

FINANCIAL STATEMENTS

31 December 2020

THE FOOD BANK SINGAPORE LTD.

Unique Entity Number: 201200654E

TABLE OF CONTENTS

| | |
|-----------------------------------|----|
| Directors' Statement | 1 |
| Independent Auditor's Report | 3 |
| Statement of Financial Activities | 6 |
| Statement of Financial Position | 8 |
| Statement of Cash Flows | 9 |
| Notes to the Financial Statements | 10 |

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

The directors of The Food Bank Singapore Ltd. (the "Company") present their report to the members together with the audited financial statements of the company for the year ended 31 December 2020.

Opinion of the directors

In the opinion of the directors, financial statements of the Company and notes comprising a summary of significant accounting policies and other explanatory notes are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2020, and the financial performance and cash flows of the Company for the financial year then ended and 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.

The Board of Directors approved and authorised these financial statements for issue.

Directors

The directors of the company in office at the date of this report are as follows:

Nichol Ng Wee Teng (Huang Weiting)
Ng Hon Han, Nicholas
Goh Chong Meng
Jean Tan Si Se (Chen Sixi)
Wong H'sien Loong (Wang Qunlong)
Legrand Olivier Xavier
Koh Chaik Ming
Megel Christophe
Carter Phillip Anthony (appointed on 20 February 2020)

Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

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

Share options

The company is a company limited by guarantee. As such, there is no share options or unissued shares under option.

DIRECTORS' STATEMENT

For the financial year ended 31 December 2020

Independent auditor

The independent auditor, P G Wee Partnership LLP, have expressed their willingness to accept re-appointment.

On Behalf of the Board of Directors,



Nichol Ng Wee Teng (Huang Weiting)
Director



Ng Hon Han, Nicholas
Director

5 March 2021



INDEPENDENT AUDITOR'S REPORT

To the Members of The Food Bank Singapore Ltd.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Food Bank Singapore Ltd. (the "Company") which comprise the statement of financial position as at 31 December 2020, and the statement of financial activities 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 Charity Accounting Standards in Singapore (CASs) so as to give a true and fair view of the financial position of the Company as at 31 December 2020 and of the financial performance 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 other information. The other information comprises the Directors' Statement.

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.

14



INDEPENDENT AUDITOR'S REPORT

To the Members of The Food Bank Singapore Ltd.

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 Charity Accounting 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 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 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.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedure 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 disclosure made by management.

16



INDEPENDENT AUDITOR'S REPORT

To the Members of The Food Bank Singapore Ltd.

- 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 the directors 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 by the Act to be kept by the company have been properly kept in accordance with the provisions of the Companies Act, 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 moneys 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.

P G Wee Partnership LLP
Public Accountants and
Chartered Accountants
Singapore

5 March 2021

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2020

| | Note | 2020 SGD | 2019 SGD |
|--|------|-------------------|------------------|
| Income | | | |
| Revenue, Gains and Other Support | | | |
| Donation in Kind | 4 | 8,411,776 | 429,848 |
| Donation (Non-Tax Exempt) | | 2,463,079 | 246,981 |
| Donation (Tax Exempt) | | 5,835,701 | 747,539 |
| | | <u>16,710,556</u> | <u>1,424,368</u> |
| Other Income | | | |
| Sales from Vending Machine/Miscellaneous | | 11,873 | 465 |
| Rental Income | | 24,000 | 24,000 |
| Grants | 5 | <u>722,305</u> | <u>13,833</u> |
| Total Income | | <u>17,468,734</u> | <u>1,462,666</u> |
| Less: | | | |
| Expenditures | | | |
| Donation in Kind | | 8,411,776 | 429,848 |
| Purchased Food Distributed | | <u>3,979,043</u> | <u>447,213</u> |
| | | <u>12,390,819</u> | <u>877,061</u> |
| General and Administrative Expenses | | | |
| Advertising fees | | 551 | - |
| Bank charges | | 3,750 | 3,093 |
| Depreciation expense | 9 | 59,220 | 47,508 |
| Donation | | - | 13,600 |
| Entertainment | | - | 99 |
| Employee benefit expense | 7 | 493,803 | 247,197 |
| Event expense | | 11,950 | 17,850 |
| Food analysis | | - | 4,237 |
| General expense | | 5,916 | 3,022 |
| Insurance expenses | | 5,931 | 4,315 |
| IT Expenses | | 2,077 | - |
| Finance lease interest | | 5,828 | 5,828 |
| Medical expenses | | 1,036 | 1,048 |
| Printing and stationery | | 4,334 | 1,120 |
| Packaging expense | | 21,709 | 17,388 |
| Photography fees | | 1,200 | - |

