition*

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 market place concerned.

**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*

*Financial liabilities at amortised cost*

After initial recognition, financial liabilities that 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 2016**

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

**d) Financial Instruments (Continued)**

**ii) Financial Liabilities (Continued)**

*De-recognition*

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 profit or loss.

**iii) Offsetting of Financial Instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position if, and only if, there is a legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**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.



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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

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

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

Financial assets carried at amortised cost (Continued)

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.

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 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.

**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) 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.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

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

**i) 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.

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.

**j) 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.

Income from fund raising events is 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.



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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

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

**k) 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.

**l) Taxation**

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

**m) Leases – As Lessee**

Operating lease

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, 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 recognised as an expense in the profit or loss in the year in which they are incurred.

**n) 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.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

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

n) **Employee Benefits (Continued)**

*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.

o) **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 director and the department director of the company are considered as key management personnel.

p) **Funds**

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

q) **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 2016**

**3. PLANT AND EQUIPMENT**

	Computers and Software S\$	Furniture and Fittings S\$	Office Equipment S\$	Motor Vehicles S\$	Renovation S\$	Software development S\$	Total S\$
<b>Cost</b>							
At 01.01.2015	38,203	8,929	14,879	200,453	132,819	25,630	420,913
Additions	4,256	3,777	2,114	-	35,117	49,220	94,484
At 31.12.2015/01.01.2016	42,459	12,706	16,993	200,453	167,936	74,850	515,397
Additions	1,663	1,541	138,264	-	40,895	34,775	217,138
At 31.12.2016	44,122	14,247	155,257	200,453	208,831	109,625	732,535
<b>Accumulated Depreciation</b>							
At 01.01.2015	26,172	1,108	2,685	107,170	6,448	250	143,833
Charge for the year	7,956	2,157	2,298	25,721	27,382	3,048	68,562
At 31.12.2015/01.01.2016	34,128	3,265	4,983	132,891	33,830	3,298	212,395
Charge for the year	6,006	2,688	22,481	18,854	33,887	7,482	91,398
At 31.12.2016	40,134	5,953	27,464	151,745	67,717	10,780	303,793
<b>Net Book Value</b>							
At 31.12.2016	3,988	8,294	127,793	48,708	141,114	98,845	428,742
At 31.12.2015	8,331	9,441	12,010	67,562	134,106	71,552	303,002

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**4. CASH AND BANK BALANCES**

	2016 S\$	2015 S\$
Fixed deposits	1,632,784	1,245,477
Cash and bank balances	<u>2,465,693</u>	<u>3,044,915</u>
	<u>4,098,477</u>	<u>4,290,392</u>

Fixed deposits earn interest at range of 0.1% - 1.91% (2015: 0.1% - 1.85%) per annum.

**5. DESIGNATED FUND**

<u>2016</u>	At beginning of the year S\$	Receipts S\$	Transfer S\$	Net Movement S\$	At end of the year S\$
<b>Capacity Building</b>					
- Physical Infrastructure					
Development	78,287	-	(143,076)	(143,076)	(64,789) #
- Investment in Technology	70	-	(34,775)	(34,775)	(34,705) #
- Purchase of Equipment	196,467	8,000	(31,710)	(23,710)	172,757
<b>New Programs to meet emerging or unmet needs and Enhancements/ Expansion of existing services</b>					
- Expansion of existing services	231,000	-	(165,000)	(165,000)	66,000
<b>Critical Existing needs</b>					
- Recurring Operating costs	135,000	-	(150,000)	(150,000)	(15,000) #
<b>Capability Building</b>					
- Consultancy	145,313	-	(3,800)	(3,800)	141,513
	<u>786,137</u>	<u>8,000</u>	<u>(528,361)</u>	<u>(520,361)</u>	<u>265,776</u>

Note 6

# Negative balance due to supported usage fund from NCSS during the year not yet received.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**5. DESIGNATED FUND (Continued)**

	At beginning of the year	Receipts	Transfer	Net Movement	At end of the year
<u>2015</u>	S\$	S\$	S\$	S\$	S\$
<b>Capacity Building</b>					
- Physical Infrastructure					
Development	169,683	80,317	(171,713)	(91,396)	78,287
- Investment in Technology	29,930	70	(29,930)	(29,860)	70
- Purchase of Equipment	6,277	200,723	(10,533)	190,190	196,467
<b>New Programs to meet emerging or unmet needs and Enhancements</b>					
/Expansion of existing services					
- Expansion of existing services	16,500	478,500	(264,000)	214,500	231,000
<b>Critical Existing needs</b>					
- Recurring Operating costs	56,769	228,231	(150,000)	78,231	135,000
<b>Capability Building</b>					
- Consultancy	4,687	145,313	(4,687)	140,626	145,313
	<u>283,846</u>	<u>1,133,154</u>	<u>(630,863)</u>	<u>502,291</u>	<u>786,137</u>

Note 6

The designated fund is the fund received under Care and Share Matching Grant. The fund is designated for specific type of usage.