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2020

| | Note | 2020 SGD | 2019 SGD |
|-----------------------------------|------|-------------------|------------------|
| Repairs and maintenance | | 4,248 | 1,150 |
| Rental for food pantry | | - | 22,470 |
| Rental of food vending machine | | 12,107 | 4,626 |
| Rental of vehicle | | 16,692 | 16,692 |
| Rental for warehouse/office | | 128,528 | 67,390 |
| Research project | | 130,100 | 111,200 |
| Professional fees | | 2,294 | 3,453 |
| Staff training & uniform | | 6,420 | - |
| Staff welfare | | 29,535 | 17,312 |
| Telecommunications | | 8,545 | 3,223 |
| Transport | | 89,641 | 8,508 |
| Utilities | | - | 2,090 |
| Upkeep of motor vehicles | | 25,814 | 38,461 |
| Waste disposal expenses | | 2,551 | - |
| | | <u>1,073,780</u> | <u>662,880</u> |
| Governance Expenses | | | |
| Auditor's remuneration | 18 | 2,682 | 1,284 |
| Secretarial fees | | 1,000 | 1,000 |
| Subscription fees | | 2,553 | 2,687 |
| | | <u>6,235</u> | <u>4,971</u> |
| Total Expenditure | | <u>13,470,834</u> | <u>1,544,912</u> |
| Surplus (Deficit) for the Year | | <u>3,997,900</u> | <u>(82,246)</u> |
| Reconciliation of Fund | | | |
| Total Fund Brought Forward | | <u>319,013</u> | <u>401,259</u> |
| Total Fund Carried Forward | | <u>4,316,913</u> | <u>319,013</u> |

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

| | Note | 2020 SGD | 2019 SGD |
|--------------------------------------|------|------------------|----------------|
| Assets | | | |
| Non-Current Assets | | | |
| Plant and Equipment | 9 | 412,032 | 89,737 |
| Total Non-Current Assets | | <u>412,032</u> | <u>89,737</u> |
| Current Assets | | | |
| Other Assets | 11 | 29,108 | 82,060 |
| Other Receivable | 10 | 2,300 | - |
| Cash and Cash Equivalents | 12 | 4,105,029 | 326,707 |
| Total Current Assets | | <u>4,136,437</u> | <u>408,767</u> |
| Total Assets | | <u>4,548,469</u> | <u>498,504</u> |
| Fund and Liabilities | | | |
| Unrestricted Fund | | <u>4,316,913</u> | <u>319,013</u> |
| Total Fund | | <u>4,316,913</u> | <u>319,013</u> |
| Non-Current Liabilities | | | |
| Finance Lease Payables | 13 | 46,737 | 74,585 |
| Total Non-Current Liabilities | | <u>46,737</u> | <u>74,585</u> |
| Current Liabilities | | | |
| Trade and Other Payables | 14 | 156,971 | 77,058 |
| Finance Lease Payables | 13 | 27,848 | 27,848 |
| Total Current Liabilities | | <u>184,819</u> | <u>104,906</u> |
| Total Liabilities | | <u>231,556</u> | <u>179,491</u> |
| Total Equity and Liabilities | | <u>4,548,469</u> | <u>498,504</u> |

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

| | Note | 2020 SGD | 2019 SGD |
|---|------|------------------|-----------------|
| Cash Flows From Operating Activities | | | |
| (Deficit) Surplus for the year | | 3,997,900 | (82,246) |
| Adjustments for: | | | |
| Interest Expense | | 5,828 | 5,828 |
| Depreciation of Plant and Equipment | | 59,220 | 47,508 |
| Operating Cash Flows Before Changes in Working Capital | | <u>4,062,948</u> | <u>(28,910)</u> |
| Changes in Working Capital | | | |
| Other Receivables | | (2,300) | 4,000 |
| Other Assets | | 52,952 | (65,018) |
| Trade and Other Payables | | 79,913 | 10,586 |
| Cash Flows From (Used In) Operations | | <u>4,193,513</u> | <u>(79,342)</u> |
| Interest Paid | | (5,828) | (5,828) |
| Net Cash Flows From (Used In) Operating Activities | | <u>4,187,685</u> | <u>(85,170)</u> |
| Cash Flows From Investing Activities | | | |
| Purchase of Plant and Equipment | | (381,515) | (9,304) |
| Net Cash Flows From (Used In) Investing Activities | | <u>(381,515)</u> | <u>(9,304)</u> |
| Cash Flows From Financing Activities | | | |
| Payment of Finance Lease Payables | | (27,848) | (27,848) |
| Net Cash Flows From (Used In) Financing Activities | | <u>(27,848)</u> | <u>(27,848)</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | | 3,778,322 | (122,322) |
| Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance | | <u>326,707</u> | <u>449,029</u> |
| Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance | 12 | <u>4,105,029</u> | <u>326,707</u> |

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

1 General Information

The Food Bank Singapore Ltd. is incorporated in Singapore. The company's registered office is located at 218 Pandan Loop #01-01 Singapore 128408. This company is registered as a Charity on 10 August 2012 and has been accorded the status of an Institute of Public Character ("IPC") for the period from 31 July 2018 to 31 January 2021. Subsequent to the financial year, IPC status was extended from 01 February 2021 to 31 July 2023.

The principal activities of the company are providing charitable and other supporting activities by collecting the surplus foods in the market and providing them to organisations and people in need for food. The company is limited by guarantee and not having a share capital. Members of the company are either Full Members or Associate Members. Every member shall undertake to contribute a sum not exceeding SGD 100 to the assets of the company in the event of the company being wound up.

The Board of Directors approved and authorised these financial statements for issue.

2 Significant Accounting Policies

Basis of Preparation

The financial statements of the Charity have been prepared in accordance with the Act and Charities Accounting Standards ("CAS").

The financial statements expressed in Singapore Dollar ("SGD") are prepared in accordance with the historical cost convention except as disclosed, where appropriate, in the accounting policies below.

The preparation of financial statements in conformity with CAS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the end of the reporting year 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 ultimately differ from those estimates.

The accounting policies adopted are consistent with those of the previous financial year.

Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Singapore Dollar ("SGD"), which is the company's functional and presentation currency.

All financial information presented are denominated in Singapore Dollar unless otherwise stated.

Revenue Recognition

Revenue comprises the fair value of the consideration received or receivables for sales of goods. Revenue are recognised as follows:

(a) Sale of Goods

Revenue from sale of goods is recognised when products have been delivered to the customers, the customers have accepted the products and collectability of related receivables is reasonably assured.

(b) Donation Income

Donations are recognised on receipt basis.

(c) Grants

Grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. A grant that becomes receivable as compensation for expenses or losses incurred is recognised as income in the profit or loss of the period in which it becomes receivable.

(d) Donations in Kind

A donation in kind is included in the statement of comprehensive income based on an estimate of the fair value at the date of the receipt of the donation of the non-monetary asset or the grant of a right to the monetary asset. The donation is recognised if the amount of the donation can be measured reliably and there is no uncertainty that it will be received.

Employee Benefit Expenses

(a) Employee Leave Entitlement

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

(b) Retirement Benefit Costs

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. Contributions made to government managed retirement benefit plan such as Central Provident Fund (" CPF ") which specifies the employer's obligations are dealt with as defined contribution retirement benefit plans.

Income Taxes

As a charity, the company is exempt from tax on income and gains falling within section 13(1)(zm) of the Income Tax Act to the extent that these are applied to its charitable objects.

Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and impairment losses.

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

| | | |
|------------------------|---|---------|
| Motor vehicles | - | 5 years |
| Furniture and fittings | - | 5 years |
| Office equipment | - | 5 years |
| Vending Machine | - | 5 years |

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at the end of each reporting year.