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.



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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**6. DEFERRED FUND**

	At beginning of the year	Transfer	Utilisation	Amortisation	At end of the year
<u>2016</u>	S\$	S\$	S\$	S\$	S\$
<b>Capacity Building</b>					
- Physical Infrastructure					
Development	137,402	143,076	-	(47,132)	233,346
- Investment in Technology	26,984	34,775	-	(3,294)	58,465
- Purchase of Equipment	8,381	31,710	-	(8,766)	31,325
<b>New Programs to meet emerging or unmet needs and Enhancements</b>					
/Expansion of existing services					
- Expansion of existing services to additional schools over 3 years	96,250	165,000	(214,500)	-	46,750
<b>Critical Existing needs</b>					
- Recurring Operating costs	-	150,000	(150,000)	-	-
<b>Capability Building</b>					
- Consultancy	-	3,800	(3,800)	-	-
	<u>269,017</u>	<u>528,361</u>	<u>(368,300)</u>	<u>(59,192)</u>	<u>369,886</u>

Note 5

	At beginning of the year	Transfer	Utilisation	Amortisation	At end of the year
<u>2015</u>	S\$	S\$	S\$	S\$	S\$
<b>Capacity Building</b>					
- Physical Infrastructure					
Development	-	171,714	-	(34,312)	137,402
- Investment in Technology	-	29,930	-	(2,946)	26,984
- Purchase of Equipment	-	10,533	(1,252)	(900)	8,381
<b>New Programs to meet emerging or unmet needs and Enhancements</b>					
/Expansion of existing services					
- Expansion of existing services to additional schools over 3 years	-	264,000	(167,750)	-	96,250
<b>Critical Existing needs</b>					
- Recurring Operating costs	-	150,000	(150,000)	-	-
<b>Capability Building</b>					
- Consultancy	-	4,686	(4,686)	-	-
	<u>-</u>	<u>630,863</u>	<u>(323,688)</u>	<u>(38,158)</u>	<u>269,017</u>

Note 5

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**7. DEFERRED INCOME**

	2016	2015
	S\$	S\$
<u>Movement in deferred income</u>		
Balance beginning of year	188,649	306,012
Additions	319,453	277,650
Utilised during the year	<u>(291,313)</u>	<u>(395,013)</u>
Balance at end of year	<u>216,789</u>	<u>188,649</u>

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

**8. INCOME**

	2016	2015
	S\$	S\$
Birthday from the heart	4,751	12,980
Bread programme	41,467	9,228
Christmas party	12,474	12,500
Food (goodie bags) purchases donations	937,340	874,369
I CAN award	16,893	8,711
Other charitable events	58,306	63,826
Passion ball event	534,300	516,932
Public outright donations	427,822	962,870
Toy buffet	6,100	-
Toys from the heart	7,269	7,000
World Food Day	6,840	-
	<u>2,053,562</u>	<u>2,468,416</u>

**9. OTHER INCOME**

Interest income	19,003	13,482
Grant received	50,000	22,760
Utilisation of deferred fund	368,300	323,688
Amortisation of deferred fund	59,192	38,158
Miscellaneous income	<u>14,037</u>	<u>21,044</u>
	<u>510,532</u>	<u>419,132</u>

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**10. DIRECT COST**

	2016	2015
	S\$	S\$
Food (goodies bags) purchases	741,655	764,127
Passion ball event	180,852	199,306
Clean Plate Campaign	7,610	-
Toy buffet	16,270	-
Toys from the heart	-	17,566
Christmas party	7,217	11,199
Birthday from the heart	11,181	10,319
Bread distribution and self collection centre program	19,717	9,548
I CAN award	16,893	8,711
Other charitable events expenses	60,679	74,318
	<u>1,062,074</u>	<u>1,095,094</u>

**11. STAFF COSTS**

Staff costs comprise: -

Key management personnel compensation:-

- Salaries and bonuses

[two staffs (2015: one staff)]

232,079

101,380

- Employer's contribution to CPF

33,592

12,979

Salaries and other related costs

518,725

406,926

Employer's contribution to CPF

77,416

62,286

861,812

583,571

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

**12. OTHER OPERATING EXPENSES**

	2016	2015
	S\$	S\$
Other operating expenses include:-		
Motor van expenses	25,316	25,314
Printing and stationery	23,797	11,259
Rental of premises	98,859	98,059
Volunteer appreciation	23,667	1,631
	<u>257,639</u>	<u>236,263</u>



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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**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**

	2016	2015
	S\$	S\$
Tax exempt donation received	<u>1,700,711</u>	<u>1,911,710</u>

**15. OPERATING LEASE COMMITMENT**

The company leases office equipment and office premises under operating leases. The lease expenses recognised in the financial year amount to S\$108,688 (2015: S\$108,177). 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:-

	2016	2015
	S\$	S\$
Amount payable:-		
- within a year	106,415	100,882
- after one year but not more than five years	<u>316,321</u>	<u>385,455</u>
	<u>422,736</u>	<u>486,337</u>

**16. LOANS**

During the year, no loans were given to any parties.