Fully depreciated assets are retained in the accounts until they are no longer in use.

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

Cash And Cash Equivalents

This includes deposits with financial institutions.

Financial Assets

Trade and other receivable excluding prepayments shall be initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs shall be recognised as expenditure in the Statement of Financial Activities as incurred. Prepayments shall be initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, trade and other receivables excluding prepayments shall be measured at cost less any accumulated impairment losses. Prepayments shall be measured at the amount paid less the economic resources received or consumed during the financial period.

Impairment of Financial Assets

The company assesses at end of each reporting year whether there is any objective evidence that financial asset is impaired. If there is objective evidence of impairment, impairment loss (i.e. expenditure) is recognised immediately in the Statement of Financial Activities.

Objective evidence that a financial asset or group of financial assets is impaired includes observable data that come to the attention of the company about the following loss events:

- a. Significant financial difficulty of the issuer or obligor.
- b. A breach of contract, such as a default or delinquency in interest or principal payments.
- c. The creditor, for economic or legal reasons relating to the debtor's financial difficulty, granting to the debtor a concession that the creditor would not otherwise consider.
- d. It has become probable that the debtor will enter bankruptcy or other financial reorganisation.
- e. Observable data indicating that there has been a measurable decrease in the estimated future cash flows from a group of financial assets since the initial recognition of those assets, even though the decrease cannot yet be identified with the individual financial assets in the group, such as adverse national or local economic conditions or adverse changes in industry conditions.

Measurement

For all other financial assets, the impairment loss is the difference between the carrying amount of the financial asset and the undiscounted future cash flows (excluding unearned interest in the case of an interest-bearing financial asset) that the company expects to receive from the financial asset.

Reversal of an impairment loss

If, in a subsequent period, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, previously recognised impairment loss are reversed. The reversal will not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of the reversal are recognised in the Statement of Financial Activities.

Financial Liabilities

Financial liabilities are recognised when, and only when, the company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of the consideration received, plus, in the case of a financial liability not at fair value through profit or loss, directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is extinguished.

Finance Leases

Leases of assets in which the company assumes substantially the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased item and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in finance lease payables. The interest element of the finance cost is recognised in profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Operating Leases

(a) When a company is the lessee

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are recognised in profit or loss on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(b) When a company is the lessor

Rental income (net of any incentives given to lessee) is recognised on a straight-line basis over the lease term.

Provisions

A provision is recognised when there is a present obligation (legal and constructive) as a result of 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 year and adjusted to reflect the current best estimate.

Critical Judgements, Assumptions and Estimation Uncertainties

The preparation of the company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful Lives of Plant and Equipment

Plant and equipment are depreciated on a straight-line basis to write off the cost of the assets over their estimated useful lives. Management estimates the useful lives of these plant and equipment to be within 5 years. The carrying amount of the company's plant and equipment at 31 December 2020 are disclosed in Note 9 of the financial statements. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

3 Related Party Relationships and Transactions

A related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity). (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

3.1 Related parties:

There are transactions and arrangements between the reporting entity and members of the group and the effects of these on the basis determined between the parties are reflected in these financial statements. The current intercompany balances are unsecured, without fixed repayment terms and interest unless stated otherwise.

Significant related party transactions

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

| | 2020 | 2019 |
|---|---------|---------|
| | SGD | SGD |
| <i>Company in which directors have interest</i> | | |
| Purchases | 309,255 | 380,812 |
| Rental of warehouse/office | 128,528 | 67,390 |
| Rental income | 24,000 | 24,000 |

3.2 Key management compensation:

| | 2020 | 2019 |
|---|--------|--------|
| | SGD | SGD |
| Salaries and other short-term employee benefits | 27,950 | 27,950 |

The above amounts are included under employee benefits expense. Included in the above amounts are following items:

| | 2020 | 2019 |
|--|--------|--------|
| | SGD | SGD |
| Director's remuneration and bonus | 26,000 | 26,000 |
| Contributions to defined contribution plan ("CPF") | 1,950 | 1,950 |

Key management personnel are directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The above amounts for key management compensation are for all the directors and other key management personnel.

None of the paid staff are close members of the family of the Executive Head or Board members. None of the paid staff or board members in the charity receives more than 100,000 in annual remuneration.

4 Donation in Kind

This represents food items donated and the donated food included in the statement of comprehensive income is based on an estimate of fair value at the date of the receipt of the food items.

5 Grants

| | 2020 | 2019 |
|--|----------------|---------------|
| | SGD | SGD |
| The Community Foundation of Singapore | 70,000 | - |
| Community Chest Fund | 100,000 | - |
| NCSS – The Invictus Fund | 50,000 | - |
| Bicentennial Community Fund | 400,000 | - |
| Job Support Scheme | 85,371 | - |
| Special Employment/Wages Credit Scheme | 16,934 | 13,833 |
| | <u>722,305</u> | <u>13,833</u> |

Jobs Support Scheme (JSS) provides wage support to local employees as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19.

Grants from The Community Foundation of Singapore consists of the below listed fund:

| | 2020 SGD |
|--|-------------|
| The Community Foundation of S'pore (The PWC S'pore Foundation) – Joy in Every Bundle | 45,000 |
| The Community Foundation of S'pore (CFS): Sayang Sayang Fund – Food Pantry 2.0 | 5,000 |
| The Community Foundation of S'pore (CFS): Sayang Sayang Fund – I Need A Date | 20,000 |

6 Fundraising activities

| | 2020 SGD | 2019 SGD |
|--|--------------|-------------|
| <i>Fundraising income</i> | | |
| Collection of Food Donations | <u>6,123</u> | - |
| <i>Less Fundraising Expenditures</i> | | |
| Collection of Food Donations | <u>942</u> | - |
| Surplus from fundraising activities | <u>5,181</u> | - |
| Ratio of Fundraising Expenditure to Income | <u>15%</u> | - |

7 Employee Benefit Expense

| | 2020 SGD | 2019 SGD |
|--|----------------|----------------|
| Director's remuneration and bonus | 26,000 | 26,000 |
| Staff salaries and bonus | 359,545 | 187,715 |
| CPF contribution (inclusive of Director's CPF) | 58,021 | 32,361 |
| Helpers allowance | 1,017 | 1,121 |
| Labour cost – Outsourced | <u>49,220</u> | - |
| | <u>493,803</u> | <u>247,197</u> |

8 Income Tax Benefit (Expense)

The company qualifies as a charitable institution under Section 13(1) (zm) of the Income Tax Act.

9 Plant and Equipment

| | Vending Machine SGD | Motor vehicles SGD | Furniture and SGD | Office equipment SGD | Total SGD |
|---------------------------------|---------------------------|-----------------------|-------------------------|----------------------------|--------------|
| Cost | | | | | |
| At 1.1.2019 | - | 208,247 | 21,458 | 2,032 | 231,737 |
| Additions | - | - | - | 9,304 | 9,304 |
| At 31.12.2019 and 1.1.2020 | - | 208,247 | 21,458 | 11,336 | 241,041 |
| Additions | 366,411 | - | - | 15,104 | 381,515 |
| At 31.12.2020 | 366,411 | 208,247 | 21,458 | 26,440 | 622,556 |
| Accumulated Depreciation | | | | | |
| At 1.1.2019 | - | 93,647 | 10,014 | 135 | 103,796 |
| Depreciation for year | - | 41,649 | 4,292 | 1,567 | 47,508 |
| At 31.12.2019 and 1.1.2020 | - | 135,296 | 14,306 | 1,702 | 151,304 |
| Depreciation for year | 10,009 | 41,650 | 4,292 | 3,269 | 59,220 |
| At 31.12.2020 | 10,009 | 176,946 | 18,598 | 4,971 | 210,524 |
| Net Carrying Amount | | | | | |
| At 31.12.2020 | 356,402 | 31,301 | 2,860 | 21,469 | 412,032 |
| At 31.12.2019 | - | 72,951 | 7,152 | 9,634 | 89,737 |

Motor vehicles are under finance leases (note 13).