**17. 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.

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**17. FINANCIAL RISK MANAGEMENT POLICIES (Continued)**

**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 4. 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.

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.

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

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

	2016	2015
	S\$	S\$
<u>Financial assets</u>		
Loans and receivables: -		
Other receivables	754	7,431
Deposits	54,582	63,382
Cash and bank balances	4,098,477	4,290,392
Total financial assets	<u>4,153,813</u>	<u>4,361,205</u>

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**NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2016**

**18. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES (Continued)**

	2016	2015
	S\$	S\$
<u>Financial liabilities</u>		
Amortised cost: -		
Other payables and accruals	110,979	72,638
Total financial liabilities	<u>110,979</u>	<u>72,638</u>

**19. 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.

**20. 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 regular basis.

**21. 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 2017. 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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**INCOME AND EXPENDITURE STATEMENT**  
**For the year ended 31 December 2016**

	2016	2015
	S\$	S\$
<b>Income</b>		
Birthday from the heart	4,751	12,980
Bread programme	41,467	9,228
Christmas party	12,474	12,500
Food (goodie bags) purchases donations	937,340	874,369
I CAN award	16,893	8,711
Other charitable events	58,306	63,826
Passion ball event	534,300	516,932
Public outright donations	427,822	962,870
Toy buffet	6,100	-
Toys from the heart	7,269	7,000
World Food Day	6,840	-
<b>Total income</b>	<b>2,053,562</b>	<b>2,468,416</b>
<b>Direct costs</b>		
Food (goodies bags) purchases	741,655	764,127
Passion ball event	180,852	199,306
Toys from the heart	-	17,566
Clean Plate Campaign	7,610	-
Toy buffet	16,270	-
Christmas party	7,217	11,199
Birthday from the heart	11,181	10,319
Bread distribution and self collection centre program	19,717	9,548
I CAN award	16,893	8,711
Other charitable events expenses	60,679	74,318
<b>Total direct costs</b>	<b>(1,062,074)</b>	<b>(1,095,094)</b>
<b>Total contribution</b>	<b>991,488</b>	<b>1,373,322</b>
<b>Other income</b>		
Interest income	19,003	13,482
Grant received	50,000	22,760
Utilisation of fund	368,300	323,688
Amortisation of deferred fund	59,192	38,158
Miscellaneous income	14,037	21,044
	<b>510,532</b>	<b>419,132</b>
	<b>1,502,020</b>	<b>1,792,454</b>
<b>Operating expenses</b>	<b>(1,240,324)</b>	<b>(901,842)</b>
<b>Surplus before taxation</b>	<b>261,696</b>	<b>890,612</b>

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

**FOOD FROM THE HEART**  
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**INCOME AND EXPENDITURE STATEMENT**  
**For the year ended 31 December 2016**

	2016	2015
	S\$	S\$
<b>Operating expenses</b>		
Advertising	-	2,354
Audit fee	5,000	5,000
Bank charges	200	214
Broad meeting	321	-
Courier and postage	1,995	1,292
CPF contribution	91,868	62,286
Computer and IT expenses	7,304	2,829
Credit card charges	1,671	3,637
Depreciation of plant and equipment	91,398	68,562
Entertainment and gifts	2,199	2,285
Events expenses	17,573	2,274
General expenses	519	2,187
HDB subject fee	4,146	4,146
Insurance	11,452	17,511
Key management personnel compensation:		
- Salary and bonus	120,880	101,380
- CPF contribution	19,140	12,979
Medical expenses	2,087	1,729
Membership and subscriptions	2,507	3,242
Motor van expenses	25,316	25,314
Office cleaning	2,720	2,680
Pest control services	1,240	1,560
Printing and stationery	23,797	11,259
Professional fees	3,745	10,493
Refreshment	4,525	6,007
Rental of office equipment	9,829	10,118
Rental of premises	98,859	98,059
Repair and maintenance	7,694	4,991
Staff recruitment	577	-
Staff salary and bonus	559,638	358,307
Staff welfare and training	32,883	16,610
Subscription fee	2,514	-
Telecommunication	8,736	13,435
Temporary staffs	34,739	30,280
Transportation	2,940	4,674
Travelling	3,217	-
Utilities	9,830	8,703
Volunteer appreciation	23,667	1,631
Warehouse expenses	3,598	3,814
	<u>1,240,324</u>	<u>901,842</u>

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