10 Trade and Other Receivables

| | 2020 SGD | 2019 SGD |
|--|--------------|-------------|
| Amount due from related parties – Trade (Note 3) | 2,000 | - |
| Other receivables | 300 | - |
| | <u>2,300</u> | <u>-</u> |

11 Other Assets

| | 2020 SGD | 2019 SGD |
|-----------------|---------------|---------------|
| Deposits | 19,780 | 7,675 |
| Prepayments | 9,328 | 10,185 |
| Advance payment | - | 64,200 |
| | <u>29,108</u> | <u>82,060</u> |

12 Cash and Cash Equivalents

This represents deposits with financial institutions.

13 Finance Lease Payables

| | Minimum Lease Payments | Present Value of Payments | Minimum Lease Payments | Present Value of Payments |
|---|------------------------------|---------------------------------|------------------------------|------------------------------|
| | 2020 | 2020 | 2019 | 2019 |
| | SGD | SGD | SGD | SGD |
| Not later than one year | 33,676 | 27,848 | 33,676 | 27,848 |
| Later than one year but not later than five years | 56,522 | 46,737 | 90,198 | 74,585 |
| Total minimum lease payments | 90,198 | 74,585 | 123,873 | 102,433 |
| Finance charges | (15,613) | - | (21,441) | - |
| Total present value of minimum lease payments | 74,585 | 74,585 | 102,433 | 102,433 |

The rates of interest for finance leases are 2.99% (2019: 2.99%) per annum. Interest rates are fixed at contract date.

14 Trade and Other Payables

| | 2020 | 2019 |
|----------------------------|---------|--------|
| | SGD | SGD |
| Trade payables | | |
| - Related parties (Note 3) | 56,642 | 33,150 |
| - Others | 4,842 | 2,320 |
| Deposit received | 7,750 | 12,100 |
| Accrual | 42,453 | 29,488 |
| Other Payables | 45,284 | - |
| | 156,971 | 77,058 |

Trade payables are non-interest bearing and are normally settled on 30 days' terms.

Other payables represents balance amount owing for the purchase of plant and equipment.

15 Operating Lease Commitment

At the end of the reporting year, the company has outstanding commitments under non-cancellable operating leases in respect of rental of premise and motor vehicles which fall due as follows:

| | 2020 | 2019 |
|---|---------|--------|
| | SGD | SGD |
| <i>Rental payable</i> | | |
| Not later than one year | 183,720 | 22,952 |
| Later than one year but not later than five years | 34,800 | 12,519 |
| | 218,520 | 35,471 |

16 Fund Management

The primary objective of the company is to ensure it maintains sufficient cash in order to support its activities. Its approach to management of funds is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

17 Reserves Policy

| | 2020 | 2019 |
|---|-------------|-------------|
| | SGD | SGD |
| Unrestricted fund | 4,316,913 | 319,013 |
| Total Annual Operating Expenditure (excluding donation in kind) | 5,059,058 | 1,115,064 |
| Ratio of Reserves to Annual Operating Expenditure | <u>0.85</u> | <u>0.29</u> |

The company will maintain its reserve policy at a level which is at least equivalent to a minimum of half a year of the current operating expenses. The management regularly reviews the amount of reserves that are required to ensure that they are adequate to fulfil the company's continuing obligations and provide financial stability to the company's beneficiaries, donors and supporters.

18 Auditor's Remuneration

Auditor's remuneration for the year amounted to SGD 2,682 (2019: SGD 1,284). There were no other services rendered during the year.

19 Impact of Coronavirus Disease 2019 (the "Covid-19")

The Coronavirus Disease 2019 (the "Covid-19") pandemic subsequent to the reporting period is expected to affect the business and economic activities of the Company. Although it is not possible to reliably estimate the length or severity of this outbreak and hence its financial impacts, the effect of Covid-19 has and may continue to affect the Company's businesses. This may in turn result in a decrease in the Company's profitability and other material adverse effect. The related impact will be reflected in the Company's financial statements for the financial year ending 31 December 2021. Notwithstanding this, management has assessed that the Company will be able to maintain sufficient liquidity for at least the next twelve months from the date of authorisation of these financial statements.